

High Performance Buildings Need High Performance FM - How does your organization rate?

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Introduction

We've done a good job of defining what constitutes a high-performance building, but how do we keep our buildings in top performing shape? A building will remain high-performance only if the facility manager has the knowledge, skills and ability to keep it there. The facility manager is the key to operational efficiency, and is the one individual that has a working knowledge of the bricks and mortar, and of the political, economic, and environmental climate that exists within their organization. By arming facility managers with a toolkit of sustainable practices, we enable them to adopt and adapt sustainable practices to his or her unique environment. Facility managers can create alignment between organizational strategy and the delivery of economical, safe and productive work environments.

High-performance buildings are kept in good working order through a commitment to high-performance facility management. For the characteristics of a high-performance organization, we can turn to recent management literature that defines those characteristics. Once we have committed to improving both the organization and the assets that are managed, we can truly define the most important metrics that define and maintain a building as "high-performance". This presentation addresses the convergence of the characteristics that define high-performance in both the building and in the facility management organization that is managing them.

By exploring and managing these key characteristics effectively, we can keep a facility running in top condition, creating safe, healthy, and productive work environments, while saving energy and resources, and operating in a cost effective manner.

High-Performance Buildings

High-performance buildings are characterized by their efficient use of resources and their ability to enhance the safety, health, and productivity of its occupants – two of the three basic elements of the triple bottom line. The missing element – operating economically -- is an outcome of effective strategy, planning and management of the facility, while maintaining the other two elements of the triple bottom line. The Energy Independence and Security Act of the United States identified the following characteristics of a high-performance building in 2007¹:

- Reduced water, energy and material use
- Improved indoor environmental quality
- Reduced negative impact on the environment
- Increased use of environmentally-preferable products
- Increased reuse and recycling
- Integrated systems in buildings
- Reduced environmental and energy impacts of transportation
- Consideration of the effects of the building on human health

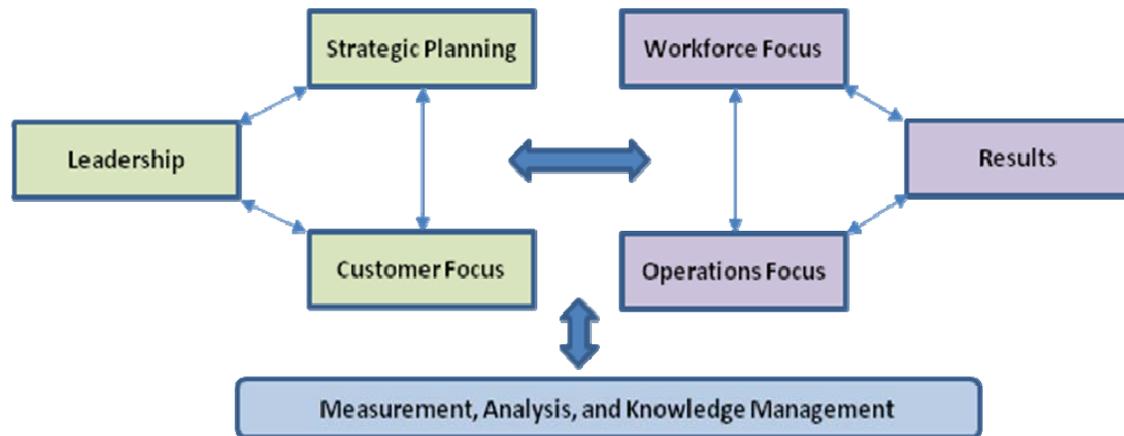
High-Performance Organizations

High performance organizations are those that are skilled at developing a strategy, implementing a plan to follow that strategy, operating with an effective performance management system, and constantly reassessing and adjusting their plan to meet a changing environment. The attributes of a high-performance organization include:

- Strategic approach to the future of the organization
- High level strategy and planning skills

- An in-depth knowledge of their stakeholders
- Sound processes for accomplishing work
- Processes for continual improvement
- A commitment to the development of the workforce

Performance excellence is a term used to describe high-performance organizations. One of the leading international organizations that defined the criteria for performance excellence is The Foundation for the Malcolm Baldrige National Quality Award. In a public-private partnership with the National Institute of Standards and Technology (NIST) and others, the Foundation has developed the criteria for performance excellence as shown below².



