

Global FM

Duncan Waddell

Chairman

Global FM

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Global FM.....what is it?



Global FM is a worldwide federation of member-centric organisations committed to providing leadership in the facility management profession as a single, united entity promoting facility management

GFM Purpose.....

Global FM is a conduit for furthering the knowledge and understanding of facility management and sharing best practices, with both resulting in added value to the individual members of each member organisation...

GFM Reason for being.....

- *Awareness of FM Association activities globally*
 - *Provision of information for advocacy*
 - *‘Level playing field’*
 - *Support for emerging associations*
-

- *World FM Day*
 - *GFM Awards of Excellence*
 - *FM Market Sizing Study*
 - *Discussions with Euro FM*
 - *ISO Participation*
 - *Simplification of governance and delivery*
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Global Facilities Management Market Sizing Study 2016



Global Facilities Management Trends

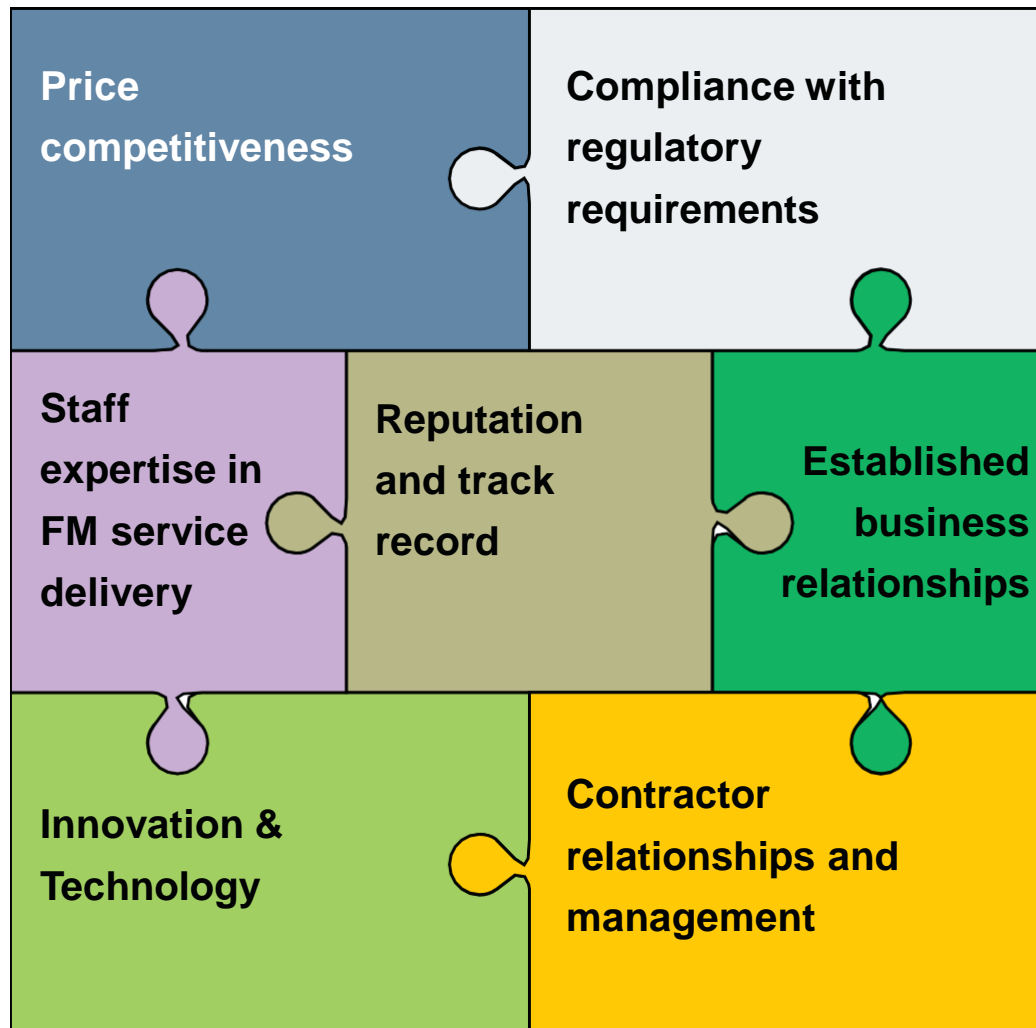
Global Trends

Construction Activity	Global centre of construction activity continues shift to APAC, MEA, and other emerging markets
Public-private-partnerships	Increased trend across both mature and emerging markets
Industry Structure	M&A remains key to growth strategy. But FM market remains highly fragmented
Green Buildings	Trend to benefit FM providers with expertise in energy management & building controls
Integrated FM	3 - 7% CAGR in mature markets Double digit percent growth in emerging markets
Larger Contracts	Larger contracts increasing due to consolidation in end-user segments & expansion of contracts across multiple sites and countries

