

Idox. Do more.



The Future of CAFM

Empowering Facilities Managers to
Achieve Strategic Objectives





Contents

- Introduction 1
- Expanding Strategic Roles 2
- Environmental Commitments Dominate FM Planning4
- Budget and Workforce Constraints 8
- FMs lack efficiency and insight.....11
- Technology and Investment Priorities 13
- Conclusion17

Introduction

Facilities Management: new priorities in a shifting landscape

Facilities Management has faced an extraordinary array of challenges in recent years. Buildings closing during the pandemic. Staff leaving the industry in droves. Budgets squeezed by rapidly rising prices and supply chain disruption affecting access to both new equipment and spare parts.

In addition, employees’ hybrid working activities continue to change both building utilisation and workplace expectations. Plus, of course, Facilities Managers (FMs) face growing demands from senior management to lead in reducing carbon emissions, most notably by improving building efficiency, to meet Net Zero targets.

In August 2024, Idox undertook research to understand the pressures facing FMs and the way organisations are using technology, including CAFM systems, to support FMs in achieving this extensive operational and strategic remit. The research interviewed more than 100 global FMs from a range of industries, with in-house teams ranging in size from 1-10 to in excess of 51. Over 40% of respondents are managing in excess of 15 buildings and over 30% are responsible for more than 15 locations.

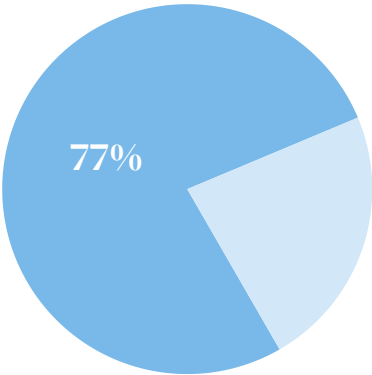


Expanding strategic roles

The research confirms that facilities management is an increasingly strategic business function, with a far-reaching influence across diverse operational activities, from social value strategies and environmental performance to minimising business risk and improving employee experience.

Environmental Performance

FMs have significant opportunities to transform energy efficiency through proactive management of buildings' energy consumption and effective space utilisation, as well as improving equipment efficiency through efficient Planned Preventative Maintenance (PPM).

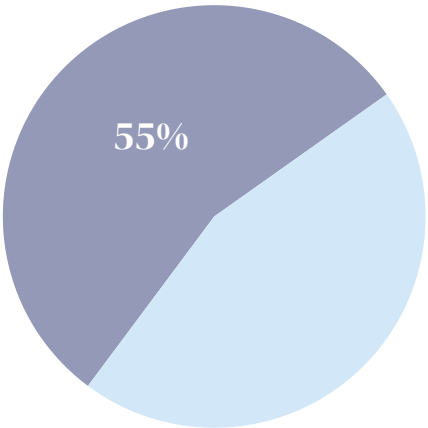


77% of respondents say facilities management improves the energy efficiency of buildings.

Strategic focus

The additional challenge is that FMs must now provide increasingly diverse information and reports to an expanding group of stakeholders, including investors and employees.

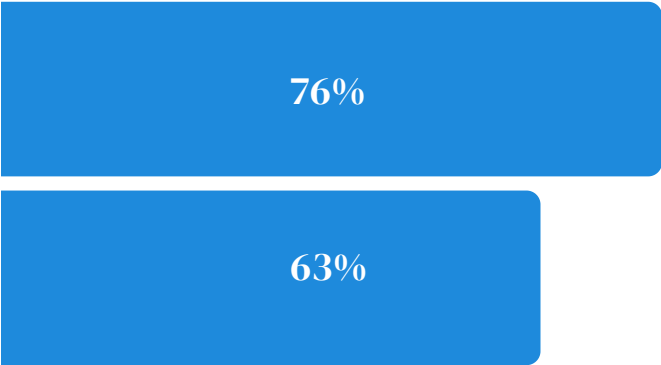
Research response: 55% believe facilities management supports social value strategies, including Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG).



Operational Risk

In addition to the energy efficiency targets, routine equipment servicing is a vital facilities management role. Different sectors face tailored regulations, with schools' regulatory inspections and NHS CQC assessments also including rigorous assessment of equipment status and safety. Accurate, in-depth service histories, including a full audit trail, are key to attaining compliance.

In addition to managing the relocation of staff as required, with robust information about equipment location, status and service history, an FM can also quickly provide insurance companies with the detailed information about any damage, fast tracking the pay out process to enable rapid replacements.



76% confirm facilities management helps to control compliance risks.

63% say facilities management supports business continuity planning to ensure businesses can continue to operate effectively in the event of interruption due to power outage or building damage.



