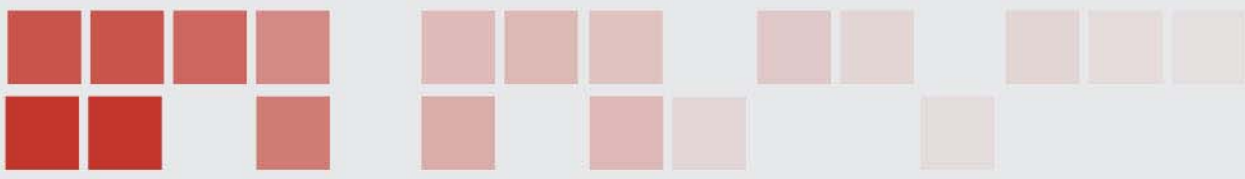




Facility Management

*Today's Trends/Decision Drivers
Tomorrow's Opportunities*

David J. Brady
President/CEO
International Facility Management Association



Based upon your current understanding of facility management, what are the most critical trends facing the profession?



FM Trends 2007

Barbara Armstrong

Robert Chartier

Tim Cole

William Daigneau

Sue Markham, FASID

Sam Rabon

Jon Seller

Jennifer Schramm

Valerie Short, CFM, LEED AP

Brenna Walraven, RPA, CPM

Kurt Neubek, CFM, FAIA, LEED

Kahler Slater Architects

Allied Barton Security

Forbo Flooring North America

M. D. Anderson Cancer Center

Gulf Power Company

Planon, Inc.

Optegy Limited

Society of Human Resource Mgmt.

Jacobs Advance Planning Group

USAA Real Estate Company

PageSoutherlandPage



Facility Management Trends

- 1. Organizational Mission Linkage**
- 2. Preparedness**
- 3. Pace of Change**
- 4. High Performance Sustainability**
- 5. Technological Innovation**
- 6. Economies Without Borders**
- 7. Global Demographics**
- 8. Aging Building Stock**



Take Notice!

The human factor has become the most critical element in the workplace requiring an infrastructure focused on:

Productivity

Security

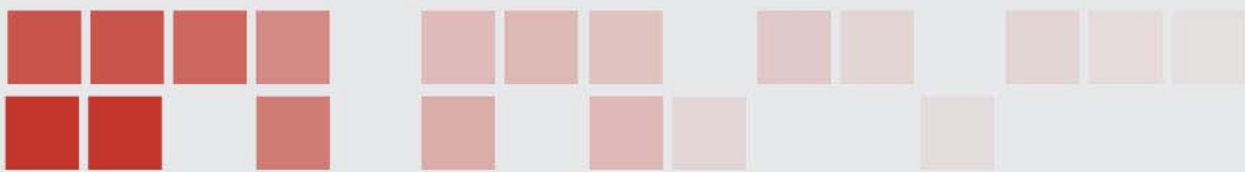
Health and environmental monitoring

Diversity

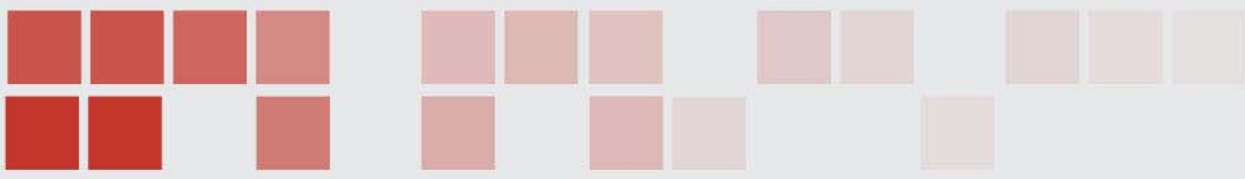
Customized work environments

Amenities

Remote work



Facility Management is not about managing buildings or assets, it's about providing customer needs



Trends/Decision Drivers



Organizational Mission Linkage Trend

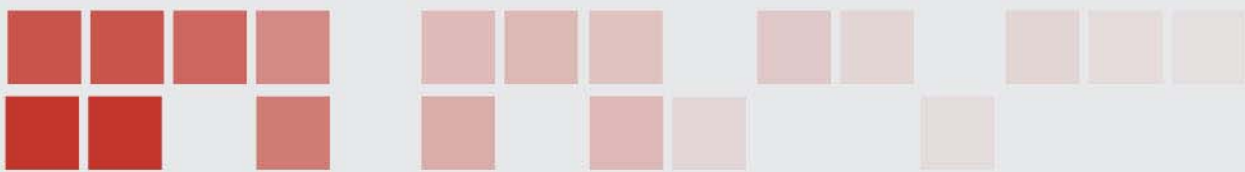
Facility Management must:

Have a clear vision and understanding of long-term corporate business strategy rather than a short-term focus on tactics

Transition from cost control to supporting the development of human capital

Understand the complexities associated with strategic facilities planning/budgeting