Challenges for the Global FM Industry



Competitive Strategies for the Global FM Industry

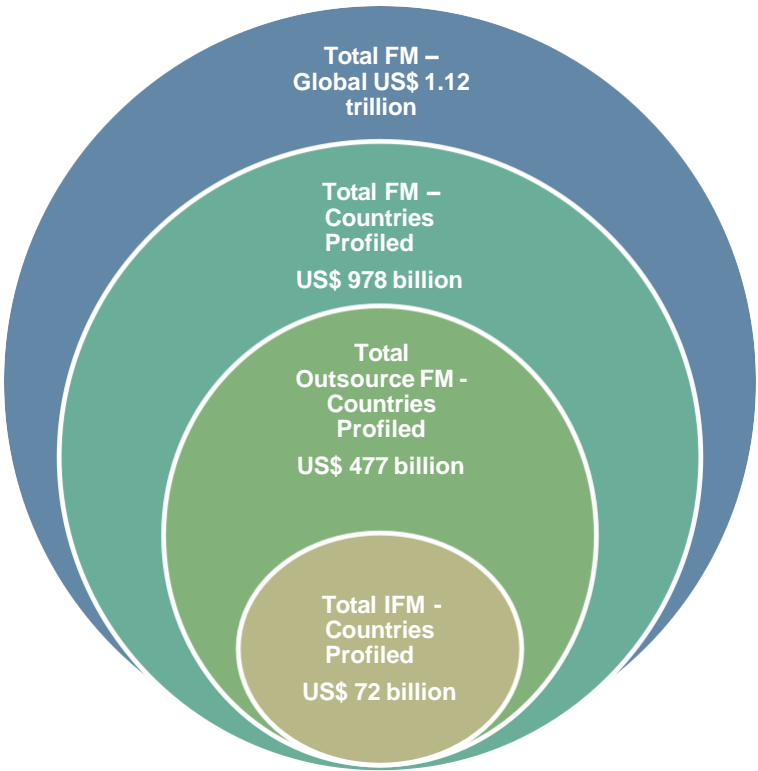


- Despite the efforts of FM providers, FM services tend to be viewed as a commodity type service by many end users and as such price competitiveness becomes a major factor.
- In developed countries in particular, compliance with regulatory requirements is often a key decision factor.
- The delivery of FM services globally will always be only as good as the staff delivering them. As such, upskilling of staff forms a key competitive factor in this industry.
- As the quality of facilities improves world wide, particularly in the commercial building segment, customers are keen on innovative technologies that improve the overall standard of their workspace.
- Reputation and track record refers not only to general performance quality, but also vertical expertise.

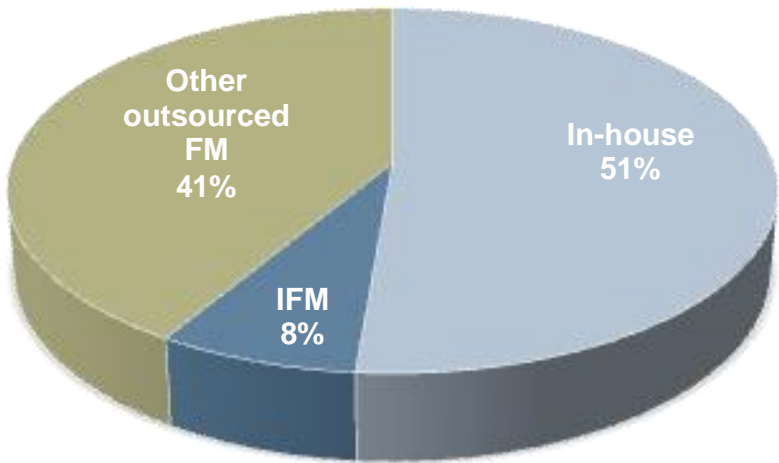
Global Facilities Management Market

The total global FM market is estimated to be worth US\$1.12 trillion* in 2015. The aggregate FM market for the countries profiled in this study was worth US\$978 billion in 2015, with the outsourced FM market expected to gain share over in-house delivery in future.