Employee Experience

With the shift to remote and hybrid working, businesses are exploring opportunities to cut costs by shutting offices. FMs have a key role to play in these decisions, with senior management teams requiring insight about lease dates and operational costs as well as feedback on typical building utilisation

69%

Over two thirds (69%) confirm facilities management helps to increase employee satisfaction and well-being.

55%

55% say it helps the productivity of workers.

In addition, some managers are concerned about the productivity and, critically, mental wellbeing of remote working employees. FMs are increasingly being tasked with improving the quality of working environment, emphasising the focus on 'soft' FM activities such as catering and cleaning, as well as ensuring equipment is operating effectively, to reinforce the employee experience.

Environmental commitments dominate FM planning

While FMs recognise the increasingly diverse operational goals, it is the drive towards Net Zero that dominates future plans:

57%

57% of FMs will prioritise supporting sustainability over the next 12 months.

It is estimated that 30% of UK emissions come from buildings, 23% of which is due to the heating of buildings*, and FMs' commitment to improving the energy efficiency of buildings will play a key role in organisations' ability to reduce emissions.

There are increasing demands for regulatory reporting on greenhouse gas emissions and energy use, including the Streamlined Energy and Carbon Reporting (SECR) framework. Businesses also face additional scrutiny from stakeholders, including investors and staff, regarding environmental commitments and performance. Companies increasingly recognise that employees are also highly motivated by sustainable goals, with 60% of employees choosing a place to work based on matched environmental values**.

In addition to supporting an organisation's CSR and ESG strategies, companies can add revenue through effective environmental strategies. The UK Emissions Trading Scheme (UK ETS) creates a financial incentive for companies to reduce their carbon footprint, providing a further incentive for FMs to improve the energy efficiency of buildings.

Source:

*Great Britain. Department for Business and Energy & Industrial Strategy (2021) *Heat and buildings strategy*. [Access here](#).

**Gibson, M. (2021). *UK Sustainability Survey Report November 2021*. [online] CBRE. [Access here](#).



Budget and workforce constraints

While the priorities are clear, achieving these goals remains a challenge given the continued pressure on both budgets and staff. Many will struggle to find time to focus on strategic goals without better systems to drive efficiency and improve operational reporting.

Day to day, the biggest concerns over the next two years for FMs is:

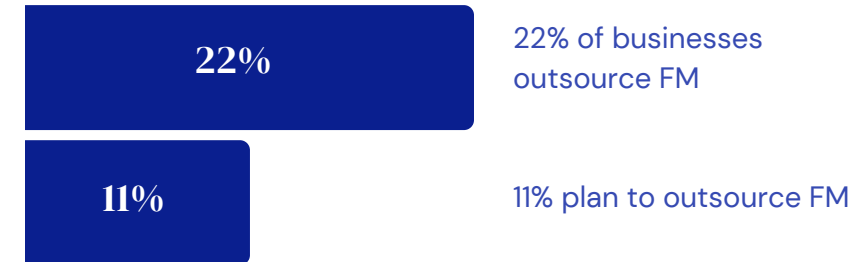


The pressure on budgets associated with the inflationary trends in recent years, as well as the supply chain disruptions that have limited access to equipment and spare parts, has been exacerbated by the continued loss of facilities management* staff. FMs have endured additional disruption, time and cost associated with recruitment, reskilling and training.

Attracting people into the industry, especially the younger generation, remains incredibly difficult. Creating the right environment for a facilities management team is key to boosting morale and improving retention – and almost a quarter (24%) confirm that facilities management workforce morale is an important problem to address over the next two years.

Increased reliance on outsourcing

Facilities management workforce recruitment and retention problems are accelerating the shift towards outsourcing. While 22% of businesses already outsource FM, another 11% plan to adopt this model. However, outsourcing is not a panacea. While outsourcing places the onus on a third party to ensure equipment is serviced on time, that PPM targets are met and the environment meets employee expectations, FMs must proactively manage the contract.



Indeed, outsourcing does not remove the compliance obligation: while the third party has responsibility for ensuring servicing, for example, is achieved effectively and on time, the employing organisation – and its FM – is still responsible for the compliance of its own equipment.



Concerns FMs face when outsourcing to third party providers



How is the FM planning to manage that process and enforce contractual Service Level Agreements (SLAs)?



Where are the reports to provide early warning if the quality of third-party work is not good enough? Third parties are also struggling to recruit and retain staff, which means an FM cannot assume the outsource provider has the skills and expertise required to fulfil obligations.



Is the FM tracking the outsourcing activity to ensure the service remains cost effective and in the best interests of the business? Or is the outsourcer buying new equipment to minimise servicing requirements, for example?