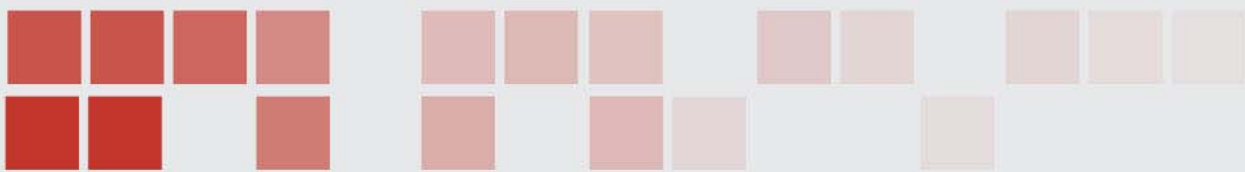
Be responsible for the facilitation of interaction, not the distribution of physical space



“A workplace that is distributed and connected and that facilitates work anytime and anyplace in a face to face or virtual environment is a prerequisite of organizational success and survival”

“The Agile Workplace: Supporting People and Their Work”

**The Gartner Group
2002**



Preparedness Trend

Unforeseen emergencies

Natural disasters

Data protection

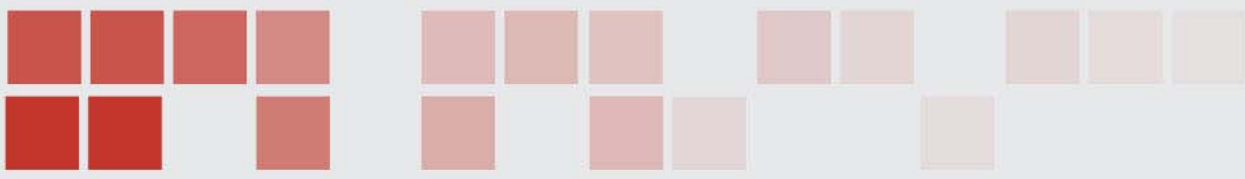
Threatened or actual terrorism

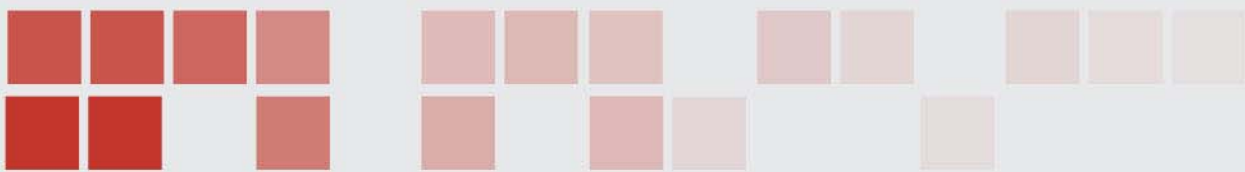
Chemical/biological incidents

Workplace violence

Crime

Pandemic flu

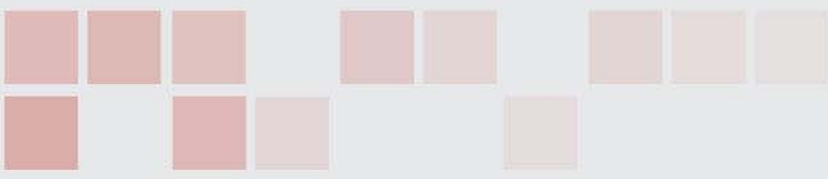
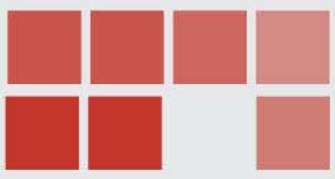


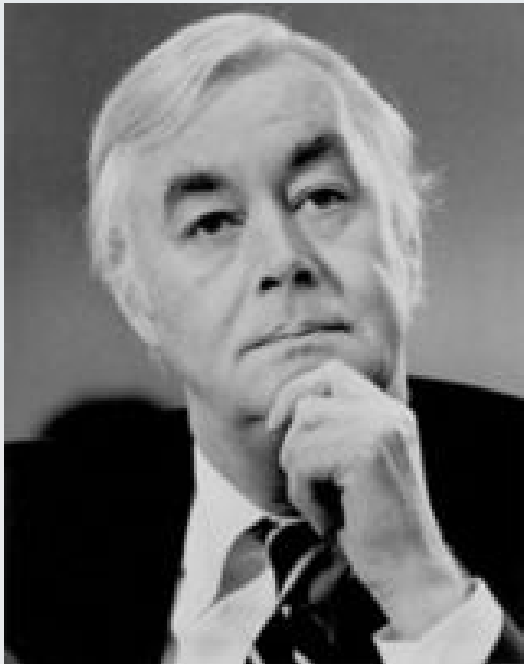


Self Preparedness is Key

The Calvary is not coming!