Type of FM by Value, Global & Countries Profiled, 2015



Type of FM by Market Share, Countries Profiled, 2015



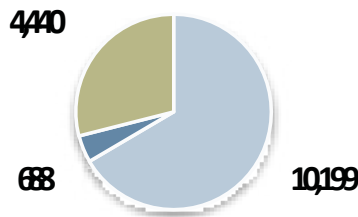
*Total Global FM market estimated based on ratio of Global GDP vs GDP of countries profiled.

Market Size by Region & Type, US\$ M (2015)

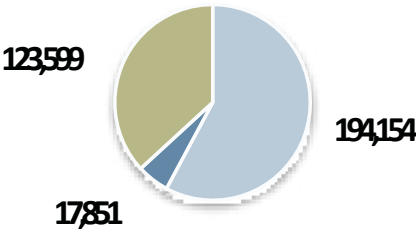
North America and Europe are the most mature markets for outsourcing FM services. Due to improving capabilities and growth of integrated outsourcing demand, the APAC market is expected to close this gap.

In-house FM Integrated FM Others outsourced FM

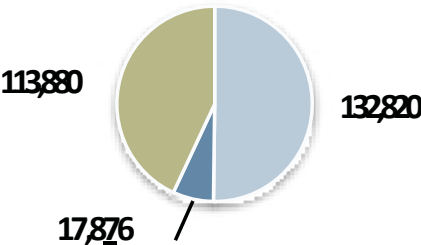
Africa



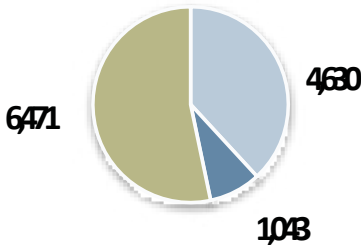
Asia Pacific



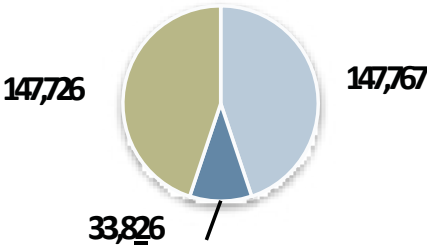
Europe



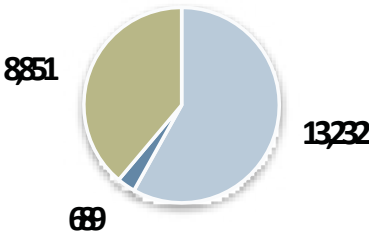
Middle East



North America



South America



Key Regional Trends

Africa

- Rapid urbanisation and developing FM capability is driving growth of both in-house and outsourced FM markets.
- The outsourced market growth has been hampered by lack of trained FM talent and standardisation.

Asia

- The low penetration of the outsourced FM market in many of Asia-Pacific's fast-growing economies indicates that huge potential exists for market participants to grow and develop.
- The IFM market in the APAC region is highly diverse. China and India are still in a stage of infancy but will experience rapid market growth.

Australia

- The intensely competitive FM market in Australia is growing steadily, while IFM is gaining traction.
 - Moreover, there is a greater focus on green and environmental services in the FM market.
-

Key Regional Trends

Middle East

- The FM market sector in the Middle East is the fastest growing region in the world, mainly because of increasing construction activities whereby FM services are well planned at the early/design phase of construction
- Population growth, increasing construction activities, changing mind-set and ease of contract management will drive drastic growth to IFM market.






North America

- Strong economic recovery post GFC, has seen the FM market maintain a steady growth. The outsourced FM market is highly competitive and pricing pressures are expected to continue even as macro-economic indicators are improving.
- Retaining healthy margins will probably remain a key challenge for market participants.

South America

- FM is growing on the back of strong GDP growth and infrastructure investment.
 - Due to lack of trust in sub-contractor capabilities, self service ability is a key competitive factor.
 - M&A will remain a key strategy to increase geographical, vertical, and service offering scope.
-

Global FM Outsourcing Trends

Areas	Trends
 Major End Markets	While outsourcing is common in all industry sectors, strong increases in outsourcing are seen in the banking, financial services, insurance, healthcare, pharmaceutical and biotech sectors.
 Energy Management	While building operation & maintenance and cleaning services remain the cornerstones of the outsourced FM industry, energy management services are fast gaining importance, particularly in developed markets.
 Costs driving IFM	Growth of IFM is driven by companies looking to consolidate what has been outsourced already under fewer providers or to restructure the pricing of their current contracts to generate additional savings.
 Shifts in Contracts	As the maturity of outsourced FM customers grows, the nature of contracts in this industry is also expected to grow in sophistication. In general, contracts are expected to have remuneration frequently tied into performance based metrics.
 Public Sector	Governments throughout the globe are increasingly growing aware of the benefits of outsourcing their FM services. Given the large asset base under their purview, the public sector is expected to become an increasingly important end-use sector.

