

INTELLIGENT BENCHMARKING AND BEYOND

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WHY SHOULD YOU BENCHMARK?

Measuring results is the best way to improve what you are doing. This is the core of almost all quality management systems, including Six Sigma. While Six Sigma doesn't apply very well to Facility Management processes since there aren't enough transactions to measure defects against, the principles work very well.

Benchmarking is a form of measurement – where you measure against something else to see where you are lagging, identify the areas and take corrective action. This is the essence of benchmarking.

Even if you think you are doing everything right, how do you know unless you compare? No organization is the best at everything and the same is true for yours

So, if you aren't benchmarking, you can't possibly be doing everything you should be doing.

WHAT IS BENCHMARKING NOT?

Benchmarking isn't just about numbers – You don't just compare numbers and if your results are average or better, you keep on doing what you've always been doing.

For one, do you really want to be average?

Secondly, benchmarking should be a learning process, not just a measurement exercise. You should effectively compare the results and then dig deep to understand what you can do differently.

Think about several runners who ran a race and finished with the same time. All runners had excellent technique except for runner #2. If you were benchmarking their times, you would say the second runner did well and that would be that. In fact, you shouldn't be satisfied with how the numbers make you look. By focusing on more than just their time, you can see the real benchmark was their technique and with improvement in their technique, the second runner could easily win next time.

Remember, Benchmarking isn't just about numbers, it's about learning and improving.

THINGS YOU NEED TO KNOW

Benchmarking can be a great tool for organizational improvement, but it must be used properly and carefully to avoid the many traps you can fall into. Use Benchmarking as a basis for improvement and be careful to avoid the traps.

UNDERSTANDING WHY

Of course the first step when benchmarking is to be clear on why you are doing it and what you will use the results for. That will dictate how your benchmarking exercise should be structured and managed for the best results.

Decide on your goal and what decisions you will make before you start, and what next steps you will take to investigate the cause of the results and recommendations for change. If you don't think you can make changes or influence your results, then rethink the priorities or find ways to make it happen. Use the results to push change and make your case within the organization.

COMPARING EFFECTIVELY

Accurately comparing results and measurements is not as easy as it seems, and using averages can sometimes result in wrong decisions.

Since you have decided to benchmark and clearly understand why, you can focus your attention on the areas that are most important and understand how to do the comparisons so they are meaningful and lead you to more detailed information you can made decisions on.

For any detailed benchmarking exercise, you need to assess each component or measurement and compare the situations, then make adjustments to ensure an equal comparison. The similarity is important, since many factors influence costs and results.

When comparing to averages, remember that averages can be very deceptive and misleading. That's why you need to dig deep and fully understand what you are comparing.

AVOID THE BENCHMARKING TRAPS

Benchmarking is a valuable tool for business improvement, but there are many traps you can fall into. We've listed seven key traps you should avoid.

Trap #1 *It's all about numbers*

Benchmarking isn't comparing numbers, it's a process of identifying where you can improve and learning new approaches, processes and techniques used by other leading organizations that you can apply to improve results. Comparing your results with a benchmark number is only the starting point for benchmarking.

Trap#2 *There isn't anything else to learn*

If you think you know all there is to know already, you won't do what it takes to Benchmark effectively. Admitting that you can't possibly know it all and that others may be doing some things better is critical to moving benchmarking from a numbers exercise to a process that adds value to your organization.

Trap # 3 *Using your Shotgun*

You have limited time and energy, so focus your benchmarking on key areas that will have a large impact rather than on everything you do. You can always go back to the other areas later. You can start with a quick exercise that covers most areas and use that to focus your more in-depth issues or Identify areas of importance to your organization or areas you feel are already lagging and focus on those. Once you have gone through the first benchmarking exercise, moving from comparing numbers to assessing procedures, systems and resources and then implement change, you can move to other areas and apply what you learned to those areas and continue to improve.

Trap # 4 *Using Published Benchmarking As-Is*

Generic published benchmarking results are a good start to identify areas for further study, but even at a high-level, you need to be careful with the comparisons. Carefully review the methodology and look at the sample size and participant profiles. You may need to make adjustments to the information based on your specific situation, geography and more. For costing, be sure they include the same information you do in the comparisons and adjust as necessary. For staffing levels, assess the functions and titles and be sure of the roles and responsibilities. Look closely at the sample sizes, number of participants and volumes if applicable. These can be misleading and not provide suitable comparisons. If you do your own surveys, be sure to be clear about what information you are looking for. Ask the right questions and build in the ability to identify unique issues that will affect your comparisons. While you are at it, expand your survey beyond simple costing numbers and include process, systems and resourcing when possible. Alternately, this type of information can be in a follow-up survey or direct discussion with organizations who appear to be the best match.