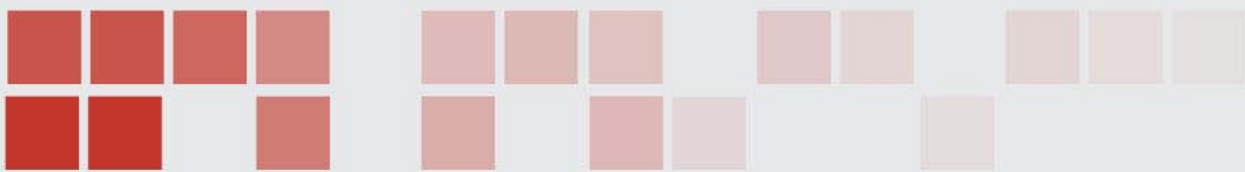
Your ability to communicate will never be more important!

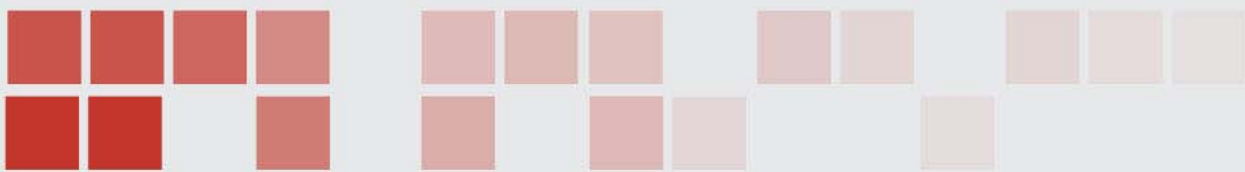




**“We’ve begun to look
like we’re afraid”**

**former U.S. Senator
Daniel Patrick “Pat” Moynihan**

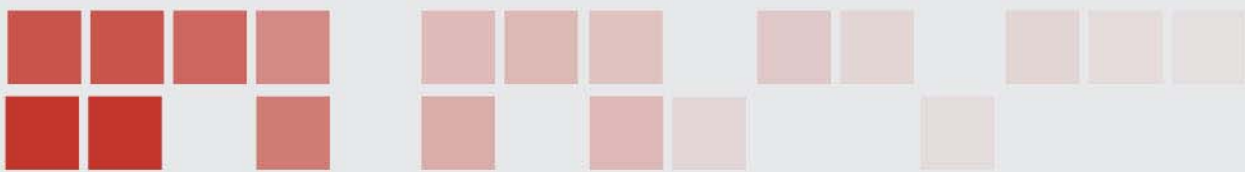




“The U.S. has cobbled together a disconnected and strategically ill-thought through set of security measures which offer the illusion that big steps have been taken while, in reality, serving to do nothing more than deter amateurs and vandals”

“America the Vulnerable”

Stephen Flynn



Ask Yourself:

In what ways are we vulnerable to an incident?

How can FM contribute to a constant flow of information following an incident?

Would my people feel safe in returning to our facility the day after an incident at a similar facility?

What actions should I take today, in preparation, that might be impossible the day after an incident occurs?

If we're not conducting drills, are we really prepared?



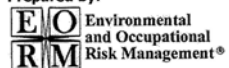
Pandemic Preparedness Manual



Prepared for IFMA Foundation

December 2006

Prepared by:



283 East Java Drive
Sunnyvale, CA 94089



Pace of Change Trend

Scope of responsibilities for facility management are becoming less distinct requiring a wider array of competencies

Greater interaction and strategic collaboration with Finance, Human Resources, and Information Technology



The CFM Competency Framework





FM Competencies 2010

Security

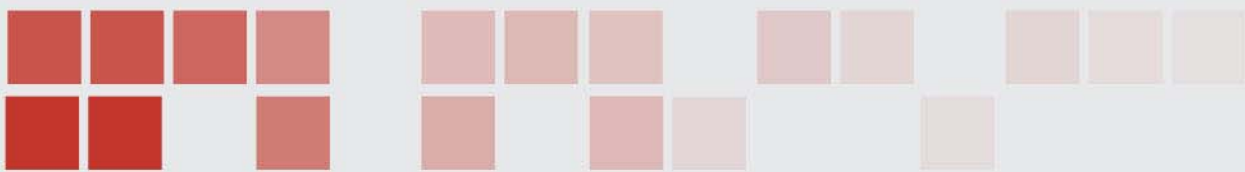
Strategic Planning

Energy Management

Productivity Measurement

Negotiation Strategies

Sourced Services Management



FM Skills - 2010

Project Team Building

Innovation

Motivational Training

Cultural Diversity

Entrepreneurial Value

Adaptability

Multi-Lingual Capabilities



High Performance Sustainability Trend

What we know:

Demand escalating for environmentally friendly high performance buildings

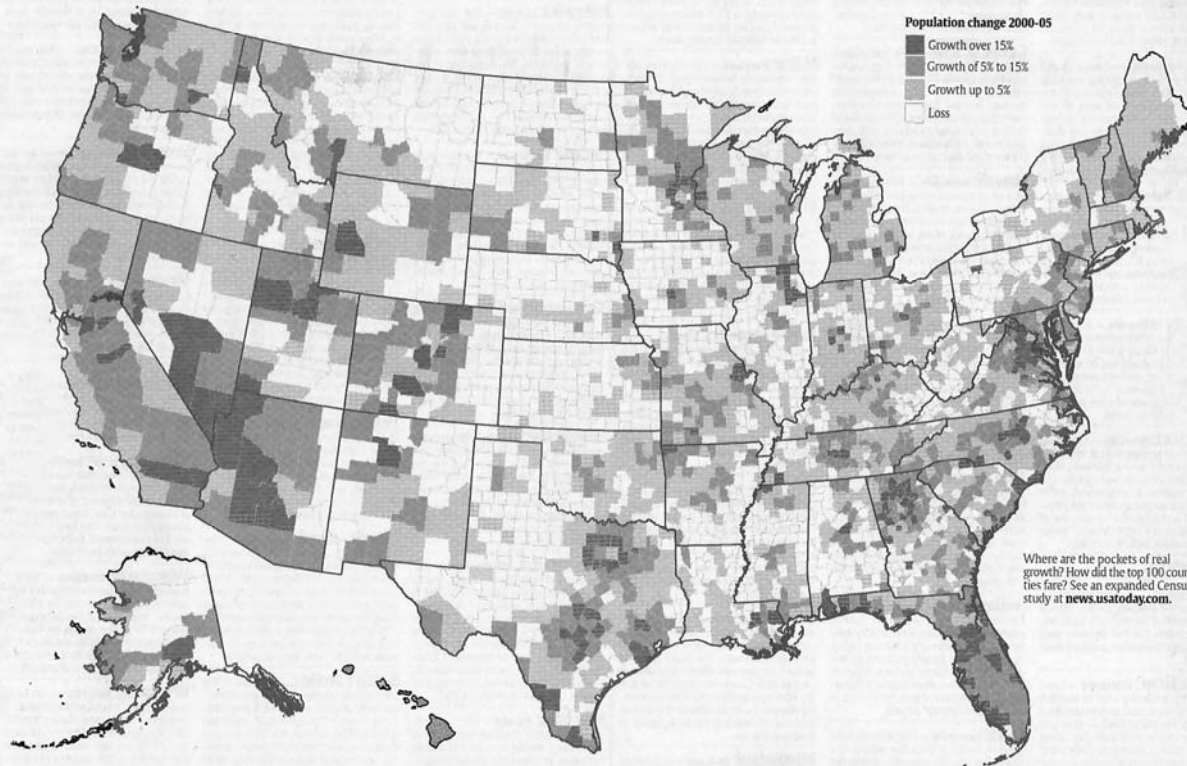
Companies not incorporating sustainable practices will be at a competitive disadvantage

Land available for development will become more valuable (scarce) as environmental, wetlands, and anti-sprawl initiatives take hold

Nation

Growth spreading well beyond suburbs

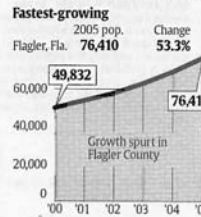
A longstanding trend of people moving outside big cities continues, but the new wrinkle is how far they are moving. Counties as far as 50 or 60 miles from business centers were among the nation's fastest growing from 2000 to 2005. Many of the biggest gainers were in the Sun Belt. Some Midwestern states — notably Kansas, Nebraska and North Dakota — had more counties losing population than gaining. Story, 1A.



Population change 2000-05
 ■ Growth over 15%
 ■ Growth of 5% to 15%
 ■ Growth up to 5%
 □ Loss

Where are the pockets of real growth? How did the top 100 counties fare? See an expanded Census study at news.usatoday.com.

Population changes from 2000 to 2005 in the fastest-growing and fastest-shrinking counties with populations of 10,000 or more



Other top gains

2005 pop.	Change
Loudoun, Va. 255,518	50.7%
Rockwall, Texas 62,944	46.1%
Kendall, Ill. 79,514	45.8%
Forsyth, Ga. 140,393	42.7%
Douglas, Colo. 249,416	41.9%
Henry, Ga. 167,848	40.6%
Newton, Ga. 86,713	39.9%
Lincoln, S.D. 33,381	38.2%
Paulding, Ga. 112,411	37.8%
Lyon, Nev. 47,515	37.7%

2005 pop.	Change
Delaware, Ohio 150,268	36.6%
Osceola, Fla. 231,578	34.3%
Collin, Texas 659,457	34.1%
Scott, Minn. 119,825	33.9%
Williamson, Texas 333,457	33.4%
Spencer, Ky. 15,651	33.0%
Hamilton, Ind. 240,685	31.7%
Union, N.C. 162,929	31.6%
Lake, Fla. 277,035	31.6%



Other rapidly shrinking counties

2005 pop.	Change
Vernon, La. 48,745	-7.2%
Jackson, Okla. 26,518	-6.8%
Liberty, Ga. 57,544	-6.6%
Adams, Miss. 32,099	-6.5%
Orleans, La. 454,863	-6.2%
Sunflower, Miss. 32,311	-6.0%
Washington, Miss. 59,220	-6.0%
Quachita, Ark. 27,102	-5.9%
Coahoma, Miss. 29,002	-5.3%
Ward, N.D. 55,767	-5.2%
Suffolk, Mass. 654,428	-5.1%
Williamsburg, S.C. 35,395	-4.9%
Bolivar, Miss. 38,641	-4.9%
Ohio, W.Va. 45,112	-4.9%
St. Francis, Ark. 27,902	-4.9%
San Francisco, Calif. 739,426	-4.8%
Harlan, Ky. 31,614	-4.8%
Silver Bow, Mont. 32,982	-4.7%
Darville, Va. 46,143	-4.7%

Metro area 'fringes' are booming

Biggest gains far from city centers

By Haya El Nasser and Paul Overberg
USA TODAY

Americans continue their march away from congested and costly areas, settling in more remote counties even if it means longer commutes, according to 2005 Census population estimates released today.