Mega Trends impacting Facilities Management

Urbanisation: City as a Customer



- In 1950 there were seven cities with populations greater than five million; by 1970, there were 20, and there are now more than 60. The increasing pace of urbanisation will lead to the integration of core city centres with suburbs and daughter cities, resulting in expanding city limits. This will have a massive impact on the future of mobility, working life, and societies.
- As a result, the world will witness the emergence of mega cities, mega regions, mega corridors, and smart and sustainable cities. **“City as a Customer”** is an implication of urbanisation wherein cities (and not countries) are considered potential customers and hubs of investment, wealth creation, and economic growth. Every city will be **unique in its infrastructure management demands** offering micro implications and opportunities for FM companies.
- A good example of the economic concentration of these mega cities is New York, which had a GDP of \$1.205 trillion in 2012. Compare this to USA’s neighbor Mexico, which only had GDP of \$1.18 trillion in the same year. As a result of this economic concentration, FM companies will be **increasingly engaging with customers from a city or prescint level**.

Mega Trends impacting Facilities Management

Innovating to Zero



- **Innovating to Zero** is the mega vision that reflects the desire for perfection in modern society: A zero-concept world with a vision of **zero carbon emissions, zero crime rates, zero accidents, and carbon-neutral cities**. Although this seemingly perfect world sounds almost impossible, governments and companies today are moving toward this picture-perfect vision of eliminating errors, defects, and other negative externalities by creating for themselves a huge challenge and opportunity.
- The Facilities Management industry will play an important role in driving this Mega Trend forward globally. For instance A Net Zero building, as the term suggests, is a building with net energy consumption or carbon emissions per annum equal to zero. Some of these buildings can be off the grid and can harvest energy on site. As these green building continue to gain popularity, FM companies will need to **develop capabilities to manage the entire operation** of the buildings to ensure it is carbon neutral through intelligent systems, integration of renewable energy such as solar and wind, and other energy-saving features. FM providers will also need to innovate towards **zero security breaches including digital theft in today's data dependent connected world**.

Mega Trends impacting Facilities Management

Smart is the New Green



- “Green” was a key Mega Trend of the last decade and while it will continue to be important, there will be a **shift towards “smart” products**, which are intelligent, connected and have the ability to sense, detect, recognise, identify, analyse, process, report, and take corrective action.
- As companies and governments cast their view beyond the confines of their walls, and take into account the impact of their infrastructure on shared infrastructures such as the city’s electric grid and waste streams, they will begin to realise that it is **not adequate for a building to simply contain the various systems that enable it to function** (i.e. lighting, security, power etc.).
- Workspace of the future must connect their various systems in an integrated, dynamic and functional way, with the end goal being structures that seamlessly fulfil their purpose whilst keeping energy usage and environmental impact at a minimum. Basically, smart workspaces must deliver the fundamental services expected, such as thermal comfort, air quality, physical security, and sanitation, at the lowest cost and environmental impact.
- Energy management is already an important service category for FM providers world wide. Coupled with the growth of IFM penetration, FM companies will need to demonstrate their **ability integrate “smart” products and applications** in their service delivery to maintain a competitive advantage in future.



South Africa

Country Commentary

- In June 2015, South Africa became the **first country in the world to publish a draft of the FM Standard** to promote best practice FM in the country. The standard prescribes the manner in which FM must be implemented within organisations, in the same manner the ISO 9001 series of Quality Management System provides best practices within organisations.
- South Africa possesses a fairly well developed culture for FM outsourcing. Most FM companies use **internal expertise for hard services and outsource soft services** to functional service providers. However availability of trained FM talent remains a bottle neck in the growth of the industry.
- Due to a relatively high rate of crime, **security services are commonly outsourced** across South Africa. However, at present many FM companies **do not compete in this segment, due to protracted accreditation processes**.
- While demand for IFM in South Africa continues to grow, it is still awaiting demand from large national private sector organisations. South Africa's **IFM market has been led by demand from public and semi-public organisations**, but increasing interest for integrated concepts is being observed in the private sector. This is reflected in the number of local FM companies promoting their IFM offerings.
- Mostly, **newly built government buildings come automatically with outsourced FM**. For example, the Department of Foreign Affairs in Pretoria is running on long-term IFM contracts within the PPP scheme. In healthcare, some hospitals, such as in Limpopo, have been outsourcing FM through consulting companies that oversee all service contracts.



