



The 5 Components of
**INTEGRATED FACILITIES
MANAGEMENT**

Few industries are experiencing the type of high-powered growth currently fueling innovation in the **facilities management (FM) sector**.

Technological advances, digital disruption, increasingly stiff competition and a subtle but significant shift in how multi-site organizations view their facilities costs are all driving forces in the transition from traditional to integrated facilities management (IFM). And current research indicates these trends show no signs of slowing—[analysts predict](#) that by 2025, the global outsourced market in FM services will be worth **\$1 trillion**, with bundled and integrated services accounting for **35 percent** of global revenues.



What Is Integrated Facilities Management?

To understand integrated facilities management, it's helpful to put it in the context of traditional facilities management.

Traditional multi-site FM is a largely tactical affair. Organizations that rely on traditional FM hire service providers based on need and/or geography, causing providers, vendors and facilities managers to work in operational silos. This leads to a number of inefficient practices including:

- Disjointed systems and spreadsheets
- Hourly rate models that drive up costs
- Increased risk and compliance issues
- Decisions made without insight into contextual trends that impact business

IFM, on the other hand, is all about strategy versus tactics. Under an IFM model, practices and procedures become streamlined, data is leveraged to provide actionable insights and facilities managers and their teams are elevated and empowered to perform their duties more efficiently.

The reason this integrated business model has proven so successful is because it puts vital information in the right hands. All stakeholders, from CFOs and CIOs to facilities managers and service providers, gain visibility into their efforts. With this new-found clarity, they can make decisions that cut costs while improving overall program effectiveness.

At NEST, we break IFM down into **five core components**, which come together to form an integrated solution:

- 1. Smart technology**
- 2. Powerful analytics**
- 3. Financial consulting**
- 4. Operational excellence**
- 5. Independent Service Provider (ISP) delivery**

When these forces align, you can increase your organization's ability to be agile, efficient and strategic when managing all of your locations, employees and service providers.

Be ready to respond, not react

Throughout the past several years, and in 2020 specifically, the retail world has become more than an extremely competitive marketplace.

Retail leaders have been sailing through some very uncharted waters; however, those equipped with an IFM platform on board were able to successfully navigate the changing winds—otherwise known as known as customer traffic, touchless devices, sanitation programs and new delivery methods.

With an IFM platform, retailers have all the information they need in the click of a button to defray costs and reallocate funds quickly and frequently. So whenever the wind changes, retailers are no longer reacting out of panic. They're anticipating it. And with IFM, they can respond with the support they need to survive.

Going All-In with the 5 Elements of IFM



Smart Technology: Software Over Spreadsheets for Advanced Reporting

Facilities software has been on the market for years, yet it continues to evolve at a rapid rate. Rather than simply record FM activity, an IFM software system facilitates a complete range of tasks to ensure brand consistency, including:

- **R&M Tracking:** IFM software allows facilities managers and team members to schedule maintenance and monitor work orders from start to finish.
- **Asset Management:** With an in-depth understanding of your equipment, you'll be able to prepare for the future — and when you need to pivot immediately, like the COVID-19 pandemic. IFM software gives users the ability to tag, manage and track asset warranties, mandatory inspections and preventive maintenance.
- **Billing and Payment Processing:** Invoices, payment and contract information can be submitted and stored online all within one system.
- **Communication Tools:** When it comes to maintenance and repairs, time is often of the essence. IFM technology streamlines communication, giving users the option to track time-sensitive service requests whether they're in the field or the office.

- **Preventive and Scheduled Maintenance:** Preventive maintenance is the best way to keep R&M costs to a minimum. By servicing assets before a breakdown occurs, you can mitigate expensive emergency fees and replacement costs.
- **Capitalize on change:** In addition to having company-wide visibility in the click of a button, having an IFM platform gives you the data you need to capitalize on financial and organizational changes. Now you can do more than see where you can defray and reallocate cost, you can experience true cost savings.

