



Facility Management Reporting: The Value of Metrics & KPIs



IFMA Orlando Chapter
November 15, 2018

Meet Our Presenter



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- Vice President/COO at Facility Engineering Associates
- Director on IFMA's Global Board of Directors
- IFMA Qualified Instructor
- Past chair of IFMA's Sustainability Facility Credential scheme committee

Learning Objectives

- Understand the role of organizational drivers in choosing KPIs
- Choose the right metrics and KPIs
- Identify the elements of a good facility management report - who are your stakeholders and what do they need to hear?
- Demonstrate alignment with organizational mission

Agenda

- Demonstrating alignment
- Connecting with stakeholders
- Elements of a good report

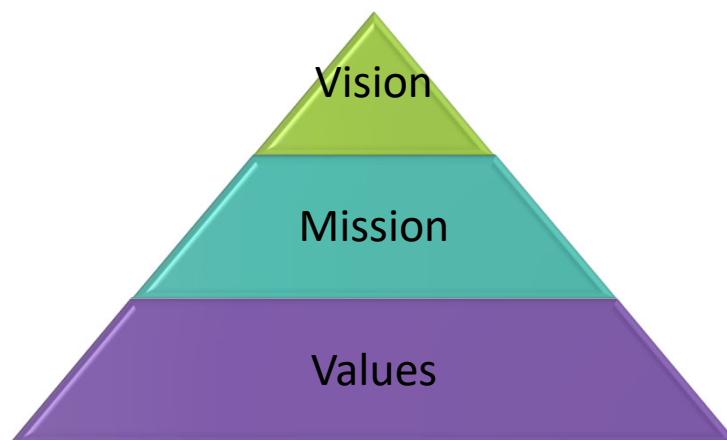


Starting with the end in mind...

KPIs

doesn't mean skipping to the end.

What is Important to Your Organization?



What is Important to Your Organization?