International
Organization for
Standardization

ISO/TC-267 Facility Management (FM)

International FM Standards Initiative

Duncan Waddell

FM Intelligence

Chairman Global FM,

Past Chair and Life Member, Facilities Management Association
of Australia

Standards Australia

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International
Organization for
Standardization

ISO/TC-267 Facility Management (FM)

What is FM?

FM is an “organizational function which integrates people, place and process within the Built Environment with the purpose of improving the quality of life of people and the productivity of the core business”

Source: ISO 41011:2017



International
Organization for
Standardization

ISO/TC-267 Facility Management (FM)

● Participating

Members (26)

- ☐ Australia (SA)
- ☐ Austria (ASI)
- ☐ Belgium (NBN)
- ☐ China (SAC)
- ☐ Croatia (HZN)
- ☐ Czech Republic (UNMZ)
- ☐ France (AFNOR)
- ☐ Germany (DIN)
- ☐ Hungary (MSZT)
- ☐ India (BIS)
- ☐ Ireland (NSAI)
- ☐ Japan (JISC)
- ☐ Kenya (KEBS)
- ☐ Korea, Republic of (KATS)
- ☐ Malaysia (DSM)
- ☐ Netherlands, The (NEN)
- ☐ Nigeria (SON)
- ☐ Norway (SN)
- ☐ Panama (COPANIT)
- ☐ Russia (RSS)
- ☐ South Africa (SABS)
- ☐ Sweden (SIS)
- ☐ Switzerland (SNV)
- ☐ Thailand (TISI)
- ☐ United Kingdom (BSI)
- ☐ United States (ANSI)

● Observing

Members (17)

- ☐ Bulgaria (BDS)
- ☐ Colombia (ICONTEC)
- ☐ Finland (SFS)
- ☐ Iran, Islamic Republic of (ISIRI)
- ☐ Israel (SII)
- ☐ Italy (UNI)
- ☐ Macao (CPTTM)
- ☐ Poland (PKN)
- ☐ Portugal (IPQ)
- ☐ Serbia (ISS)
- ☐ United Arab Emirates (ESMA)
- ☐ Singapore (SPRING SG)
- ☐ Slovakia (SOSMT)
- ☐ Spain (UNE)
- ☐ Sri Lanka (SLSI)
- ☐ Tanzania, United Republic of (TBS)
- ☐ Trinidad and Tobago (TTBS)



