

CAFM Systems: I Scream, You Scream, We All Scream For Credible Data!

Presented by Susan Hensey, FAIA and David Stephenson, CFM

Let's Set the Stage

The event takes place in 2010 when the economy is still struggling to rebound from the financial crisis originating abruptly back in 2007.

Organizations have continued to downsize their workforce for over 40 months... wondering when the 'bottom' will be reached and recovery will quickly take over. In recent reports, however, facility and real estate professionals are learning that a recovery may not emerge as a quick V-shape as expected, but a slower U-shape instead.

Paul Davidson, USA TODAY writes: "Typically, sharp downturns like the current one yield equally rapid, or V-shaped, upswings. But the worst recession since the Great Depression has been anything but typical, with housing and credit markets devastated. In a USA TODAY survey, 63% of economists said the recovery will be slow and gradual, or U-shaped."

The bottom of the U is painful for those managing a real estate portfolio. The biggest concern: how long will today's reduced portfolio size (a result of rightsizing the portfolio after mass layoffs) be able to absorb slow growth before obtaining additional space is necessary? For Real Estate professionals, the task of planning for that inevitable growth and knowing when exactly to pull the trigger on leases, start the domino of moves, or begin the build-out of new space has itself turned into rocket science! The difficulty is twofold: 1.) Less Real Estate staff. Real Estate departments have downsized in the corporations' RIF [reduction in force]. 2.) More work. The RIF process has indeed reduced a company's headcount, but many organizations are also maintaining headcount, but minimizing FTE by reducing hours, instating short-term furloughs, or job sharing in order to retain their best and brightest human capital. The portfolio manager must juggle the vacancy/occupancy ratio and the continuous movement of staff all while tending to the quick and confidential natured off-boarding. Many managers, even those managers who had a tight rein on their occupancy, have lost their ability to know the true efficiency (or lack thereof) of their portfolio.

Example: In response to the declining economy, the ACME Corporation* (beep-beep) employing 3,100 FTE in 1,090,000 rsf in three locations, reorganized, downsized, provided early retirement incentives, re-organized again, implemented a work-at-home program and encouraged the use of touchdown spaces and finally re-stacked to zero vacancy. Z-E-R-O! ACME was aggressively planning to balance their portfolio with the new 'down' economy. It took over 24 months reducing the portfolio to the point of efficiency. Now, within a six month window of surviving in the no-room-for-elbows efficient portfolio, departments are beginning to respond to new regulatory requirements and develop new products to replace lost revenue. These departmental decisions translate directly into additional staff - additional seats - increased space. The ACME Corporation* has no growth room.

*Names have been changed to protect the innocent.

Angst and “fear of the unknown” compel real estate professionals, similar to those responsible to the ACME Corporation, to turn to Facilities Technology to seek help. They’re asking for help and are willing to spend portions of their coveted small budgets because they desperately need to know:

- What is the true capacity of my current portfolio?
- How much true vacancy do I have?
- Should our grow-back strategy encompass new work styles? (i.e., minimizing offices and encouraging more flexible workspace)
- How much additional space should we plan for? (i.e., department/allocated vacancy plus portfolio/unallocated vacancy)
- And, please, please... we *must* justify and prove any new real estate growth needs to the C-Suite!

Character Development

The USERS: These characters have evolved enormously from who they appeared to be 3 to 5 years ago. In the past, Users would be described as real estate professionals or facility managers that wanted merely to document their current conditions and/or make the dreaded internal rent/charge-back system a little easier for their client. They may have even implemented a CAFM/IWMS system simply to elevate their status above the other real estate group that was rumored to be their merger of equals – potentially saving their job!

Today, the USERS are clothed by a new costume designer – a little more sophisticated... a little more serious. These USERS desire accurate facility information to make business decisions. USERS are required to deliver proposed space requests to the C-suite with backup statistics in one hand and the proposed solution (with the attached budget increase) in the other. This is serious business.

The PROVIDERS: The providers have also evolved. They are the same characters: committed, driven, and specialized. However, now, they’re in much more in demand, a little higher paid and providing business solutions beyond any USERS’ imagination. The PROVIDERS are delivering data that supports business decisions, highlights real estate efficiency and waste, and leads to identifying solutions. They no longer act and look as ‘operators’... they are analysts with the ability to mine the data! The PROVIDERS may be CAFM specialists, Technology experts, or Planners utilizing the data... a very different look for this stage!