One of the biggest benefits of using IFM software is its inherent flexibility. Equipped with the ability to customize dashboards and filters, users can get a tailored view of their work orders and FM spend based on criteria that they've hand-selected. This provides a great deal of transparency—specifically, into the areas that have the biggest impact on a given location, operation, geographic region, etc.—that facilities leaders can use to make meaningful programmatic changes that lead to tangible results and cost savings.

PRO TIP: NOT ALL IFM PLATFORMS ARE CREATED EQUAL, WHICH MAKES IT EVEN MORE IMPORTANT TO SEEK TECHNOLOGY THAT A.) CAN BE CUSTOMIZED, B.) ISN'T TETHERED TO RESTRICTIVE SUBSCRIPTION FEES AND C.) IS POWERED BY REAL-TIME DATA.



Powerful Analytics: Advanced Analytics to Uncover Trends

Analytics, defined in simple terms as the study of historical data to research potential trends, is a [vital piece of the integrated facilities puzzle](#). Not all data is actually useful; analytics call out the actionable events within a given data set and exclude irrelevant or duplicative information. In short, running analytics is like hitting the metaphorical “easy button” when it comes to making sense of the deluge of data bombarding your organization on a daily basis.

Here is a [quick list](#) of the most used analytics terms and definitions:

Descriptive Analytics: What happened?

Your insight into the past to see things like what occurred, when it occurred and the current state of your equipment.

Diagnostic Analytics: Why did it happen?

Now that you have the “what” behind your data, it’s time to figure out the “why.”

Predictive Analytics: What’s likely to happen next?

While descriptive and diagnostic analytics give you information about the past, predictive and prescriptive analytics show you the possibilities in your future.

Prescriptive Analytics: What action do we take?

With prescriptive analytics, you combine internal and external data to put your organizational assets in the context of wider market or industry influences.

The big takeaway:

Each type of analytics builds on the previous stage. To forecast the (predictive/prescriptive analytics), you must first understand the past (descriptive/diagnostic analytics).

By proactively identifying specific locations or regions that have excessive or repeat issues, for example, you can zero in on the root cause, managing the budget and making whatever programmatic changes are necessary to resolve lingering concerns. Without analytics, organizations are left playing a guessing game; unsure of where their strengths, weaknesses and opportunities lie in a sea of unstructured data, FM leaders can't reasonably make informed decisions.

PRO TIP: USE DATA-DRIVEN ANALYTICS AS A WAY TO PLOT YOUR PREVENTIVE MAINTENANCE SCHEDULE AND REDUCE EQUIPMENT DOWNTIME. WITH INSIGHTS INTO THINGS LIKE ASSET AGE, MAINTENANCE HISTORY AND WARRANTY STATUS, YOU CAN GET A BETTER UNDERSTANDING OF WHEN TO REPAIR VS. REPLACE A PARTICULAR PIECE OF EQUIPMENT.



Financial Consulting: Business Acumen for Better Budgeting

Whether you do it yourself or get hands-on assistance from a facilities partner, the IFM model is all about discovering hidden value and trimming excess costs to help businesses make better use of capital and plan for the fiscal year ahead.

When bound to the right operational identifiers, an integrated approach to FM budgeting can provide a nuanced understanding of:

- Work orders and associated costs
- Year-over-year comparisons related to individual site costs, vendor billing practices, larger regional issues, etc.
- Financial statements showing budgeted dollars vs. actual spend (including accruals), with details broken down to the GL code level
- Historical FM spend per asset
- Repair, replacement and preventive maintenance budgets
- Average program cost

IFM also gives you an opportunity to forecast for the future. Based on a financial summary of previous and current expenses, you can benchmark against your competition and make budgeting adjustments accordingly.

PRO TIP: A TOTAL COST MODEL CAN SAVE YOU A CONSIDERABLE AMOUNT ON SERVICE PROVIDER EXPENSES. BY PIVOTING AWAY FROM THE HOURLY RATE MODEL, WHICH COMES WITH EXORBITANT TRIP CHARGES, EMERGENCY FEES AND OVERTIME PAY, YOU CAN CUT DOWN ON REPEAT EXPENSES AND FUNNEL THAT MONEY BACK INTO YOUR OPERATIONS BUDGET.