Be the best widget producer in our industry

Provide quality goods at a good price to our customers

Preserve our nation's treasures

Extend and preserve life

Provide full service to our clientele

Provide world class guest service

Be a world class educational institution

Maximize profit to our investors

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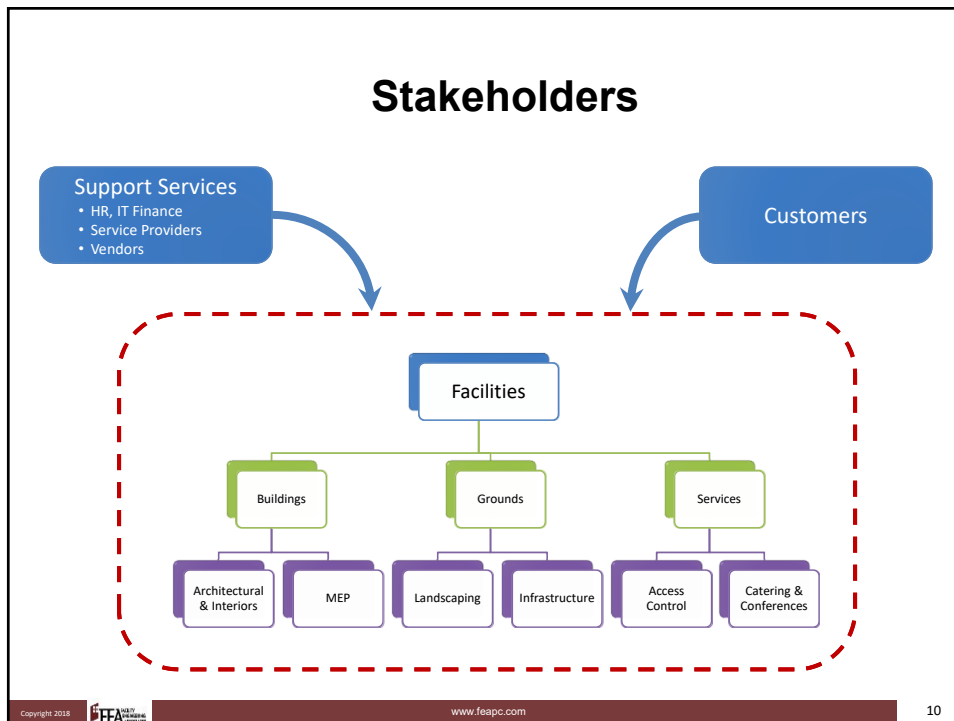
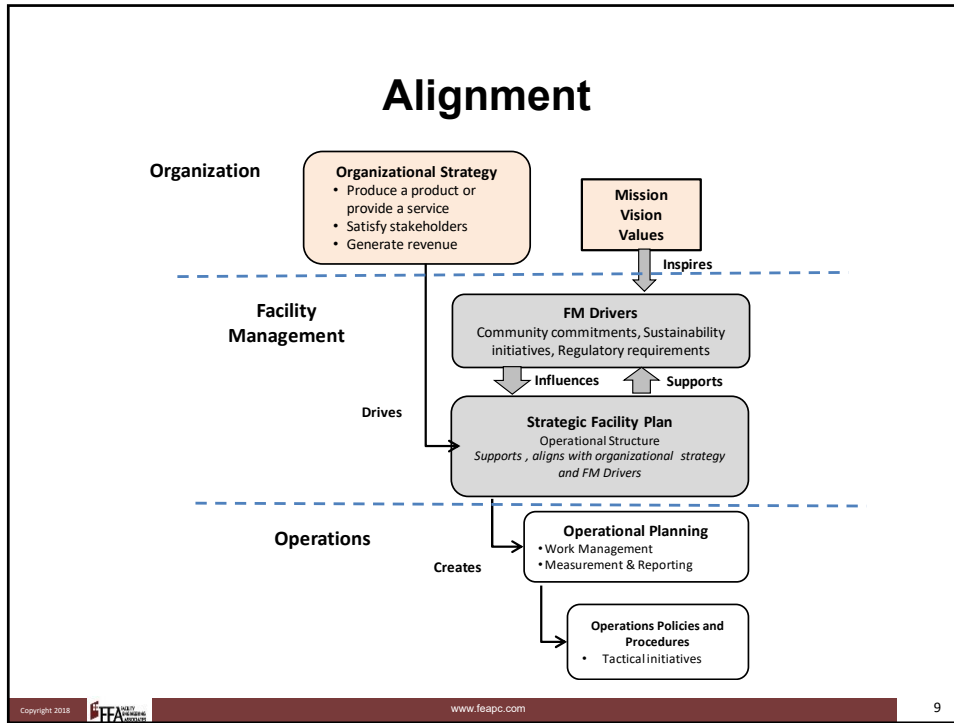
Provide world class guest service

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What does this mean for facilities?

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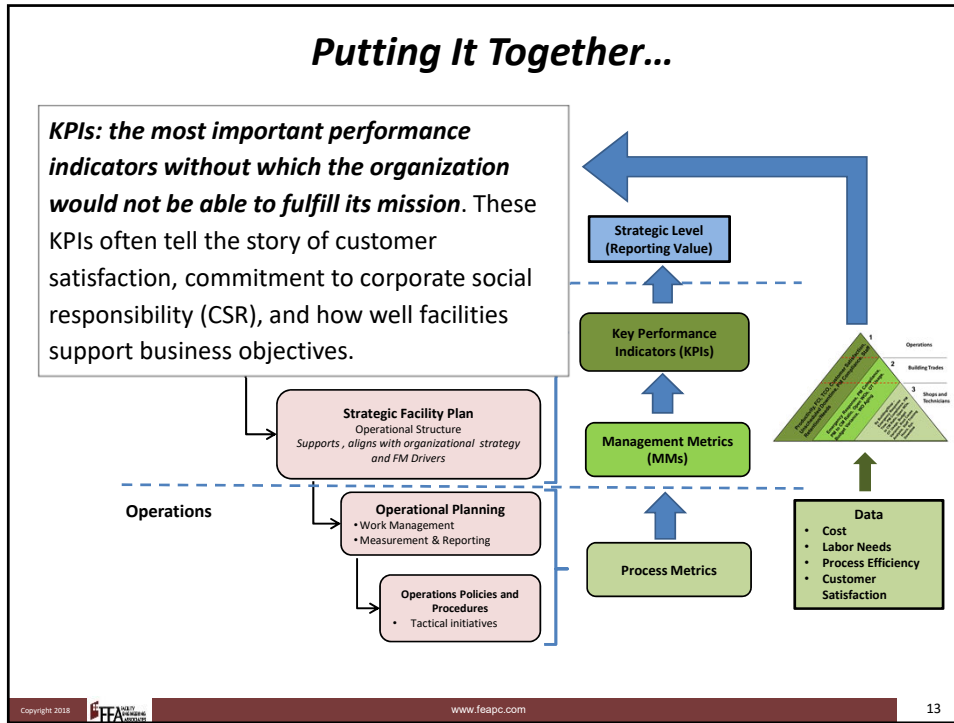
Metrics vs. KPIs