Halfway through the decade, some of the fastest-growing counties lie on the farthest edges of large metropolitan areas, stretching the definition of "exurbs" to the limit.

"It's not just the decade of the exurbs but the decade of the exurbs of the exurbs," says William Frey, demographer at the Brookings institution. "People are leaving expensive cores and going as far out as they can to get a big house and a big yard. Suburbia is moving much further out."

Some of the fastest-growing counties from July 1, 2004, to July 1, 2005, include Caroline and King George counties in Virginia, north of Richmond and south of Washington, and Grundy County, Ill., about 60 miles southwest of the Chicago Loop.

Cook County, which includes Chicago and older suburbs such as Schaumburg and Arlington Heights, lost more people since 2000 than any other county: down 73,000 residents, to 5.3 million. "They're flowing out of Cook into the fringes," says Kenneth Johnson, a demographer at Loyola University in Chicago.

Rising gas prices do not seem to have steered Americans away from this outward push. Skyrocketing housing prices in major markets are a major contributor to growth in far-flung areas, Frey says.

Virginia's King George County, for example, is attracting people who commute 90 miles to Washington. The spillover began along Interstate 95 south of the capital and then moved east toward King George. The county grew 6.7% to 20,637 from 2004 to 2005.

"It's trickling down our way," says Jack Green, com-

Where the growth is

The USA's fastest-growing counties with populations greater than 10,000 in 2004-05, with their percentage of growth and the driving distance from the county seat to the nearest major city:

Rank/county	Growth	Distance
1. Flagler, Fla.	10.7%	25 miles to Daytona Beach
2. Lyon, Nev.	9.6%	80 miles to Reno
3. Kendall, Ill.	9.4%	50 miles to Chicago
4. Rockwall, Texas	7.7%	20 miles to Dallas
5. Washington, Utah	7.7%	120 miles to Las Vegas
6. Nye, Nev.	7.4%	210 miles to Las Vegas
7. Pinal, Ariz.	6.9%	60 miles to Phoenix
8. Loudoun, Va.	6.8%	35 miles to Washington
9. King George, Va.	6.7%	60 miles to Richmond
10. Caroline, Va.	6.5%	40 miles to Richmond

Sources: Census Bureau, USA TODAY research

Counties

■ U.S. map:
Trend. 10A.

munity development director for King George County, a rural county until this decade. About 500 permits were issued last year for single-family homes, up from 125 in 2000, he says.

Immigration, which has reshaped many parts of the nation, contributed little to the boom in many remote counties. Much of the growth came from births and people moving from elsewhere in the USA.

Immigrants are the main reason many urban counties and older suburbs are gaining population. More than 180,000 immigrants settled in Harris County, Texas, home of Houston, from 2000 to 2005, offsetting the net loss of almost 123,000 people to other counties.

The Census estimates also show Florida has 15 of the 100 fastest-growing counties from 2004 to 2005. That growth occurred even though four hurricanes struck the state in 2004.



High Performance Sustainability

What we know:

Executive Order: Strengthening Federal Environmental, Energy, and Transportation Management issue 24 January 2007

Plan that federal, state, and local governments will become more involved in policy issues and regulations related to energy efficiency and sustainability

Millennials and Gen X'ers do not view sustainable practices as an optional nicety but, rather, an expectation



High Performance Sustainability

What we know:

Pace of development, particularly in Asia, makes environmental depletion of resources a growing concern

Shift in thinking from operating expense to total cost of ownership over the life cycle (business case)

The McGraw-Hill Companies

BusinessWeek

JANUARY 29, 2007

www.businessweek.com

Imagine a world

in which socially responsible and eco-friendly practices actually boost a company's bottom line. It's closer than you think. **BY PETE ENGARDIO (P.50)**

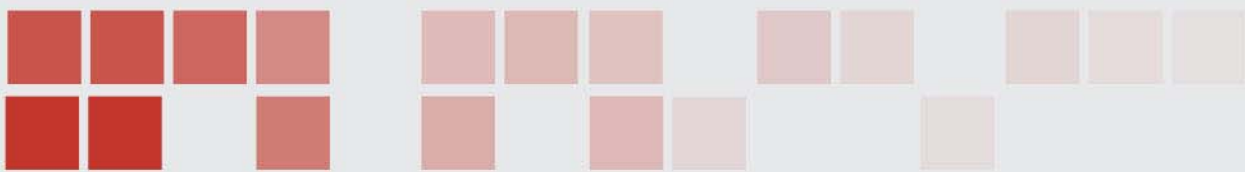


PLUS
Chrysler:
Dr. Z gets
a checkup



IFMA Sustainability Practices - May 2005

- Sustainability a critical issue (95%)
- Important to employee health/productivity (73%)
- Following a master plan to implement sustainability (11%)
- Have not implemented sustainability practices (17%)
 - Have no intention of doing so (13%)
- Other practices
 - Use of natural daylight (71%)
 - Purchasing recycled office products (64%)
 - Lighting fixture retrofits (61%)
 - Light sensors (57%)
 - Water conservation (53%)
 - Utility incentive programs (47%)
 - High performance windows (42%)



