White Paper

Why Buy a Facilities Management System
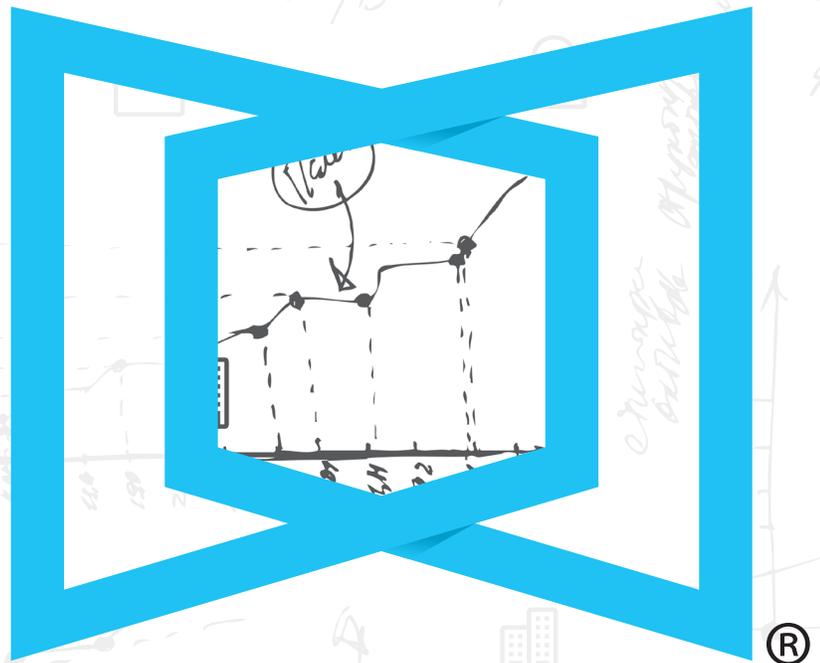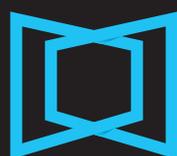
Overview

In this white paper, we'll explore a number of reasons why a facilities management system is needed by many multi-location companies and organizations. Key topics include

➜ Why is A Facilities Management System Needed?

➜ Who Needs a Facilities Management System (Quiz)

➜ Day in the Life: With a Facilities Management System and Without One

➜ How Does a Facilities Management System Help the Entire Organization?

➜ Who Can Benefit From a Modern, Innovative Facilities Management Platform?

➜ Alternatives to Facilities Management System

Why is A Facilities Management System Needed?

Managing the entire range of a multi-location company's facilities and equipment is a trying task in the best of times. Everyone faces a highly competitive environment to attract customers to and retain customers in its physical locations. Adding in ever demanding customer and service requirements, increasing competitive pressures and always tightening budgets, and the task can seem a herculean effort just to keep the lights on.

The facilities management sector is becoming an increasingly critical function within an organization. Top executives are realizing that the importance of *Brand Uptime* - the concept that how your physical presence is operating and perceived, in the form of a customer's experience for example - has a real and tangible impact on how a corporate brand is perceived. And this brand perception has been shown to drive corporate results, positively and negatively.

The latest generation of technology has resulted in more and more innovation specifically designed and purpose-built for the facilities management sector.

Thus, facilities management is no longer relegated to the sidelines. But with the spotlight on this function in ever demanding environments, how are facilities managers, store operation professionals and others to cope?

Fortunately, the latest generation of technology has resulted in more and more innovation specifically designed and purpose-built for the facilities management sector. New web and mobile systems are bringing all sorts of benefits for the entire organization. With these technologies applied to all aspects of maintaining equipment and locations, along with managing the contractor service process, forward thinking, multi-site companies are able to:

Improve Customer Satisfaction

Enable Supplier Diversity

Increase Staff Productivity

Ensure Contract SLA and Contractor Compliance

FACILITIES MANAGEMENT SYSTEM

Boost Operational Efficiency

Source New, Qualified Contractors as Needed

Reduce Repair and Maintenance Costs

Increase Overall Portfolio Revenues

Actually realizing all these benefits may seem difficult to achieve but new technologies make it easy and highly cost-effective to deploy such systems in virtually any organization. Today, facilities managers gain by having systems that bring simplification and automation to the complex and time consuming processes that take most of their time, along with many others.