This framework provides the guidance to those organizations that want to improve their results. Results are improved through strengthening the leadership triad (left side of the figure), and the results triad (right side of the figure). Performance and competitiveness is improved by linking these two triads through performance measurement and analysis, and effective knowledge management (at the bottom of the figure).

High-Performance Facility Management

High-performance facility management requires the knowledge, skills and abilities to deliver services at a high level, and the physical infrastructure to deliver those services in an economical, environmentally friendly, and people-friendly workplace. This requires the merger of high performance management processes with the triple bottom line objectives of a viable sustainable facility management program. The facility manager is able to carefully balance inputs such as energy, labor, materials and capital (both political and financial), to deliver quality services to the organization.

The facility manager does this by developing and implementing processes such as; work management, space management, continually monitoring customer feedback, and managing operating and capital budgets. The facility manager's tools include; strategy and planning skills; a focus on the customer; dedication to improving the knowledge, skills, and abilities of the workforce; effective management of space and work; and the ability to measure, monitor and report progress toward economic and environmental goals.

The output of a successful sustainable facility management program is a safe, healthy, comfortable and productive work environment while saving energy and resources, and operating in a cost effective manner. As we improve building systems to deliver high-performance, we will need to maintain a high-performance environment in the delivery of facility management services.

The assessment framework outlined below integrates the Baldrige quality framework with the typical operating environment for the facility manager. Since the facility management profession is engaged in

the long-term care of the built environment, this provides a framework for improving the quality and managing the performance of the facility management organization. This allows the facility management organization to be very effective in implementing improvements aligned with the mission/vision of the organization, accurately measure the results, and track trends.



Using the categories above, facility managers can zero-in on enhanced performance. The first step is to develop a sound strategy that utilizes *Leadership* and *Planning* skills and *Customer Focus*. From there, *Workforce Development*, with an emphasis on improving facility management *Process Management* and *Measuring & Analyzing* results, will lead to more efficient facilities, higher stakeholder satisfaction, and lower operating cost.

Assessing Your Organization's Ability to Manage for High-Performance

In order for an organization to perform at a high level, they must establish a baseline of performance against the framework described above. In order to establish that baseline, the facility manager needs to develop key performance indicators (KPIs) for each performance category that are easily determined, updated often, are meaningful to the user, and that have the most significant impact on the delivery of high-quality services.

The use of proper KPIs and development of a "dashboard" of performance indicators allows the facility manager to constantly measure and monitor the characteristics for that category. These KPIs can then feed into a Balanced Scorecard or other performance management system that allows for "scoring" performance in that category. These measures can be used to check progress against specific goals, or to benchmark against other organization's performance or best practices in the industry.

As an example, the Baldrige quality framework for Leadership examines how well an organization's senior leader's actions guide and sustain an organization. The Leadership quality framework also examines the organization's governance systems and how well the organization fulfills its legal, ethical and social responsibilities.