Trap # 5 *Justifying The Status Quo*

Some people simply use benchmarking results to justify the status quo. Since raw benchmarking results can be deceptive, this is easy to accomplish. You need to understand how the results have been

compiled, the sample size, the type of facilities, location, services and more to do an effective comparison. You must Benchmark with the intent to improve, not to justify the status quo. Just because you are within the average of published benchmarks is not reason to be complacent. Do you want to be average, or do you want to be a leader. Learn from what the others are doing and implement change in any areas where you don't lead.

Trap # 6 *One Time Effort*

Benchmarking isn't just an exercise to do once and forget about it. Once you benchmark, you should continue to measure internally and compare your new results with the benchmark results as well as your own historical results to see how you are trending and to identify and take action if you start to slip. Periodically, drill down again to look at procedures, processes and resources for key benchmarks to see whether there are more changes you can make to improve results. As necessary, focus on a new area.

Trap #7 *Comparing Apples to Apples*

Everybody talks about not comparing apples to oranges, but the bigger risk is the more subtle differences between apples. Accurate comparison is not as easy as it seems, and using averages provided in published benchmarks can result in wrong decisions. You don't want to compare apples to oranges for sure, but you also don't want to compare a Golden Delicious with a Macintosh. To get a proper comparison, you need to assess each component and compare things that are the same. You may even need to make adjustments to ensure an equal comparison. The similarity of comparisons is important, since there are many factors at play.

GOING BEYOND BENCHMARKING

Going beyond benchmarking and evaluating your operations is critical to your success. It tells you whether your FM operations are as efficient and effective as possible and identifies things you can do to enable you to serve your corporation's core needs better.

This is especially the case if your FM department part of a larger organization whose core business isn't Facilities Management. Managing the facility department of a large organization puts you at a disadvantage over an organization whose sole business is facility management and going beyond benchmarking can put you on an even footing.

As the FM department of a corporation, you have less opportunity for exposure to other methods, procedures and latest practices in FM since you don't have peers in your organization to interact with and learn from. Also, your supervisors and other senior members of your organization don't have knowledge and experience in your profession they can share with you or provide guidance for. You are the sole champion and sole knowledge source for FM in your organization

WHY GO BEYOND BENCHMARKING?

Taking Benchmarking one step further than simply comparing numbers to evaluating your operations tells you whether your organization is efficiently and effectively delivering the services and results your Corporation needs for its Core Business success.

Simply put, you compare your performance against benchmarks that include leading practices.

They should be objective and measurable. They provide you with a non-judgmental comparison of your specific organization structure, systems, access to expertise, service delivery models, practices and procedures, systems, information and functionality.

The comparison is typically with practices used by leading organizations and gives you the information to assess whether your practices match your organizations requirements and priorities or whether other practices should be carefully assess and considered for implementation.

A key element of this next step is to take into account the specific needs and objectives of your organization. After all, a leading practice used by one organization may not be appropriate or suitable for your organization.

It should deliver clear, easily actionable information you can use to identify and prioritize strategies for your operational delivery of Facility or Property Management services. You can do a review regardless of the size of your organization or your responsibilities and scope.

HOW CAN GO BEYOND BENCHMARKING?

Conducting an assessment of your operations involves a number of different components. It's important not to simply conduct a superficial assessment that may lead you towards initiatives that don't match your company's strategic objectives. Implementing leading practices just because someone else is, or making changes because basic benchmarking indicates you should can be counterproductive.

This is the main problem most Facility Managers face. To know whether you are doing the right things, you need to know what your corporation's *Core Business* requires and then compare how you deliver it with others. Comparing is not easy. It takes time and must be done carefully to avoid incorrect comparisons that lead you to conclusions that are not right for your organization.

To know whether you are doing the right things, use a three step process. The advantage of a three-step process is that the first, simpler step enables you to quickly identify areas where you should focus your attention for the best results.

TRADITIONAL BENCHMARKING

Do some benchmarking with available industry comparisons to get a sense of areas where you should look at closer. Use IFMA's benchmarking research reports as a start to the process.