2

For more information on why you should buy a facilities management system, visit us at www.servicechannel.info or call (800) 508-6695
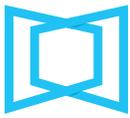
Who Needs A Facilities Management System?

Does every facilities manager need a facilities management system? Should every company with repair, maintenance and service level requests to manage begin to deploy a system? Of course, the short answer is that it depends. Such a decision typically involves the complexity of your operations, breadth and scale of your customer-facing facilities and visibility into your existing processes.

TO HELP DEFINE THIS KEY QUESTION A BIT MORE CLEARLY, WE INVITE YOU TO TAKE THE FOLLOWING BRIEF SURVEY.

YES NO

☐ ☐ Do you have more than 20 stores/locations?

☐ ☐ Do you manage over 25 contractors?

☐ ☐ Do you need to track work orders and service requests?

☐ ☐ Do you have equipment under maintenance or warranty?

☐ ☐ Are your store/location managers dealing with and spending time managing contractors and monitoring work orders?

☐ ☐ Is supplier diversity important?

☐ ☐ Does maintaining store uptime impact operating results?

☐ ☐ Is it important to maintain a consistent look and feel for your brand?

☐ ☐ Do you need to deliver more service, more cost-effectively with the same or smaller budgets?

_____ **HOW MANY TIMES DID YOU ANSWER "YES" ABOVE?**

YES NO

☐ ☐ Does all your scheduled maintenance actually occur?

☐ ☐ Do you know if your contractor rates are competitive across trades and locations?

☐ ☐ Are you sure that every contractor on your premises has been properly vetted for qualifications, insurance, etc?

☐ ☐ Do you always take advantage of your company's purchasing scale?

☐ ☐ Do you know how many of your contractors meet appropriate SLAs?

☐ ☐ Do you know what contractor to call for every store, regardless of the problem?

☐ ☐ Do you know if your contractors actually show up and do the work for which you're billed?

☐ ☐ Do you have performance scorecards to measure and compare your contractors?

☐ ☐ Can anyone in your company monitor the status of a work/service request, at any time?

+_____ **HOW MANY TIMES DID YOU ANSWER "NO" ABOVE?**

=_____ **TOTAL SCORE (NUMBER OF "YES" PLUS NUMBER OF "NO")**

If your score is 8 or higher, you very well may be a candidate that should consider deploying a facilities management system. If you score over 12, it's highly likely you can benefit.

Day in the Life: With a Facilities Management (FM) System and Without One

If you've used a well designed and implemented facilities management system in the past, you likely appreciate all the value such technology can bring. But for those who haven't, all the benefits may not be readily apparent. Let's look across a number of typical functions and tasks for a multi-location retailer or restaurant chain as it relates to maintaining daily operations, and explore the difference and impact between having a system or not.

WITHOUT FM SYSTEM	WITH FM SYSTEM
WORK ORDER CREATION	
Individual location (e.g. store or restaurant) staff call local facility manager or district regional facilities manager to place service request; appropriate contractor then needs to be contacted. Alternatively, location staff needs to source and call service provider (contractor) directly. Can be difficult to ensure competitive rates.	Location staff enter service request directly into system; work order routed to appropriate vendor at proper, pre-approved rates.
REAL-TIME WORK ORDER TRACKING	
Facility manager or store/ restaurant staff must manually monitor all requests, communicate with contractors via phone and remember to stay on top of any time critical ones.	System can automatically alert appropriate staff if service not performed within timely manner. Contractor updates to work requests are visible and communicated to everyone instantly. Tracking work orders by status easily performed and actionable.
WORK ORDER REASSIGNMENT	
Facilities management or operating staff need to remember to assign work order to new provider and replace previous one. Potential submission of multiple invoices from multiple contractors.	Reassignments handled easily as system maps location-specific backup providers for each trade. Full work order audit trail eliminates any invoice conflicts.