The Weapon

CAFM: Computer Aided Facilities Management has more recently been coined as “Space Management” – the part that involves ‘location’. This allows the financial portion of the system to be inversely coined as IWMS (i.e. Human Resource, Finance, Lease, Consulting Invoicing, Occupancy charge-back, etc.). However, the ‘location’ drives all information within real estate services (a big statement, but I’ll stand behind it). CAFM is not the lesser of the two – it is critical and necessary. Yet, this weapon is typically

unfamiliar to the MBA or business person. Floor plans, hatched by business unit, reported as usable, rentable or gross... only confuses and frustrates those not educated in architecture school nor intrigued by the not-yet-equal-to-the-SIMS-drafting tool, AutoCad.

IWMS: This new term (although still not easily flowing from the tongue in a catchy word like 'Caffum') allows a company to understand the critical integration between business data and real estate information. IWMS may take the place of Business Performance Management Solutions or ERP systems (Enterprise Resource Planning) for mid to small organizations (don't miss the word WORKPLACE in front of the big 'management' word). It definitely takes the place of Real Estate management systems – integrating Space with HR, Finance, Property and Lease.

Realize that IWMS was primarily coined with the intention of creating a new “market venue” to increase software sales. But identifying a more comprehensive CAFM system as IWMS was a respectful endeavor to more adequately define the true use and need for software to assist in the management of real estate and related business performance. Don't be intimidated by the acronyms – it's all done honestly in the name of making money and increasing communication – isn't that the core of what makes the world spin today?

Both CAFM and IWMS systems are developed and marketed by fairly small software companies. We are not talking Microsoft here! We're referring to a handful of technology experts with a passion for the industry and a vision for serving it. Hence, the cost of the software for the market equates to a product that is less than perfect. Providers are critical to the User to be able to configure and fine-tune the software to make it work optimally (and sometimes just 'to make it work!'). As the number of Users increase and the development dollars increase, the product will become more robust - demanding a higher cost for the increased value. The software development of CAFM systems is about 30 years old with a very slow maturity.

The Conflict

The big, ugly, hairy conflict that challenges both USERS and PROVIDERS has two heads. One is the inability for the USER to feel they've retained a tool to work as they expected, the other is the inability for the PROVIDER to feel they've had the opportunity to deliver a tool that the USER can successfully utilize.

The weapon (or CAFM system) is not the enemy – it is only a tool. It is the inaccurate data, difficult interface, unexpected costs and unmet expectations that kill the success of the system. As the conflict progresses, Users and Providers go their separate ways, heads hung low and wondering what went awry. The vision was clear, the motive was pure – the conflict too great.

Resolution

Resolution to this all-too-often conflict may only be obtained through improved communication and industry maturity.

For example, the following items should be readily available to both user and provider to as supporting weapons to overcome the challenge and allow for success:

- A definition of terms – quantifiable with graphic description and/or example.
- Pilot project – a ‘typical’ scenario with import data, drawings and reports.
- Schedule – Realistic timeframes for implementing data identifying key milestones and critical process/technology junctures.
- Key Players – Identified roles and/or individuals critical to the success of the system. Key Players may be deemed critical due to system expertise, historical knowledge or approval authority. Any role that will be importing or exporting to/from the system must be represented.

Many industry websites and social networks have opened up an avenue for increased communication and conflict resolution for CAFM systems. Below are a list of such Groups that have encouraged in depth and honest dialogue about implementing and maintaining successful systems. Most Groups are by invitation only to monitor and maintain the integrity of the members and related information.

LinkedIn Groups:

- ***Workplace Technology Solutions***
- ***IWMS/CAFM Solutions a subgroup of Workplace Technology Solutions***
- ***Strategic Facilities Planning***
- ***Workplace Buzz***

Websites that are a must:

- **<http://www.iwmsnews.com>**
- **<http://mistressofthedorkness.blogspot.com/>**

At WorldWorkplace10, our seminar will reveal the results of a far-reaching study polling Users and Providers on: “What they wished the other knew about a CAFM system, its implementation and maintenance.” The results will be enlightening; giving insight and understanding to a facilities world with less conflict through greater communication and more effective weaponry. Users and Providers alike will look forward to a new stage and their own CAFM system with a ‘happy ending’.

The End!