Leadership

1.1 Senior Leadership: How do your senior leaders lead?

1. Vision, Values, and Mission
 - a. Vision and Values

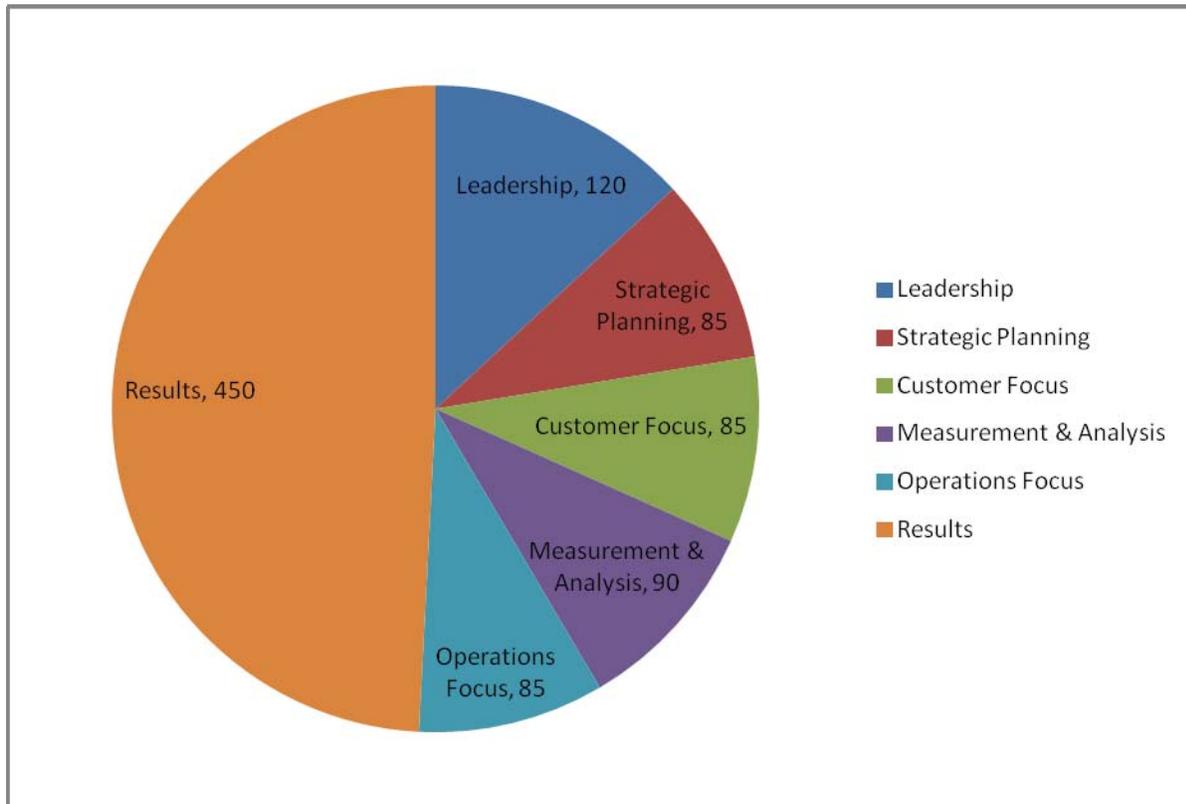
- b. Promoting Legal and Ethical Behavior
- c. Creating a Sustainable Organization
- 2. Communication and Organizational Performance
 - a. Communication
 - b. Focus on Action

1.2 Governance and Societal Responsibilities: How do you govern and fulfill your societal responsibilities?

- 1. Organizational Governance
 - a. Governance system
 - b. Performance evaluation
- 2. Legal and Ethical Behavior
 - a. Legal and regulatory behavior
 - b. Ethical behavior
- 3. Societal Responsibilities and Support of Key Communities
 - a. Societal well-being
 - b. Community support

Using this framework for Leadership, the performance management system can rate performance against an internally-set standard on a quantitative basis.

The Baldrige quality framework utilizes a 1000 point system that evaluates each of the 7 aspects of the framework as shown below. The Baldrige framework for performance excellence is heavily weighted toward results (450 points), with a secondary emphasis on the leadership qualities of the organization (120 points).



Rating performance does not need to be an exercise in subjectivity and personal bias. If the right performance indicators are developed with an eye toward measurability, a performance rating system can be developed for each of the categories that define high performance. The Balanced Scorecard (BSC) is a performance management tool that allows the facility manager to develop initiatives, measures, and targets that are used to measure success around **all** of the elements of the performance management framework. The BSC bridges the gap between the organizational strategy and the delivery of a high-performance facility management organization. Once the framework is in place, continuous measurement and quantification of success will start to define high-performance at the organizational level.

Not everyone is convinced that all things are measurable. However, using similar techniques to that of how we measure customer satisfaction, we can make subjective evaluations more objective, and we can develop rating systems for characteristics such as the strength of our leadership, ability to develop our workforce, and the measurement and analysis process we implement.

As a final note to performance management and the development of high-performance facility management organizations, the increasing pressure around the world to disclose environmental performance is becoming a driver for organizations to improve the way they manage their assets. Financial performance is not the only indicator that stakeholders are evaluating when choosing products, services or investments. High-performance facility management enhances the value of the physical assets of the organization and facilitates the reporting of environmental commitment and the Corporate Social Responsibility of an organization.



As reporting frameworks such as that of the Global Reporting Initiative (GRI) develop and become commonly used, the need for a sustainability-based performance management system for facility management will increase. Organizations that adopt a performance management system that enhances their ability to report their financial and social value to all stakeholders will have a higher value and more competitive product or service to offer. The facility manager can become one of the key drivers of the reporting process through high-performance facility management.

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- 1 Achieving High-Performance Federal Facilities, National Research Council of the National Academies, The National Academies Press, Washington, DC, 2011
 - 2 2011-2012 Criteria for Performance Excellence, National Institute of Standards and Technology, Baldrige Performance Excellence Program, Gaithersburg, Maryland, USA, 2011