Operational Excellence: Access to Experts Yields Better Decision Making

One of the chief challenges FM leaders face is a lack of strategic clarity. Even the savviest facilities managers find it difficult to dig themselves out of the tactical, day-to-day burdens that bog down their operations teams. Dealing with service requests, vendor management, service provider procurement and work order fulfillment encompasses the bulk of a facilities manager's duties, leaving little time for long-term planning or strategizing.

By integrating your facilities activities within a single system overseen by a single management team, you gain the knowledge of seasoned retail and IFM professionals that can be a differentiator for your brand. An experienced IFM partner can help you untangle a number of business problems, offering insight into everything from what products or chemicals to use, to supporting your FM team members and helping them become more effective in their daily jobs.

Leveraging industry experts can also help you:

- Optimize program spend and effectiveness based on your specific corporate structure
- Move from tactical decision-making to a strategic approach
- Automate routine processes and procedures, giving your team more time and resources to act strategically rather than tactically
- Implement new technologies seamlessly across your organization
- Train your team and keep them up to speed on current best practices
- Tap into program support when difficult issues arise

PRO TIP: QUALITY ASSURANCE (QA) IS AN OFT-OVERLOOKED, YET INCREASINGLY IMPORTANT, ASPECT OF FACILITIES MANAGEMENT. IF YOU'RE CONSIDERING PARTNERING WITH AN IFM PROVIDER, FIND ONE THAT BAKES QA SERVICES INTO THEIR OFFERING, AS THIS WILL HELP TO IMPROVE THE CUSTOMER EXPERIENCE (CX) AND ENSURE BRAND CONSISTENCY ACROSS YOUR ENTERPRISE.



ISP Delivery: Risk Management to Protect Your Brand

As any seasoned veteran of the FM industry can tell you, unforeseen emergencies and complications can crop up at any time. Whether it's a sudden weather event, busted pipe, workplace threat, power outage or some other form of utility disruption, managing disaster comes with the territory. In times of need, however, it may not be possible to find support on short notice.

That's where the integrated model comes in: With an IFM solution, you'll have a network of trusted, licensed and insured service providers at your fingertips. The right IFM partner can deploy ISPs quickly anywhere in the country—even when emergencies strike. What's more, your team will save time on the front-end, as they will no longer need to procure and vet ISPs on their own.

By having a team of ISPs at the ready, you'll be able to:

- Reduce your risk of costly litigation
- Cut back on service disruption
- Consistently provide high-quality service delivery
- Evaluate providers and make adjustments to your ISP roster as necessary

PRO TIP: FROM MARYLAND TO MICHIGAN, THE LABOR SHORTAGE AFFECTING MOST OF THE COUNTRY IS HAVING A DIRECT IMPACT ON THE COST OF FACILITIES AND CONSTRUCTION MANAGEMENT FOR ORGANIZATIONS LARGE AND SMALL. WHILE SOME OF YOUR BUSINESS LOCATIONS MAY BE BASED IN REGIONS WHERE LABORERS ARE PLENTIFUL, IT'S MORE THAN LIKELY THAT OTHER LOCATIONS SUFFER FROM A LACK OF SKILLED CONTRACTORS AND TECHNICIANS. AN EXPERIENCED IFM PARTNER CAN SOURCE PRIMARY, SECONDARY AND TERTIARY SERVICE PROVIDERS ON YOUR BEHALF, ALLOWING YOUR CORE FM TEAM TO SHIFT THEIR FOCUS TO MORE STRATEGIC INITIATIVES.

Regardless of your specific organizational goals, an integrated approach to facilities management can give you the clarity and control you need to enhance decision-making, budgeting and cost management. When the five components of IFM—smart technology, powerful analytics, financial consulting, operational excellence and ISP service delivery—come together, your entire multi-site enterprise will transform for the better.

To learn more about how an integrated solution can take your business operations to the **next level**, visit www.enternest.com



NEST[®]

CLARITY THAT INFORMS.
CONTROL THAT TRANSFORMS.