A KPI is a core metric that defines top level success

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Metrics at Organizational Levels

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Desired Outcomes

| Outcome | How Will You Know? |
|-----------------------------|---|
| Have great customer service | <ul style="list-style-type: none"> • Timeliness of response • Reliability of services • Work quality • Positive interactions |
| Manage finances well | <ul style="list-style-type: none"> • Improve capital budgeting process for long term needs • Cost effectiveness of work performed • Cost of facilities |
| Improve reliability | <ul style="list-style-type: none"> • Manage scheduled down-time for lowest impact • Improve critical system reliability • Perform the right about of maintenance at the right time |

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Choosing Metrics

Be the best widget producer in our industry

| Desired Outcome | How Will You Know? |
|-----------------------------|---|
| Have great customer service | <ul style="list-style-type: none"> • Timeliness of response • Reliability of services • Work quality • Positive interactions |
| Manage finances well | <ul style="list-style-type: none"> • Improve capital budgeting process for long term needs • Cost effectiveness of work performed • Cost of facilities |
| Reduce down-time | <ul style="list-style-type: none"> • Manage scheduled down-time for lowest impact • Improve critical system reliability • Perform the right about of maintenance at the right time |

Popular Metrics

1. Customer Satisfaction
2. Top Ten WO Trouble Codes
3. Workforce Productivity - Process
4. WOs Initiated by Staff as Result of Inspections/RCM
5. PM to CM Ratio
6. PM Schedule Completion Rate
7. Workforce Productivity
8. Work Distribution by Type
9. Open Work Orders (WO) by Type
10. WO Completion Targets
11. Change in Facility Condition Index

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Agenda

- Demonstrating alignment
- Connecting with stakeholders
- Elements of a good report



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We Started Here...

Vision

Mission

Values

What is Important to Your Organization?

Now, tell the story!

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The Perception: Facilities is a Cost Center



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Facilities is an Investment in Organizational Success



The FM's challenge:

- Reduce Cost
- Add Value

Understand How Decisions Are Made

- Know how your organization views facilities
- Know how your organization makes financial decisions
- Understand how people think