LEADING PRACTICE CHECKLIST

Use a leading practices checklist (like the one provided below) which provides a short fact based review against an extensive list of practices in major groupings along with a short summary for each of the groups. Assess the high level aspects of your operations from a process and procedures perspective to identify areas where you may be lagging and should focus your attention.

This checklist identifies areas where your current practices match best practices and identifies where gaps exist in your current organization or operational models. This checklist includes leading practices from some of the largest FM and PM organizations.

Practice	Expectation	
Asset Management	You regularly review property condition using formal process/checklists. You integrate the results from this and your maintenance management system into your capital and maintenance plans.	<input type="checkbox"/>
Communications	You use newsletters, emails, meetings, etc. in a planned and controlled way to communicate and receive communication from occupants	<input type="checkbox"/>
Customer Service	You have policies and procedures in place to deal with customer / occupant communications and issues. You measure satisfaction results, develop corrective action plans and implement them. You have telephone and internet based coverage 24/7 for emergencies and requests.	<input type="checkbox"/>
Emergency Management	You have written plans for dealing with emergencies and issues, including disasters, accidents and business recovery.	<input type="checkbox"/>
Energy Management	You actively manage energy through formal plans and initiatives, including communications, projects, studies, project standards, etc.	<input type="checkbox"/>
Environmental Management	You have written plans that address all environmental issues such as CFC's, hazardous waste, spills, fluorescent tubes, etc. to reduce impacts.	<input type="checkbox"/>
General Management	You develop annual plans to address issues, set initiatives and targets, including facility plans, asset and capital plans, staff training, communications, etc.	<input type="checkbox"/>
Lease Management	You have formal processes and resources to scrutinize lease charges from landlords and property tax.	<input type="checkbox"/>
Maintenance Management	You have a computerized system that tracks assets, plans preventive maintenance, tracks corrective maintenance and demand work orders and provides reporting for management, compliance and performance.	<input type="checkbox"/>
Occupancy Management	You have systems to track, analyze and report usage to provide management and strategic information for cost containment and planning to drive behaviors and reduce total cost of ownership/occupancy.	<input type="checkbox"/>
Performance Management	You have quantifiable measurements of key deliverables and processes for suppliers and in-house staff. You have a formal process and measurement framework that drives improvements.	<input type="checkbox"/>
Quality Assurance	You have a formal quality assurance process in place that ensures consistent processes and procedures, results are monitored and compliance audits performed. Mechanisms are in place for continuous improvement.	<input type="checkbox"/>
Staff Development	You annually review, recommend and implement training for your team to stay current and develop your staff. You participate in associations and subscribe to related publications to stay current in the industry.	<input type="checkbox"/>
Standards	You have standards to minimize costs and ensure consistency for space layouts, furniture, fit-up and capital or base-building projects.	<input type="checkbox"/>

INTELLIGENT BENCHMARKING

Intelligent benchmarking isn't just about comparing benchmarking numbers, it's about a process to target problem areas, identify solutions and implement changes that will get better results. Benchmarking is part of the process, including general benchmarking as well as detailed, focused benchmarking that compares processes, resources and systems rather than just numbers. These 10 steps will help guide you to better results:

- 1 Identify and Rank Critical Success Areas:** Before you begin, you need to know what is important to your organization. You support your core business and the things you do will have an impact. Establish the ones with the biggest impact that you have influence over.
- 2 Select Areas to Improve:** Once you have identified the critical success areas, select the ones you can improve. Choose just a couple at first to target and make sure it is a high-impact area that you can make changes to. For the first round, don't waste your time on things you will have a hard time changing or influencing.
- 3 Compare Results using Benchmarks:** Use general benchmarking information to compare results in the area you have selected. Benchmarking can be from industry sources, studies and reports, colleagues and internal comparisons.
- 4 Choose Results that are not Superior:** Carefully assess the results and choose the benchmarked results where your performance is either equal or below the benchmarks. Leave the ones that perform better for later, but you will be able to find improvements in those areas too.
- 5 Isolate supporting processes, resources and systems:** For each of the areas where the results aren't better than the benchmarks, dig deep to identify the processes, resources (including staff, supplies, subcontractors, etc.) and systems that are used or required to get results. These would all support the areas you are focusing on and should be things you can influence or change.
- 6 Analyze each process, resource and system for impacts:** One by one, analyze each of the processes, resources and systems to see where there are bottlenecks, performance problems and other issues that prevent results. Compare what you do to others, ask your staff and suppliers and investigate all possibilities.
- 7 Focus on problems:** The problem areas will become evident and you can then focus on those areas, gathering more information and going into more details as required.
- 8 Test your practices against leading practices:** Collect information, understand what is happening and seek out other direct benchmarking information to compare your practices with. This shouldn't be simple number comparisons, it should include how you are organized, the type of systems you have in place, training you provide and procedures you employ.
- 9 Adopt leading practices and change existing practices:** When you have identified leading practices that are better than yours, develop a plan to adopt them in your organization and create an implementation strategy.
- 10 Repeat for other Areas:** Now that you have found and fixed one critical success area, start again and improve the next critical success area you identified in Step 1.