43 countries



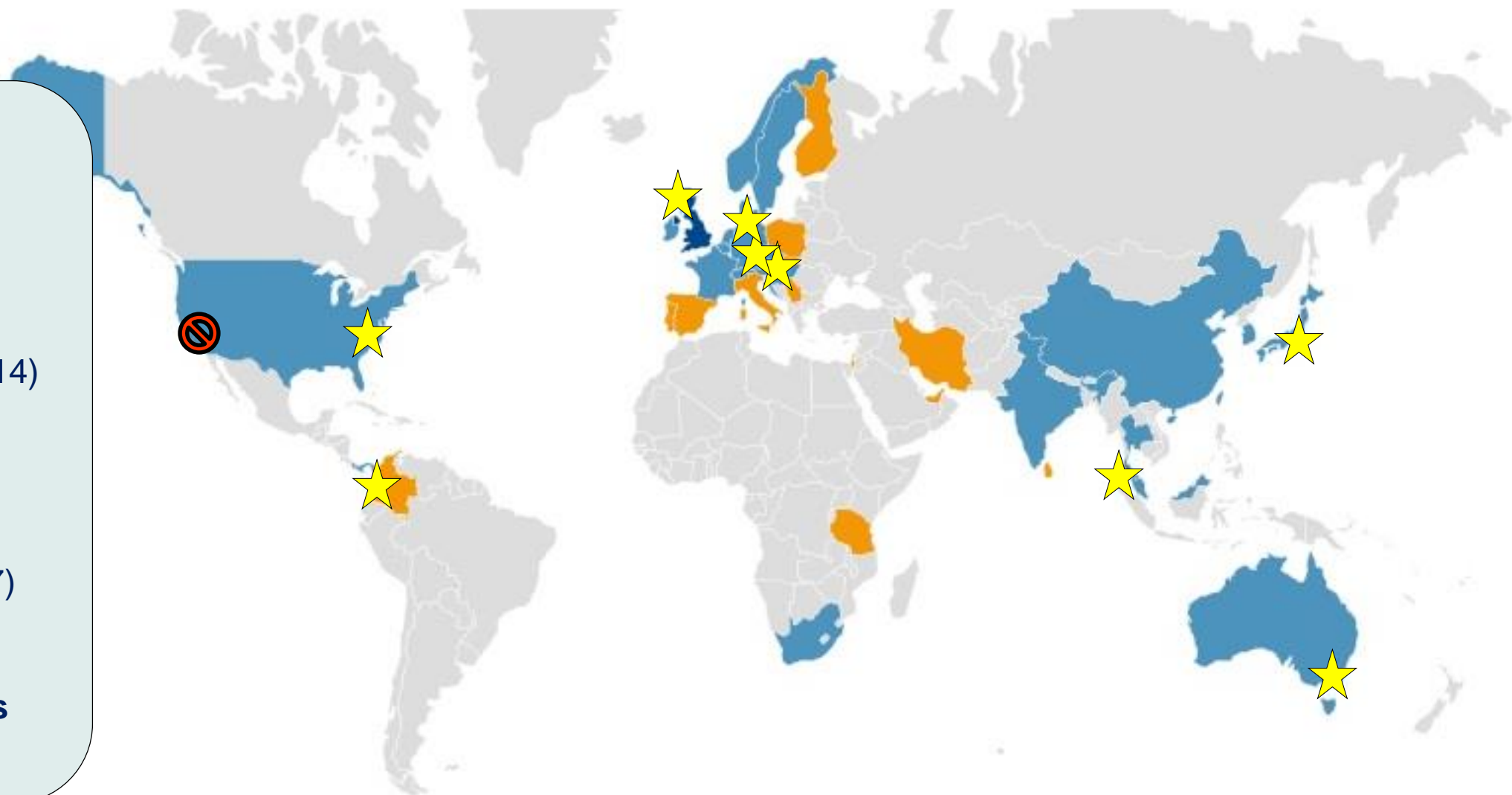
International
Organization for
Standardization

ISO/TC-267 Facility Management (FM)

ISO/TC-267 Meetings

- ★ Berlin (2012)
- ★ Budapest (2013)
- ★ Tokyo (2013)
- ★ Washington DC (2014)
- ★ Glasgow (2015)
- ★ Melbourne (2016)
- ★ Budapest (2017)
- ★ Kuala Lumpur (2017)
- ★ Bogotá (2018)