Contractor updates to work requests are visible and communicated to everyone instantly.
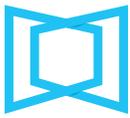
WITHOUT FM SYSTEM	WITH FM SYSTEM
SERVICE PROVIDER MANAGEMENT	
Typically, quite difficult to perform at any level; and then usually ad hoc via non-standard spreadsheets or documents.	Can easily source and credential providers, maintain/update contractor contact and payment information, and track vendor insurance certification and other required agreements that need be in place. In some cases, all vetted vendors can be managed via a system-based, company-specific private network.
REAL-TIME SERVICE TIME TRACKING	
Facility manager or store/restaurant staff must manually monitor time worked or trust that actual labor time as specified is performed.	Systems can provide ability to track contractor checkin/checkout times via mobile phone IVR or GPS tracking.
SERVICE PROVIDER COMMUNICATION	
All communication with service provider is done typically by phone via single point of contact (ideally), who's then responsible for updating all applicable colleagues as conditions warrant.	Through system-level input of all notes to any given work order, constant communication is ensured and all levels across an organization (operating staff, facilities managers, regional/district managers) are kept in the loop in real-time. Information doesn't slip through the cracks and inefficient updates and missed connections are avoided.
INVOICING	
Invoices typically manually input by accounting department resulting in minimal visibility for facilities management and contractors. Invoices can be sent to work locations resulting in delays and more manual processing. Invoice approval and validation also can lead to delays.	Repair & maintenance invoices all in one place and easily integrated with accounting systems. Input errors eliminated and approval and payment process faster for contractors.

Easily source and credential providers.

Track contractor checkin/checkout times.

Repair & maintenance invoices all in one place and easily integrated with accounting systems.

5

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WITHOUT FM SYSTEM	WITH FM SYSTEM
SPEND ANALYSIS	
Difficult to perform due to no centralized location of data and unwieldy manually driven spreadsheets. Many analyses across organization or benchmarking virtually impossible.	All data available to analyze as needed. Able to monitor and drive actionable insights through analyzing work and spend metrics such as number of work orders by contractor; amount of spend by location, by contractor, by trade. Can forecast spend by region/ district year over year, etc. Identify outliers by comparing spend to industry benchmarks.

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How Does a Facilities Management System Help the Entire Organization?

Traditionally, systems used by facilities management staff were pretty much limited to assisting them in performing low level tasks and providing basic functionality around simply tracking open work orders to repair equipment or perform maintenance. Today, these tactically focused systems have evolved and the latest offerings now not only support the complete range of tasks necessary to ensure 24x7 uptime across global locations but provide strategic insight into all facets of a company.

As mentioned earlier, with a new focus on tying a company's physical presence and infrastructure to its *Brand Uptime*, there are now multiple constituencies within any company that can benefit from a modern system.

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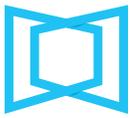
Who Can Benefit From a Modern, Innovative Facilities Management Platform?

FACILITIES MANAGER

Facilities managers and staff often get tied down with every service request and maintenance issue. Contractor management can be time consuming and inefficient. Much of one's day-to-day work can end up being quite reactive.

Supporting their operations with technology, facilities management staff focus can now be more strategic and exception driven. With routine requests automated, time may be spent only on the small percent of high priority issues that require special attention.

STORE / RESTAURANT MANAGER

Operating managers need to be working with customers and patrons, driving sales, not tied down dealing with equipment failure or maintenance issues.

With a system, any manager can easily and rapidly enter a service issue online and then instantly track its status at any time. Ready access to appropriate equipment supplies and credentialed contractors is easily handled. A manager need not worry about tracking required preventive maintenance services, procuring needed supplies, or sourcing and vetting necessary contractors.

BRAND MANAGER / MARKETING OFFICER

Ensuring proper merchandising across a chain with hundreds or thousands of locations is no easy task. Until recently, this was virtually impossible to manage at scale. Ensuring consistency with a corporate branding campaign was a challenge, often resulting in million dollar campaigns having little, and perhaps even no impact at ground level.

Now, marketing and corporate branding staff can manage how merchandising requests are deployed and rolled out across an entire chain, in real-time. No more waiting for work progress reports to come in weeks later, and out of date. Actionable insights are now available to anyone who needs to track the latest service performance. Exceptions can be rapidly identified and resolved. Consistent branding and merchandising can now be ensured across the organization.