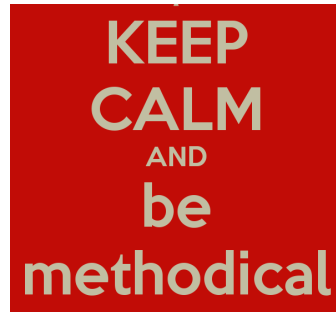
Thinking Fast and Slow

System 1



- Automatic
- Instinctive
- Emotional

System 2



- Slow
- Logical
- Deliberate

Understand How People Think



Motivation



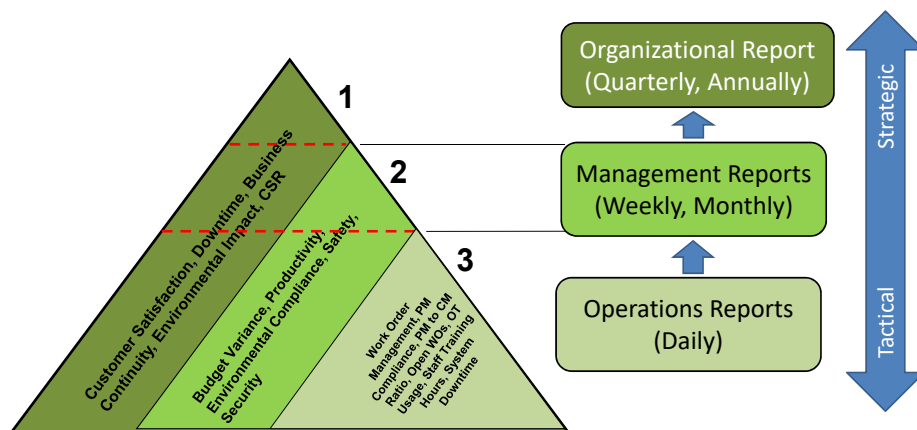
Cognitive Biases

Cognitive Biases that Effect Business Decisions

- Excessive Optimism
- Confirmation
- Loss Aversion
- Sunk-Cost Fallacy
- Status Quo



Reporting at Organizational Levels

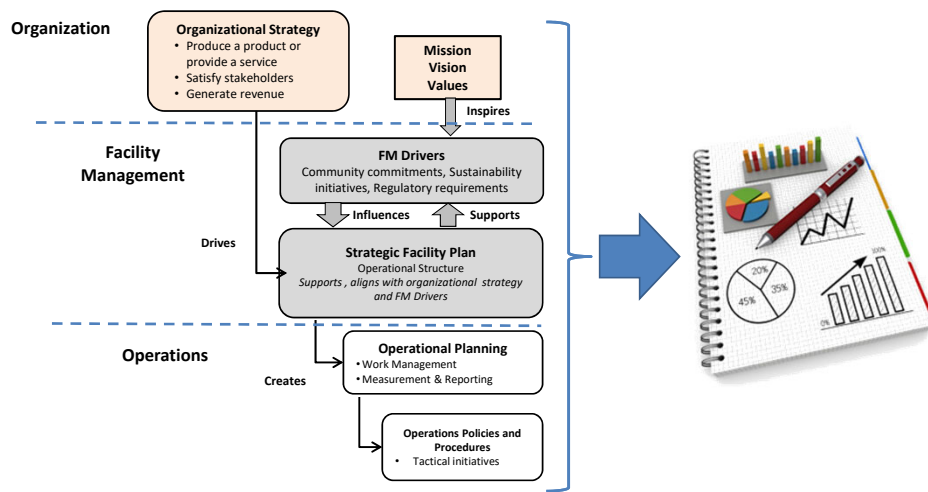


Agenda

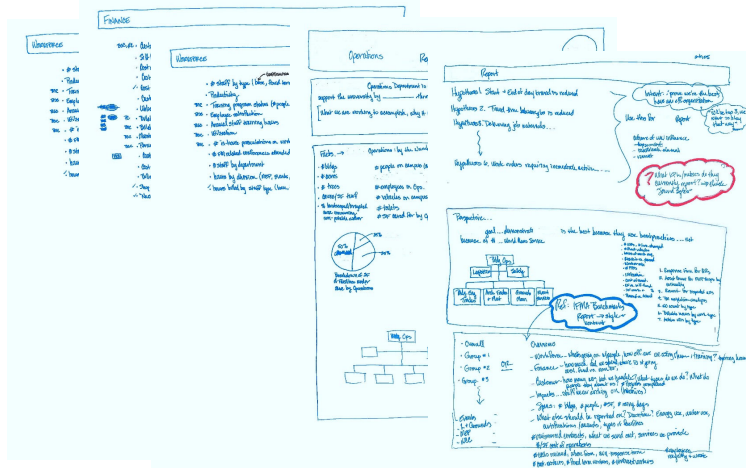
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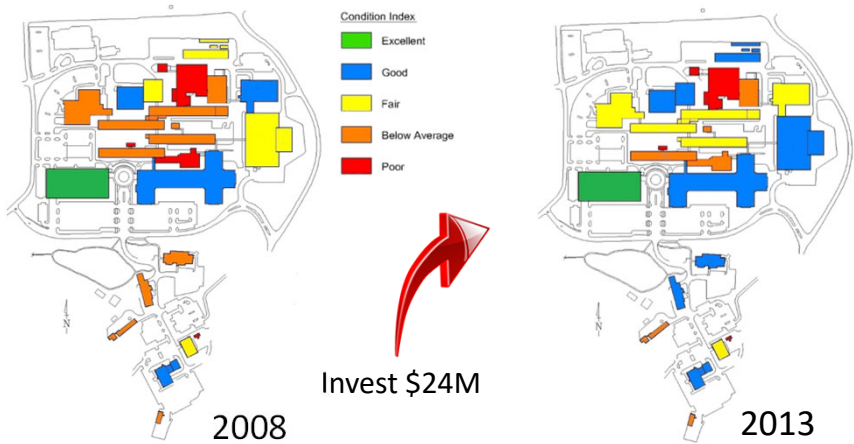
Purpose of a Report