Ⓢ Next stop: Las Vegas
7-9 November 2018

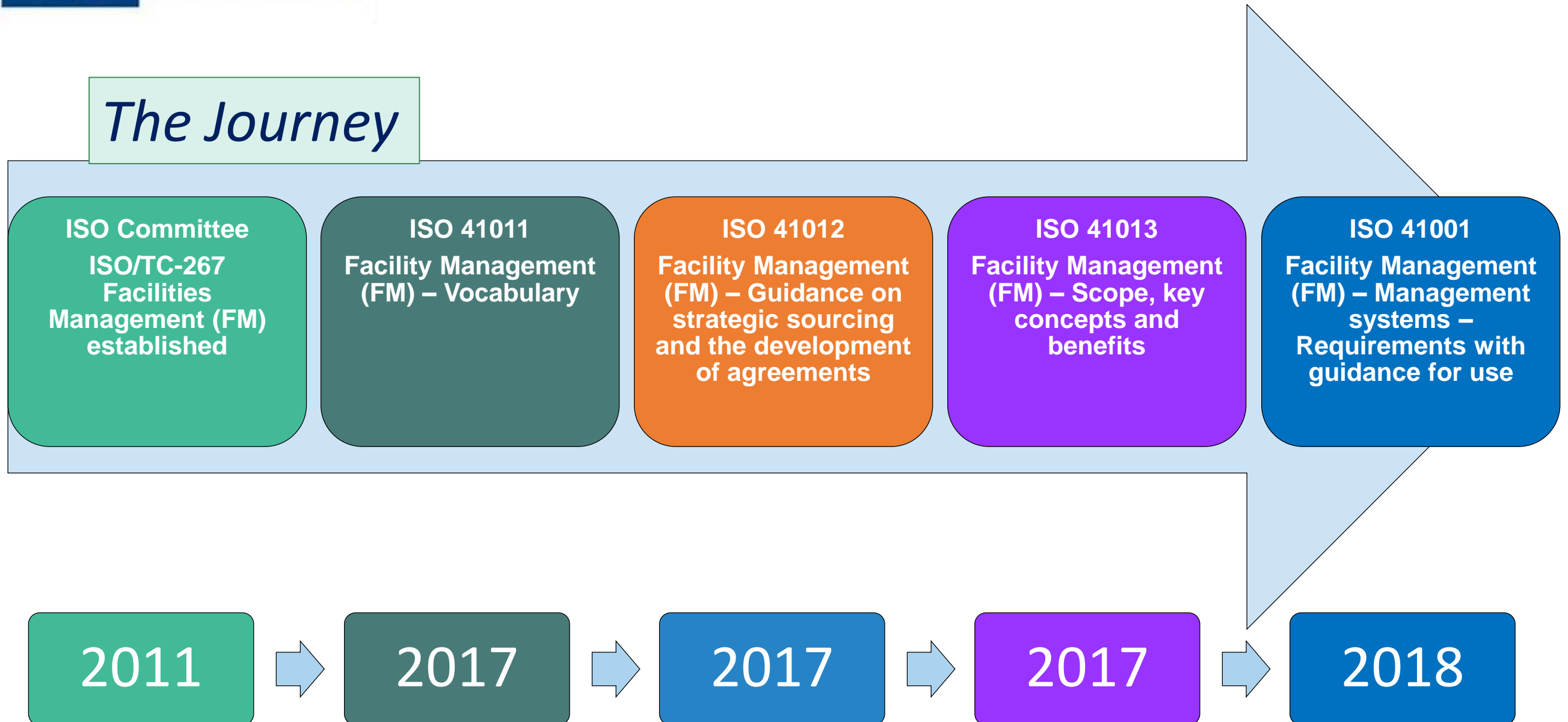




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ISO/TC-267 Facility Management (FM)

The Journey





International
Organization for
Standardization

ISO/TC-267 Facility Management (FM)

The Leadership

Chairman: Stan Mitchell (UK)
Secretariat: BSI (Bernd Borchert)

WG1 – Convenor: Jay Drew (USA)

- ISO 41011:2017 Facility Management (FM) vocabulary
- ISO 41013:2017 Facility Management scope, key concepts and benefits

WG2 – Convenor: Olav Egil Sæbøe (Norway)

- ISO 41012:2017 Guidance on strategic sourcing and the development of agreements

WG3 – Convenor: Jim Whittaker (USA)

- ISO 41001/DIS, Facility Management – Management system – Requirements with guidance for use

Advisory Groups:

- AG1: FM Roadmap, Ian van der Pool (Netherlands)
- AG2: Communication Strategy, Stephen Ballesty (Australia)

TC-267 Liaisons

- | | |
|--------------|-------------------------------|
| - ISO/TC-59 | Jozsef Czerny (Hungary) |
| - ISO/TC-176 | Jay Drew (USA) |
| - ISO/TC-301 | Casey Martin (USA) |
| - ISO/TC-251 | Stephen Ballesty (Australia) |
| - ISO/TC-286 | Laverne Deckert (USA) |
| - ISO/TC-292 | George Huff (USA) |
| - CEN/TC-348 | Olav Egil Sæbøe (Norway) |
| - Euro FM | Ondrej Strup (Czech Republic) |
| - ETUC | Bernadette Ségol (Belgium) |
| - Global FM | Jozsef Czerny (Hungary) |



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Standardization

ISO/TC-267 Facility Management (FM)

The Leadership

Chairman: Stan Mitchell (UK)
Secretariat: BSI (Bernd Borchert)

WG4 – Convenor: Helgard Pienaar (South Africa)
ISO 41014 Facility Management -
Development of FM Strategy

WG5 - Convenor: Ted Weidner (USA)
ISO 41015 Facility Management –
Influencing behaviors for improved facility outcomes
and user experience.