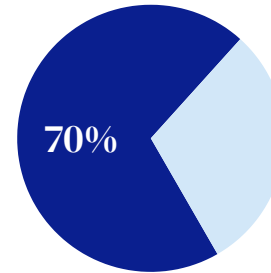
Even if a fully outsourced model is not in the plans, the majority of companies will be using some third-party contractors, from plumbers to electricians, and the ability to manage and monitor the quality and timeliness of this work is a vital component of effective facilities management.

In theory, a strong outsourcing relationship will release an FM to concentrate on delivering the key strategic goals, including energy efficiency and employee experience – but that can only be achieved through effective, streamlined contract management processes.

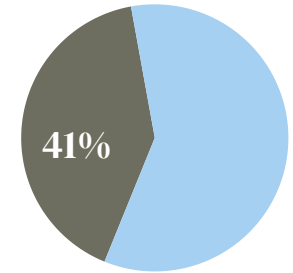


FMs lack efficiency and insight

The majority of FMs still lack the technology required to drive efficiency improvements or provide the information to support strategic imperatives. As this research confirms:



70% of respondents are still using spreadsheets



41% have the CAFM systems in place required to deliver accurate and immediate cross-operational information.

So how are FMs planning to improve productivity and meet wider strategic requirements?

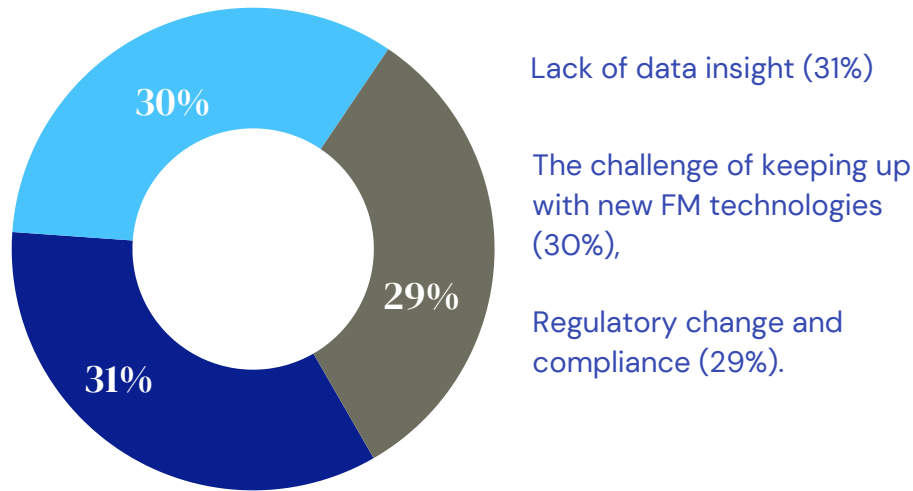
Efficiency

- ✓ Are work allocation processes optimised to reduce engineer travel time and improve productivity?
- ✓ Do engineers have remote access to work orders, asset history and accurate asset location to support more efficient working?
- ✓ Has the organisation embraced Planned Preventative Maintenance (PPM) to improve equipment lifetime value?

Insight

- ✓ How efficient is the outsource provider?
- ✓ Is there an accurate benchmark of current building emissions that can be used to drive sustainability plans?
- ✓ Does the FM have rapid access to the information required for ESG and CSR reports?

As this research confirms, FMs are increasingly concerned about delayed decision making due to:



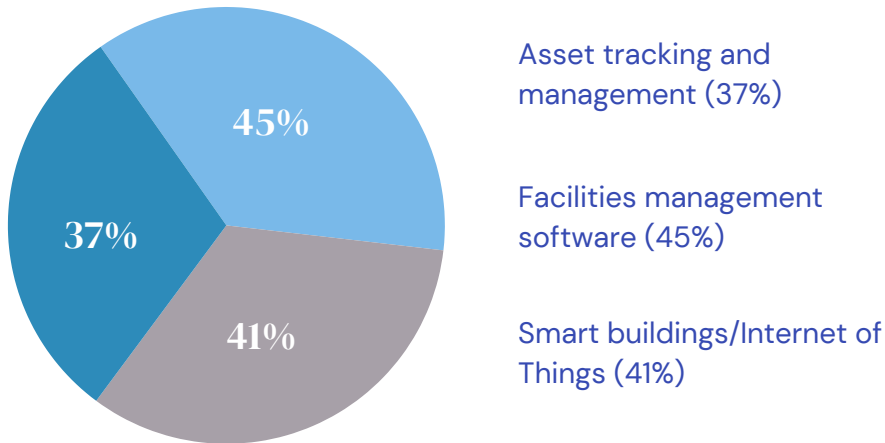
Without robust CAFM solutions, organisations cannot realise either day to day efficiency goals or strategic objectives:

- ✓ How can FMs maximise the productivity of existing staff to improve compliance and extend equipment lifespans?
- ✓ Where is the trusted information to support decision making?
- ✓ How can the business explore innovations in technology, such as the Internet of Things (IoT), that will be key to improving the energy efficiency of buildings and meeting compliance objectives?



