

Six Step approach to building a best practice organisation

Most organisations responsible for supporting their company's real estate (RE) or facility management (FM) operations function quite similarly to their industry peers in dealing with activities such as property management, leasing, maintenance and space management. In today's business environment, it would also be difficult finding an organisation not utilising technology or external partnering (even if only in an ad hoc way), so similarity again prevails.

This observation aside, the fact that RE/FM organisations have traditionally been able to "fly under the radar" when it comes to upper management visibility has too often allowed mediocrity to settle in. "Keep the lights on and the roof from leaking" has been the primary driver for many RE/FM organisations over the years. Meanwhile, the corporate world has dramatically changed in the last few decades. Thus, RE/FM operations must also adapt to new or improved processes, services and partner relationships in order to align with - and deliver against - today's new business paradigm.

Therefore, the challenge is to build a best practice RE/FM organisation effectively enabling the workplace to support this new operational reality. Described below in six steps, the roadmap for this transformation is applicable to any type of business faced with growing pressure to save money and deliver a better product or service.

Defining the who & what

The key to any organisation being successful starts with a clear understanding of who they are and what exactly they must do to bring value to their corporation as a whole. After all, the advice to Alice given by the Cheshire Cat, "If you don't know where you're going, any road will get you there," applies here, too. Regrettably, all too many RE/FM organisations try to solve problems with quick, typically tactical solutions without a well-defined roadmap to vet the solutions against. In short, they apply a solution before knowing where they need to go and, as with Alice, they end up far from where they expected their investment to take them.

That is precisely the situation which Six Steps help managers avoid by delineating the "who & what" required to build a successful operation structured around an intelligent business strategy for a cohesive solution. Best practices are proactive, creating and nurturing an optimal environment where companies can consistently do their best work beyond "the way we've always done it."

Taking the strategic steps

The approach laid out below provides management the optimum alignment with business needs, with Step 1 focusing on business strategy. RE/FM management must understand corporate goals and the true value that real property assets should bring to the equation. This means getting outside of the current comfort zone of tactical service execution (such as renewing leases and negotiating service agreements) and into focusing on how facilities can best maximise the corporation's value as a whole.

Issues that did not even exist previously now must be dealt with, such as with the world of mobility and alternative work. When managers provide high-quality workspace but employees typically do not physically come to the office, then the corporate mission isn't being optimally served. Increasingly, the best solutions may not even revolve around space but rather around enabling people to work where they are. The key is to codify how the services being offered align with the company's overall mission.

Step 2 focuses on understanding the enterprise service lifecycle. Conversationally stated, "Are we doing

everything we should be doing and not doing anything we shouldn't?" First, management must understand their organisation's role and only then focus on improving that role while shedding antiquated services that may have outlived their real value. Step 2 also requires managers to consider how the unique and independent service offerings they will continue to provide can and should interact with each other. A key component of Step 2 is understanding the relationships between the various processes addressed in later steps, to ensure the overall service lifecycle is not compromised. If this "Big Picture" step is skipped, it will be very easy to optimise service silos while actually creating service breakdowns upstream or downstream of a specific activity.

Step 3 focuses on an honest assessment of how managers and their teams will be measured: What does the organisation expect of its facilities investment, how will they view RE/FM managers and their respective team and how will the services and people providing those services be measured by within RE/FM? Remember the old truism, "What isn't measured isn't done."

More than a numbers exercise, as a real-time barometer KPI enables finding out immediately the "hot buttons" impacting the organisation and aligning services in support. In practice, the number of metrics will be relatively small (12-15 is optimal) and usually only one or two KPIs. Keep in mind that metrics are primarily historical and used for trending (square foot per employee or cost of facilities as a percentage of sales). While

metrics enable management to see if the organisation is trending the right way, they do not enable them to quickly change course. In contrast, KPIs are tied directly to a strategic goal and give management real-time information in order to adjust behaviour. In organisations with high-hazard conditions, for example, a KPI may be reportable incidents and management gets immediate information on even the most basic observable incident, to quickly address the risk and prevent serious injury or further loss.

In Step 4, management defines the optimal practice for each operational service offering. This step feeds directly on input gained from Steps 1-3. Knowing the company's strategic mission, the optimal RE/FM service model and how performance will be measured, the next step is to define exactly how the services will be delivered. This is business process mapping 101: normalise and standardise service delivery to optimise service delivery cost against the level of service delivered. And, at the same time, remember Step 2's message – keep upstream and downstream process requirements in mind to avoid getting caught in a silo mentality.

The goal is formal documentation for a reason. Many organisations say they have standard processes but, when pressed to define them, can't. Standard Operating Procedures (SOPs) and Service Level Agreements (SLAs) are valuable and are logical components of a well-defined service model, but are not typically discretely defined enough to stand up to a process audit. Make it part of the effort in building a best practice organisation to document processes in a more deliberate way. This effort will provide an invaluable understanding of the context in which the process must operate within the overall business enterprise.

Step 5 centres on creation of a detailed functional requirement for whatever solutions are deemed necessary to support the service offerings. This may be SLAs for engaging outside partners or technical specifications for purchasing technology. Regardless, too many organisations believe that schedule or cost pressures force them to implement some form of solution without the "luxury" of following the steps outlined above. Some even steadfastly believe they already know what must be done and don't want to waste valuable time or money just to get to where they are now. However, history drives home that whatever the reason or excuse, skipping Steps 1-4 creates a high likelihood of sub-optimal, even disastrous results -- where the most favourable result usually will be only marginal improvement instead of transformational change.



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Note that Steps 1-5 are business-focused and top/down. If executed successfully, management should be able to trace every decision from Step 5 all the way back to the top. If Steps 1-5 are done well, then a very clear model has been defined as to how a service or tool will work.

In other words, if the first 5 steps were executed with care, Step 6 is relatively easy. Assuming a working relationship with the right partner or technology vendor, this last step focuses on aligning the solution with the well-defined business needs. The key is to apply the learning from previous steps. A common failure here is to disconnect the business from the solution. In essence, people abdicate their position by accepting a vendor or supplier's statements about "This is the way it's always done." Remember, company managers (not vendors or suppliers) are in the driver's seat. Make the service or technology supplier commit

to the solution requirements and test everything against the document created in Steps 1-5.

Best practices streamline the business

For all RE/FM organisations that have not incorporated business steps such as those outlined here, this is a wake-up call. Through systematic organisational and process assessments, enabled by technology, they can streamline how they work and align their service offerings with the true needs of the corporation they serve.

In today's business world, nothing is static. If a corporation's work or business model is shifting, RE/FM management must shift, too. Processes, services, agreements and contracts, literally everything must be aligned and delivered against the new business model – to be a competitive organisation.