



Real Estate Journal

THE LARGEST WEEKLY COMMERCIAL/INVESTMENT NEWSPAPER COVERING THE STATE

Now is the time to update to CAFM/IWMS and realize the savings that can be achieved

There's no disputing we're in tough economic times. Every industry is reducing costs, cutting expenses and trying to save the company money. Whether you're a building owner, corporate real estate professional, facility manager, operations and maintenance manager or carry some other similar title, saving the company money is the bottom line.

So who would even consider purchasing and implementing a CAFM (Computer Aided Facility Management) or IWMS (Integrated Workplace Management System) solution in these times? The bigger question is: Are you already spending too much on the functions, when a system can make the entire process both more efficient and more valuable? The likely answer is "Yes."

Operating expenses, lease expenses, preventative maintenance, asset management, personnel management all are examples of costs to be tracked. By spending a little money now, it's possible to reduce these costs significantly and meet the goals executive management wants to achieve. Yes, there's an investment to be made when a new system is implemented, but there are options that allow you to reduce and/or defer this initial investment. Purchasing a direct license typically requires capital funds, but both software vendors and implementation partners offer alternatives. One viable alternative - Software as a Service (SaaS) - allows operational funds to be used. This hosted model is subscription-based and incurs a monthly fee to cover all licensing, technical support and software upgrades. Various levels of this model provide other easy and cost-effective means of getting into a system while providing the flexibility of transferring the physical system in house at a later date. They also provide a cost-effective means for organizations to quickly benefit from the power of the selected system without involving - and perhaps overloading their individual corporate IT departments.

Both direct purchase and SaaS models benefit the bottom line quickly and significantly. Some savings are somewhat subjective while others are boldly tangible. Significant savings and ROI (return on investment) can be achieved from a system implementation and additional savings, going beyond benchmarked expectations, have been documented. Statistics show the bottom line being significantly affected, with churn rates and move costs being reduced while productivity rates are increased. More specifically, an actual implementation that encompasses 10 buildings and approx. 2.6 million s/f, has resulted in reducing the time it takes to complete a move from 7 days to 1 day - an 86% improvement. This efficiency, combined with a reduced average move cost and churn rate resulted in a \$1.75 million reduction in annual move spending. Other implementations have resulted in a 90% increase in Facilities Department productivity, a 30% reduction in churn rate, and a 15% reduction in occupancy costs! ⁽¹⁾

Systems can also increase the ability to make more informed decisions; for example, what if you:

- Didn't have to renew a lease?
- Repaired an HVAC unit before it needed to be replaced?
- Reclaimed office space by more efficiently utilizing that space?

Each is an example of the decisions that can be made using the data that is tracked in a system; and the value of these decisions positively contributes to the overall savings achieved.

But there is yet another component to implementing a system now . . . Studies show that the average age of facility managers is 49. Add to that the intention that 30% of facility managers will be retiring within the next five years and you have the potential for losing critical facilities data. These employees hold decades of industry and company knowledge that needs to be conveyed to the next generation of facility managers. If this doesn't occur, valuable historical data about the company's facilities will be lost. The logical approach would be to gather and record this knowledge in a CAFM/IWMS system, and to do it now. Companies that delay will require a potentially insurmountable period of time to recreate and record this data - if, indeed, all can be recaptured.

These are only a few reasons it makes sense to implement a CAFM/IWMS system now. Once you move beyond the fear of investing in a system and realize the savings that can be achieved, you're on your way to increasing your value within the company by reducing both your department's and the company's bottom line.

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⁽¹⁾Actual results based on FM:Systems customers