Sketch it Out



Use Graphics



Mission Criticality & Capital Needs

Use Trends

Healthy People Impact Profits

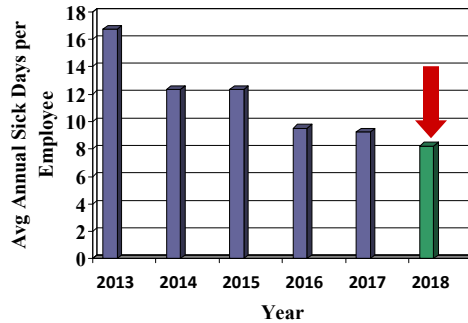
Through these programs, the company reduced employee sick time

Reducing sick time by

- 1 day
- per employee
- per year...

Estimated savings: \$105,000 each year

Based on 1,750 employees, average cost \$60/employee



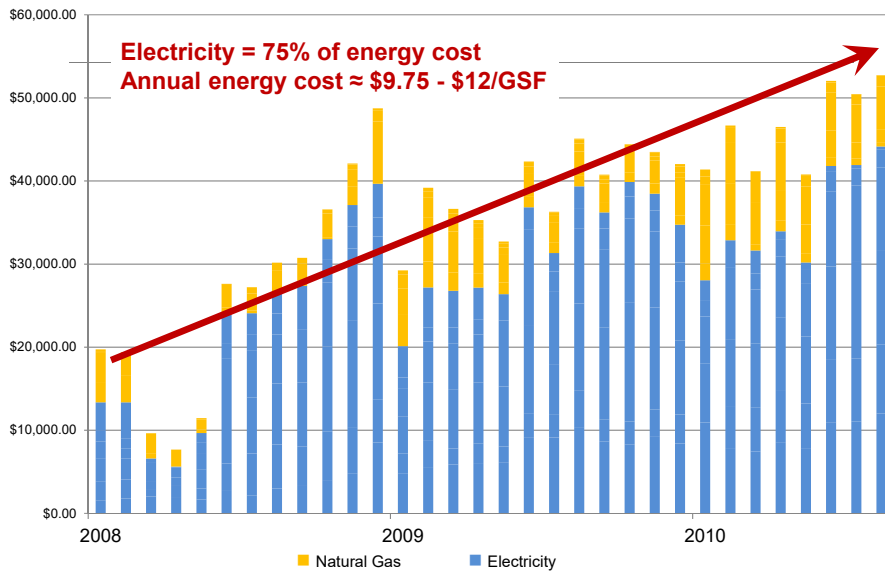
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Use Trends