OPERATIONAL BENCHMARKING

The key to the assessment is to understand that it is not an end process, it's a beginning process. You use it to identify areas where you need to take a closer look.

Traditional benchmarking simply compares numbers, which can be a good starting point if you are comparing the right things, but you must expand benchmarking to look at processes, procedures and more, things that tell you why you are performing well - and should keep doing those things - and why you aren't performing well - and must change those things.

Compare how you operate with processes, people and systems with other high performing organizations and understand what they do differently. Then, assess whether you can emulate their success and implement it. The biggest mistake you can make is assuming you are doing everything you should be doing and doing it well. In fact, there will always be someone else who is doing something better and you can learn from them – even if your benchmarking results look good.

ESTABLISHING CORE BUSINESS REQUIREMENTS

This isn't just what the core business of your company needs from your department, it is the priorities and importance of each service you provide or should provide. This enables you to conduct the assessment with the priorities in mind.

Regardless of whether your company rents or owns its properties and regardless of your industry, it has requirements that if met, will improve its chance of success in the competitive marketplace.

The FM department supports these requirements and helps the company be successful in its core business.

You need to establish a clear understanding of your impact and importance to the organization's core business to help you evaluate and then prioritize your initiatives.

EVALUATION

The next step is a full evaluation of the key areas identified in the checklist, however just because you checked-off a checklist item, it doesn't mean it shouldn't still be evaluated – this simply gives you some direction on priorities.

The existing issues and corporate priorities should also influence which areas you evaluate.

Start your evaluation with areas that involve both your corporate priorities and the areas where the checklist identifies gaps.

The review must include an assessment of current organization, staffing, procedures, policies, systems and support structure based on your organization's needs and current leading practices.

This involves on-site interviews with staff, customers/occupants and senior management in addition to a review of documents, processes, procedures and systems used to deliver services.

Use industry best practices as a baseline; however the analysis must reflect the realities your organization faces and practices that are relevant and achievable for your organization.

After your evaluation, develop an action plan for change, including business cases to implement changes or new systems. The initiatives must be prioritized to ensure successful implementation.

KNOWLEDGE IS KING

Your assessment must include a careful assessment of your own operations within the context of industry practices.

The first place to learn about initiatives and leading practices is from other members of the facility management community, either by direct interaction and networking or through involvement on associations. By talking with other FM's to discuss your issues and learn what others do, you will be able to clearly identify what you can do to improve your operations.

Other industry experiences can also help you develop business cases to convince your organization to support you and approve changes like implement new systems, policies, staffing changes and more to make your organization more effective.

Knowledge is also available in trade magazines. By keeping on top of the issues and reading about initiatives and solutions implemented by other, usually leaders in the industry, you can make an objective assessment of your own operation.

You have a wide variety of magazines available, covering all areas of facility and property management, including leasing, project management, interior design, relocations, cleaning, maintenance and more. Some require a subscription while others are free for qualified professionals. Get them and share with your staff.

Conferences and seminars are another means to gain information. Quite often the courses or seminars are short and won't be filled with a great deal of detail but they are a great starting point. Often you can get some time to speak with the seminar leader to learn more.

Effective networking can also provide the knowledge you need. Associations provide this networking as long as you take advantage of them and initiate contact with your peers. There are global associations that cover the entire range of facility and property management organization covering general FM or specialties such as health care, recreational facilities, commercial buildings and more.

WHAT AREAS SHOULD I LOOK AT?

Doing an Assessment involves looking at each of the main functional areas, but for each of those, you need to review the three main components that impact efficient and effective operations:

- Procedures
- Systems
- Resources

Do a careful analysis of whether the responsibilities you have in your facility management department are the correct ones for your organization.