FINANCE MANAGER / PROCUREMENT OFFICER / CFO

There's always been a problem for the finance department to make sure that work has actually been performed before it's paid for. Tying service invoices to work orders can be extraordinarily inefficient. Often, corporate-level purchasing deals with suppliers at favorable rates are negotiated but then ignored or unknown at a local location, resulting in grossly higher costs.
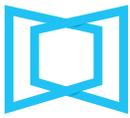
Today's systems make it easy to validate the work performed with an audit trail and even GPS tracking of services rendered by contractors. Approved vendor and supplier pricing can be easily accessed across the organization so existing terms are consistently used by everyone. Importantly, newfound visibility into all aspects of repair and maintenance expenses is now available. Contractors can be measured against appropriate benchmarks, store-level expenses compared against targeted levels and industry standards, and any exceptions identified and remedied.

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Alternatives to Facilities Management Systems

What are the other approaches that retail or convenience store or restaurant chains have taken versus deploying a modern facilities management system? The two principal alternatives are using some type of in-house "system" or outsourcing much of the functionality to a national maintenance organization (NMO). Let's consider the pluses and minuses of each:

| APPROACH	ADVANTAGES	DISADVANTAGES
Internal (In-House)	■ System can be customized to any specific or non-customary procedures that may exist ■ Direct access to IT support for necessary customizations	■ Typically doesn't leverage latest technologies ■ High maintenance and support costs ■ Complete process flows usually not supported; often requires manual interventions and numerous workarounds ■ Complete operations visibility and real-time updates not always available ■ Benefits gained from industry best practices, broad client base and best of class functionality often missing ■ Usually doesn't use always on, always available cloud-based technologies
Outsource/ NMO (Third Party Management)	■ Reliance on industry experts ■ Single point of responsibility provided for issues and problems ■ Promised repair & maintenance cost savings ■ Higher level of convenience over internal processes ■ No need for owned/supported facilities maintenance staff ■ No need to directly manage service performed on location	■ Expertise only required 20% of the time, paying for 100% ■ Potentially higher costs to cover margin of third party manager (up to 26% contractor service markup) ■ Low to no visibility into actual service work expenses and contractor payments ■ Typically, minimal visibility into actual service activity performed ■ No direct control over service provider or contractors ■ No real-time access to current work order status ■ Third party dependency to manage service requests

No System, No Problems?

Not quite! There are always those companies that for whatever reason, avoid any type of systematic approach to facilities management. While taking what can seem to be a lower cost, simpler path, such an ad hoc direction will almost always lead to a much more inefficient and costly process.

Leaving the health of your store or restaurant operations dependent on the vagaries of unvetted and possibly underinsured contractors, and the daily flow of a manager's duties can prove to be quite risky. And often, when unforeseen repair and maintenance issues rear their ugly head, that can be the time when it's actually most important to be customer focused. A manager distracted by operational issues can find it difficult to direct attention to customers when needed.

> A systematic approach to facilities management allows analysis of spend to uncover hidden costs, unnecessary and wasted dollars, and costly trends.

Another important issue to bear in mind when running operations without a system in place falls into the "do you even know what you don't know" realm. It can be virtually impossible to uncover outliers with particular stores/restaurants or contractors, or benchmark your own spend and performance against industry norms. Working with a systematic approach to facilities management allows analysis of spend to uncover hidden costs, unnecessary and wasted dollars, and costly trends, and creates more realistic forecasts on which to run a business.

NO SYSTEM ≠ NO PROBLEM
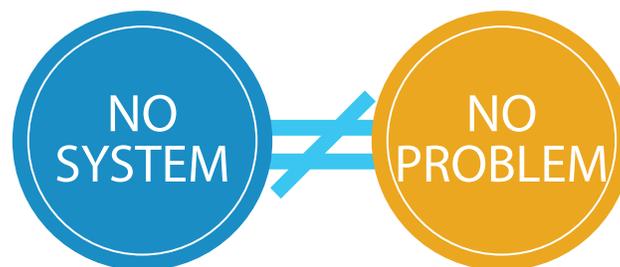
About ServiceChannel
ServiceChannel provides facilities managers with a single platform to source, procure, manage and pay for repair and maintenance services from commercial contractors across their enterprise. By delivering unprecedented transparency and data-driven analytics of service quality, across all trades, locations and contractors, facilities managers drive significant brand equity and ROI for their organizations without outsourcing or investing in new infrastructure. The world's leading global brands use ServiceChannel and Big Sky solutions daily to help optimize millions of transactions and billions of dollars of spend annually.