A Couple of Must Reads

“The Triple Bottom Line”

Andrew W. Savitz

“Green To Gold”

Daniel C. Esty & Andrew S. Winston



Technological Innovation Trend

Technology will continue to significantly impact and influence how facility managers do their jobs, how we communicate internally and externally, and how our buildings operate

We expect, however that technology will become increasingly user friendly and standardized



Something to think about

“Picture a manufacturing head going to the board and saying. I’ve got a great idea. Let’s build a manufacturing plant that targets 40% utilization. That’s our goal. He would be laughed out of the room. Yet we are doing this right now in FM. It’s amazing if you think about it. I don’t think it’s going to be accepted much longer.”

Mark Golan, Cisco Systems

The network is the workplace





Technology Initiatives

- **Building Information Modeling (BIM)**
 - Integrating platform for organizing, storing, and maintaining information about the physical nature of a building
 - Virtual representation of a facility in an electronic format
 - Primary benefit is the reduction of time spend dealing with incomplete or inaccurate documentation regarding phases of the facility life cycle
- **Open Standards Consortium for R. E. (OSCRE)**
 - Development of a set of definitions and protocols to facilitate seamless automated transfer of real estate and facility management data
 - Creation of interoperability among processes, data systems, and vendors within the built environment industry
 - Step towards commonality of global standards



Technology Initiatives

- **Integrated Workplace Mgmt. System (IWMS)**
 - Service Management
 - Space Management
 - Property Maintenance
 - Information Technology
 - Corporate Real Estate
- **“Workplace Matters” – General Services Admin.**
 - “Treat office space, workplace technologies, and work processes as an integrated system strategically designed to enhance organizational effectiveness”



Economies Without Borders Trend

Significant evidence of increased emphasis on global infrastructure development

The 24/7 facility is today's reality, not tomorrow's prediction

24 million Americans work in jobs requiring “non-traditional” hours



Economies Without Borders

What we know:

The need is increasing to bridge larger physical operating distances

FM is now responsible for facilitating productivity and seamless workflow over various geographic locales

Current issues include geographic barriers, cultural differences, differing workplace expectations, changing regulatory environments, and significant challenges related to demographics



Global Demographics Trend

Facility Management is now faced with a multitude of global demographic changes related to:

Age

Workplace expectations

Work styles

Cultural diversity

Language differences

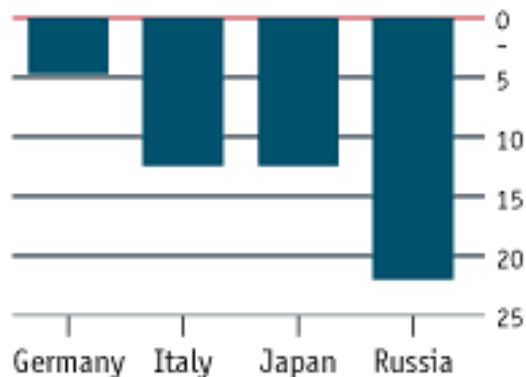
Education

Gender

Personal lifestyles

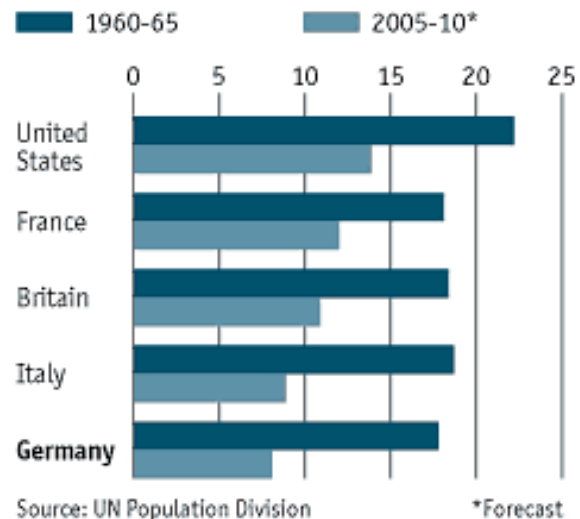
Population forecasts

% fall 2005-50



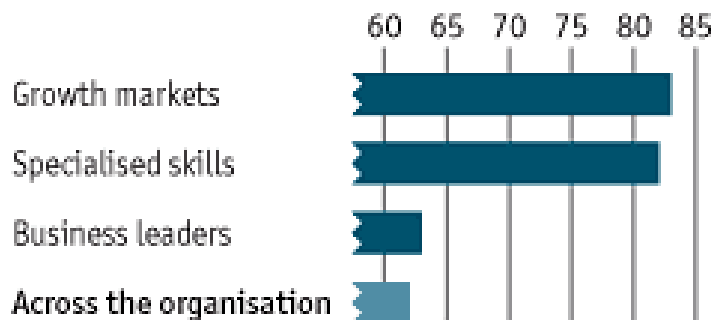
The birth dearth

Births per 1,000 population



Not enough to go round

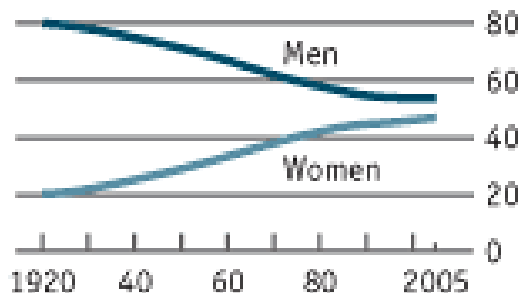
Talent shortages in organisations, %

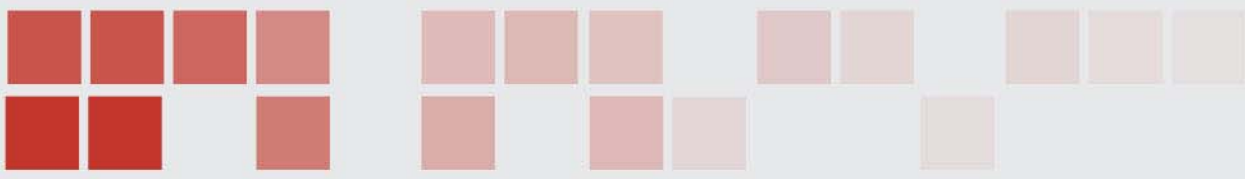


Source: Corporate Executive Board, Corporate Leadership Council

Share of US employment

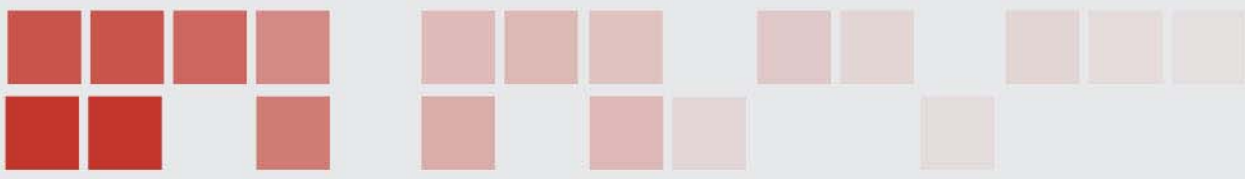
%





Today's Multi-Generational Workplace

- Traditionalist
- Baby Boomers
- Generation X
- Millennials
- Prior to 1946
- 1946 - 1964
- 1965 - 1985
- 1986 - Today



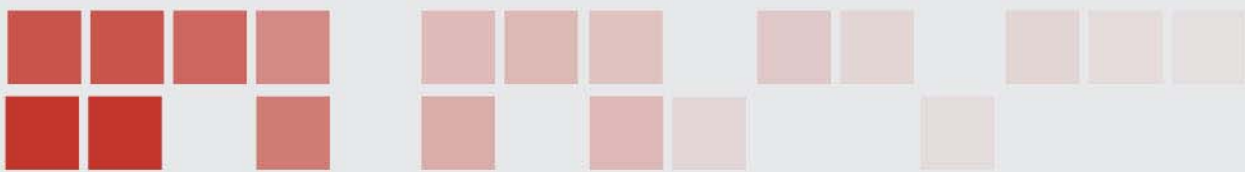
Traditionalist

- **Loyalty to employer paramount**
- **Stability in career choices**
- **Strong work ethic**
- **Orientation to family values**



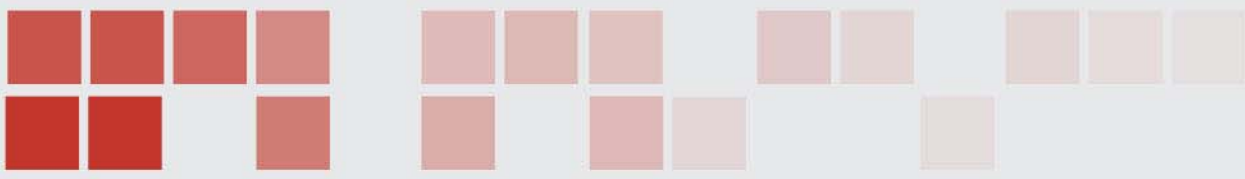
Baby Boomers – 76,400,000

- **Known as the “generation of sheep”**
- **Fairly stable in employment relationships**
- **Tendency to be very trusting of others**
- **Beneficiaries of extraordinary breakthroughs in healthcare**