The size of your organization and what other departments exist will greatly influence the kind of thing that your organization should be doing. Your assessment should include who supports you, who you interface with and the hierarchy within your organization. How well they support your requirements should be assessed to identify areas where change may be needed from others within your organization to support your success.

PROCEDURES TIE EVERYTHING TOGETHER

Processes and procedures aren't simply your facility management functions; they should include support elements such as your HR processes, communications, quality assurance and other aspects that support your success, so be sure to carefully evaluate how these support your success, and in turn how you support your company's success.

If you are maintained buildings your procedures also include your maintenance and lifecycle replacement processes, whether in-house or contracted out.

Take a look at everything, ranging from your work order process to your procurement process, moves, adds & changes, maintenance, environmental, safety and security, capital planning and more.

Your procedures need to cover the fundamental requirements, track and maintain information you can use to make decisions on, and provide suitable guidance while enabling staff and contractors to deliver in a flexible way.

Just having them isn't enough. They need to be used and most importantly, they need to be useful and add value rather than simply providing a rigid yet not so useful process to get things done.

SYSTEMS SUPPORT YOUR PROCEDURES

The systems you use support your procedures and enable your resources to be effective and efficient. They should also provide you with the information you need to make decisions that improve your results and support your company's core business.

It's important to recognize that not every organization requires a full systems approach with full scale integrated or enterprise systems. Your solution needs to be scaled to your size and needs. If you manage a large portfolio, a full system may be required. If you manage a small portfolio, smaller

systems, web based applications or even databases or spreadsheets may provide some of your requirements.

Don't stress integration too much when evaluating your systems. Integration for integration sake can be a drain on your success. Focus on what needs to integrate, consider volumes, determine whether you need consistency or sharing of data and if so, why and how often – live, daily or as-needed?

Data itself isn't useful. You need information that gives you knowledge to make decisions. Systems should provide management information on which you can make those decisions and either make changes in your organization or implement new initiatives. If your current systems don't give you good decision making information, this is a key area to focus on.

You also need to be able to support your procedures and the key activities you provide to your company so they can be successful.

Take a look at your systems and identify critical areas and then assess whether you have what you need. Look at what should be integrated and what doesn't need to be integrated. Assess what is available to meet your particular needs and scale and develop the business cases to implement.

RESOURCES MAKE THE SYSTEMS AND PROCEDURES WORK

We're talking mostly about human resources, but other resources such as communications technology should be considered.

For human resources, do you have the right number of staff doing the right tasks and are they trained in the things you need to do?

A good example is project management, which requires a very specific set of skills and knowledge, but it also requires a certain kind of person who is well suited to the principles. The wrong fit, combined with poor processes and systems, has a negative impact on success and should be fixed.

Assess what your team spends their time doing. While you don't need to do a detailed time in motion study, do a broad based assessment of their functions and the time they spend doing tasks, managing contractors, doing admin work, meetings and even traveling. You can use a questionnaire format that has them estimate their time spent on key functions.

The next thing to look at is the job descriptions and whether they still match your needs and whether they match what your staff are actually doing. Then, look at the resumes and background of the individuals you have doing that work and see whether they match. You can also interview the staff to see their interests and their observations about the work. This is your opportunity to identify areas where training is required or shifts in responsibilities would suit individual's interests and capabilities better so they can do a better job.

BE PREPARED TO CHANGE

If you are benchmarking, hopefully it's to find things you need to improve or change, so be prepared to implement changes before you even begin. Use the results from your intelligent benchmarking exercise to develop a strategic plan. Break it into manageable parts and either implement the necessary changes or if necessary, develop compelling business cases to sell your changes within the organization.

Your senior management should be aware of your initiative, and expect changes to be recommended to them for approval. Don't be shy to identify things that need improvement – it's more a statement on your leadership than trying to sell the status-quo as the best it can get.

Standing still is a sure way to fail, and not admitting you can improve your organization is the same as standing still.

Prepare your organization for the possible outcome, which may include organization changes, business cases for new systems or developing / implementing new processes or activities. These things take resources, so be ready to develop a strong business case and sell your change.

Making changes takes effort. Plans aren't worth anything unless you implement them, so be proactive and push for changes and take action. With change, you will get results, get attention and get ahead.



Strategic Advisor provides FM consulting and advisory services our clients analyze, plan and execute initiatives to get results.

Often, an experienced, un-biased external resource with no agenda will carry more weight when you are trying to make change, convince others and support your initiatives.

Contact us to find out how we can help you.