Technology investment priorities

FMs recognise the need for better technology, especially to support sustainability improvements. Over the next year, FM's are planning to invest in:



There are also very clear objectives associated with the implementation of facilities management software, with 73% of FMs citing increased efficiency and productivity as a priority

In addition, FMs plan to use CAFM to ensure compliance and improve reporting, as well as enhance safety, work more collaboratively and improve data driven decision making.



Unlock efficiency with CAFM

CAFM software such as CAFM Explorer® can eradicate tedious manual tasks and enable insight-led prioritisation of activity. This enables FM's to address a raft of key requirements, not least, better management of budget and effective utilisation of existing staff. CAFM enables:

Effective PPM:

- Timely, proactive maintenance minimises the need for emergency call outs which can quickly erode budgets.
- Automated, deadline driven scheduling supports timely compliance to equipment servicing requirements – with real-time dashboards to provide an overview, including approaching deadlines.
- Preventative maintenance extends the lifespan of equipment, reducing the need for expensive replacements and avoiding downtime that can affect end user experience.

Engineer Productivity:

- CAFM's single source of all information, from asset location and history to service deadlines, allows FM's to optimise staff schedules to minimise travel time and maximise productivity.
- Engineers can access the CAFM Web portal to view work orders, update progress and check equipment history, sharing information with colleagues to improve collaboration.
- Checking for any other jobs at each location that could be swiftly completed can avoid a time-consuming return trip and improve engineer morale.

Reinforcing Safety:

- CAFM can enforce safety protocols as engineers arrive on site by flagging the need for Personal Protective Equipment (PPE) for specific jobs.
- Engineers are automatically made aware of building specific risk assessments, including dangers such as asbestos.

Asset Tracking:

- FM's are increasingly exploring asset tracking systems to further improve engineer efficiency, especially in areas of high equipment movement, such as the NHS and education. A CAFM system with integrated asset tracking provides a single source of information for asset location, history, service deadlines and current work orders ensuring engineers can quickly locate the right equipment.

Improving Compliance:

- With a single system to manage the entire operation, FM's have complete visibility of service compliance deadlines and maintenance schedules.
- Improved productivity combined with PPM ensures engineers have the time to achieve compliance deadlines.
- CAFM also provides FM's with the insight required to manage outsourced providers, including sub-contractors to reinforce compliance.



In addition, FMs are keen to improve CAFM integration with IoT and data visualisation/ business intelligence the two top priorities, closely followed by automation of tasks.

- The integration of CAFM with a network of IoT sensors, including thermostats, automatic lights and security systems, will provide FMs with the chance to monitor equipment both to further enhance PPM and gain the insight required to reduce carbon emissions. These systems can also contribute to a better employee experience by improving the working environment, for example by ensuring the air conditioning and heating respond to actual temperatures rather than based on inefficient pre-settings.
- Using IoT to proactively manage heating and lighting, combined with information about building utilisation, empowers FMs to drive greater efficiency, supporting sustainability goals.

Better, trusted data will also enable FMs to provide vital support to the new workplace model and meet strategic objectives.

- Soft FM services, including catering and cleaning, can be assessed and improved in response to employees' changing expectations.
- Accurate building utilisation information can be combined with insight into costs (leases, equipment, management) and opportunities to close buildings (lease end dates) to assess the implications for reducing carbon emissions.



Conclusion

The role of FMs continues to expand to include ever more influential and strategic roles. Many of the key decisions, from closing offices to changing building utilisation, cannot be taken in isolation. FMs require trusted, accurate and up to date insight to support discussions with wider management teams.

With the on-going pressures on people and budgets, FMs also need robust technology that supports efficient, collaborative day to day working. Investment in IoT and smart buildings is an important priority, but FMs will struggle to maximise the value of this investment when existing processes are inefficient and many are still relying on spreadsheets.

From efficient, collaborative, working for engineers to PPM to increase equipment lifespans whilst also improving compliance, CAFM allows FMs to improve efficiency irrespective of budget pressure and workforce shortages. It creates the collaborative, web-based model that is key to attracting and retaining staff and delivers the insight needed to support strategic goals, including sustainability reporting.





Call us on 0333 011 1200 or email marketing@idoxgroup.com to learn more about CAFM Explorer®

Idox Software Ltd
Unit 5, Woking 8
Forsyth Road, Woking
Surrey GU21 5SB

T: +44 (0) 333 011 1200
E: marketing@idoxgroup.com
www.idoxgroup.com

© Idox plc. 2024 Ideas, solutions, suggestions, hints and procedures from this document are the intellectual property of Idox plc and thus protected by copyright. They may not be reproduced, transmitted to third parties or used in any form for commercial purposes without the express permission of Idox Group.