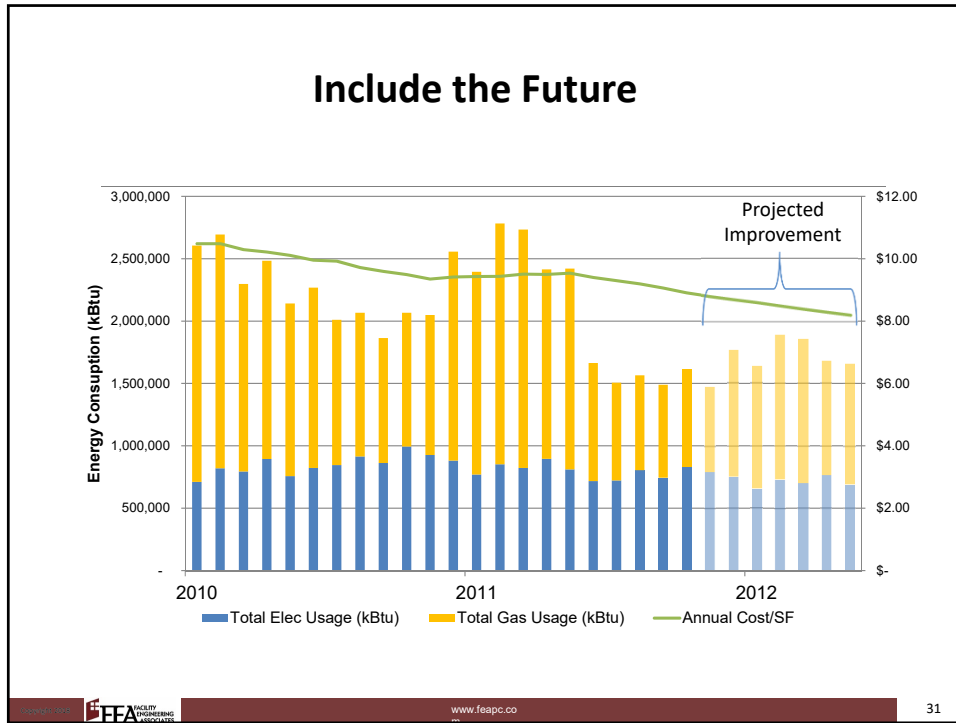


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A good report will be...

- Succinct
- Targeted
- Evoke a response

3.1 Building

FEA performed an on-site energy audit of the FSC facility located at 3037 North Parkside Drive, Arlington, VA on March 24, 2011. The audit identified energy and water conservation measures that can be implemented to reduce energy and water consumption at the facility. The Virginia Energy Services Building (VESB) is a 100,000 sq ft, 10-story office building located at 3037 North Parkside Drive, Arlington, VA. The building is a LEED Gold certified building. The audit identified several energy and water conservation measures that can be implemented to reduce energy and water consumption at the facility. The Virginia Energy Services Building (VESB) is a 100,000 sq ft, 10-story office building located at 3037 North Parkside Drive, Arlington, VA. The building is a LEED Gold certified building. The audit identified several energy and water conservation measures that can be implemented to reduce energy and water consumption at the facility.

Table 1: Utility Bill Summary

| Utility | 2010 | 2011 | 2012 |
|-------------|-----------|-----------|-----------|
| Electricity | 1,000,000 | 1,000,000 | 1,000,000 |
| Gas | 1,500,000 | 1,500,000 | 1,500,000 |
| Water | 500,000 | 500,000 | 500,000 |

Figure 1: Monthly Energy Usage

Figure 2: Annual Energy Usage

Figure 3: Annual Energy Usage

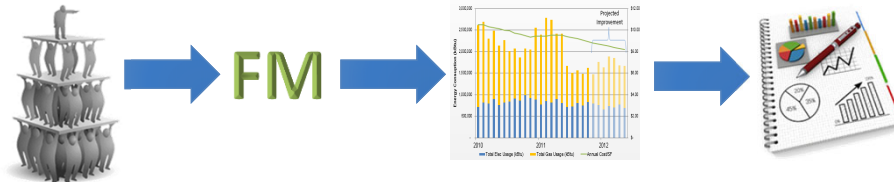
The building has a high energy usage rate compared to other buildings in the area. This is due to the building's age and the high energy usage rate of the equipment used in the building. The building has a high energy usage rate compared to other buildings in the area. This is due to the building's age and the high energy usage rate of the equipment used in the building.

- Succinct
- Targeted
- Evoke a response

32

Summary

- Organizational drivers inform metrics and KPIs
- Choose the right metrics and KPIs
- Demonstrate alignment with organizational mission
- A well crafted report tells your audience what they need to understand past performance and future expectations



Thank You!

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