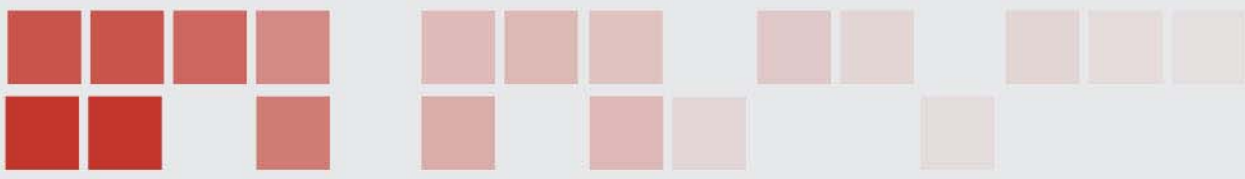
Generation X – 68,500,000

- **Characterized as “slackers” and “cynics”**
- **High level of energy**
- **Independent self starters**
 - **The “latch key” kids**
- **Patience doesn’t tend to be one of their virtues**
- **Known as highly creative**
- **Willingness to challenge the status quo**
- **Unfavorable experience with corporate ethics**



Millennials

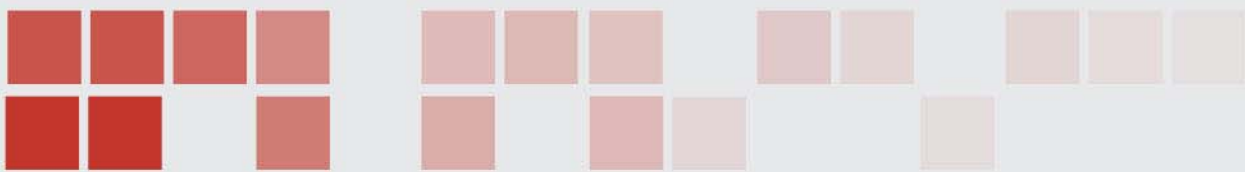
- **Very self-driven**
- **Comfortable with constant, rapid evolution**
- **Action-oriented energy**
- **Technologically oriented**
- **Unchallenged experts in multi-tasking**
- **Unique generational work styles**



A Must Read!

“When Generations Collide”

Lynn Lancaster & David Stillman



Another Must Read!

“Impending Crisis: Too Many Jobs, Too Few People”

Roger Herman

www.hermangroup.com



Herman States:

“The labor shortage of the 1990’s gave employers a taste of what is coming over the next few years. This decade will be even more challenging; every type of enterprise will face a critical shortage of skilled workers.”

“By 2010 it is expected that there will be 10,033,000 more jobs to fill than there are people in the civilian labor force.”



Aging Building Stock Trend

A significant portion of our existing building stock is entering a cycle requiring large amounts of capital improvement/replacement

Properties for which routine maintenance has been deferred are entering a stage of severe deterioration



Aging Building Stock

What we know:

FM's are facing the largest collection of aging building stock ever encountered

As a facility approaches the end of its life cycle a decision must be made whether to recapitalize it or demolish it and construct a replacement

Making a decision to scrap a building is difficult both financially and emotionally

Introduction of new materials and removal of materials known to be hazardous add to the complexity of FM



Aging Building Stock

- **Restoration**
 - Addresses concerns about condition
- **Modernization**
 - Addresses concerns about functionality and obsolescence

The goal is to ensure that whatever decision is made, the resulting facility meets the intended requirements at the least life-cycle cost



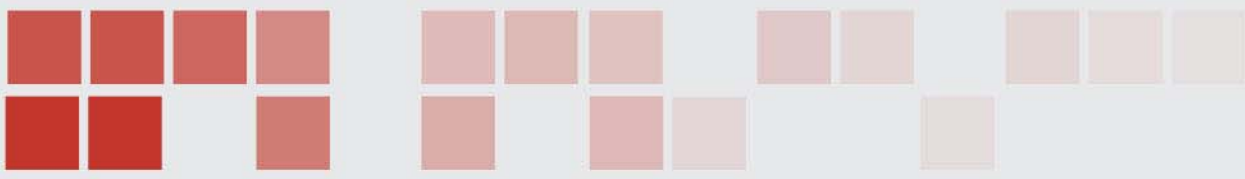
**“Aging buildings
concern engineers:
Recent collapses show
the toll of poor
construction, neglect”**

The Prague Post

26 February 2007

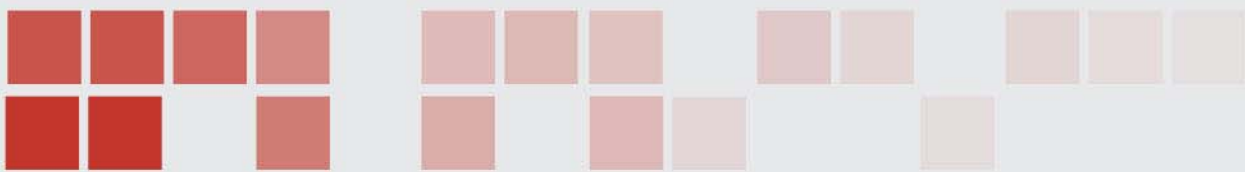
U.S. Building Stocks





Your Thoughts?

What have we missed?



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