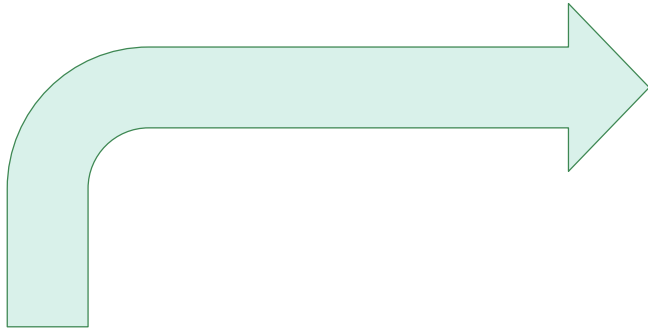
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- ISO/TC-59	Jozsef Czerny (Hungary)
- ISO/TC-176	Jay Drew (USA)
- ISO/TC-301	Casey Martin (USA)
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- ISO/TC-292	George Huff (USA)
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- Euro FM	Ondrej Strup (Czech Republic)
- ETUC	Bernadette Ségol (Belgium)
- Global FM	Jozsef Czerny (Hungary)



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ISO/TC-267 Facility Management (FM)



WG1

EUROPEAN STANDARD
NORME EUROPÉENNE
EUROPÄISCHE NORM

EN 15221-1

October 2006

ICS 01.040.03; 91.040.01; 01.040.91; 03.080.99

English Version

Facility Management - Part 1: Terms and definitions

ISO 41011 Facility Management - Vocabulary

Introduction

Clause 1, 2 & 3

Scope, Normative references, Terms
and definitions

“	3.1	Terms related to facility management
“	3.2	Terms related to assets
“	3.3	Terms related to people
“	3.4	Terms related to sourcing
“	3.5	Terms related to process
“	3.6	Terms related to finance
“	3.7	Terms related to general business
“	3.8	Terms related to measurement



International
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ISO/TC-267 Facility Management (FM)

WG2

ISO 41012 Guidance on strategic sourcing and the development of agreements

Introduction

Clause 1, 2, 3

Scope, Normative references, Terms and
definitions

“ 4

Sourcing strategy and understanding the core
business context

“ 5

Sourcing process in FM

“ 6

Facility services provision

“ 7

Main characteristics of FM agreements

“ 8

Common considerations in agreements

“ 9

Preparation and development of an agreement

“ 10

Measure service provision performance

Annex A

(informative) Example of requirements for a service

“ B

(informative) Example of a business case content

“ C

(informative) Structure of an agreement – General clauses

“ D

(informative) Service level agreements – Benefits,
preparation and structure of an agreement (SLA clauses)

EUROPEAN STANDARD

NORME EUROPÉENNE

EUROPÄISCHE NORM

FINAL DRAFT

prEN 15221-2

June 2006

ICS 03.080.99; 91.040.01

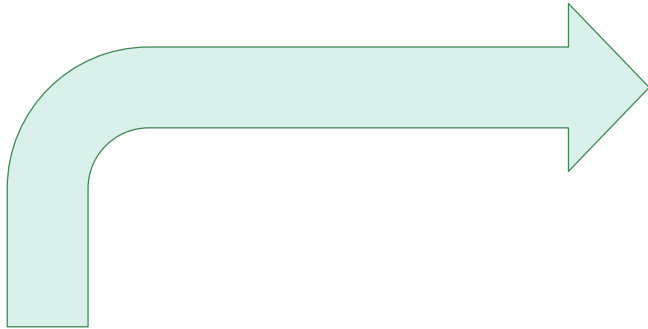
English Version

Facility Management - Part 2: Guidance on how to prepare
Facility Management agreements



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ISO/TC-267 Facility Management (FM)



WG1

EUROPEAN STANDARD
NORME EUROPÉENNE
EUROPÄISCHE NORM

EN 15221-1

October 2006

ICS 01.040.03; 91.040.01; 01.040.91; 03.080.99

English Version

Facility Management - Part 1: Terms and definitions

ISO 41013 Facility management scope, key concepts and developments

Foreword

Introduction

Clause 1, 2 & 3 Scope, Normative references, Terms
and definitions

- “ 4 Scope of facility management
- “ 5 Business process background of FM
- “ 6 Key concepts in FM
- “ 7 Benefits of FM (purpose)

Annex A Evolution of terms & definitions from EN
15221 to ISO 41011

Outline of ISO 41001:2018 (MSS)

Context of the Organization

- External & Internal Issues
- Interested Party Requirements
- Establish Scope
- Document Scope
- FM Management System

Planning

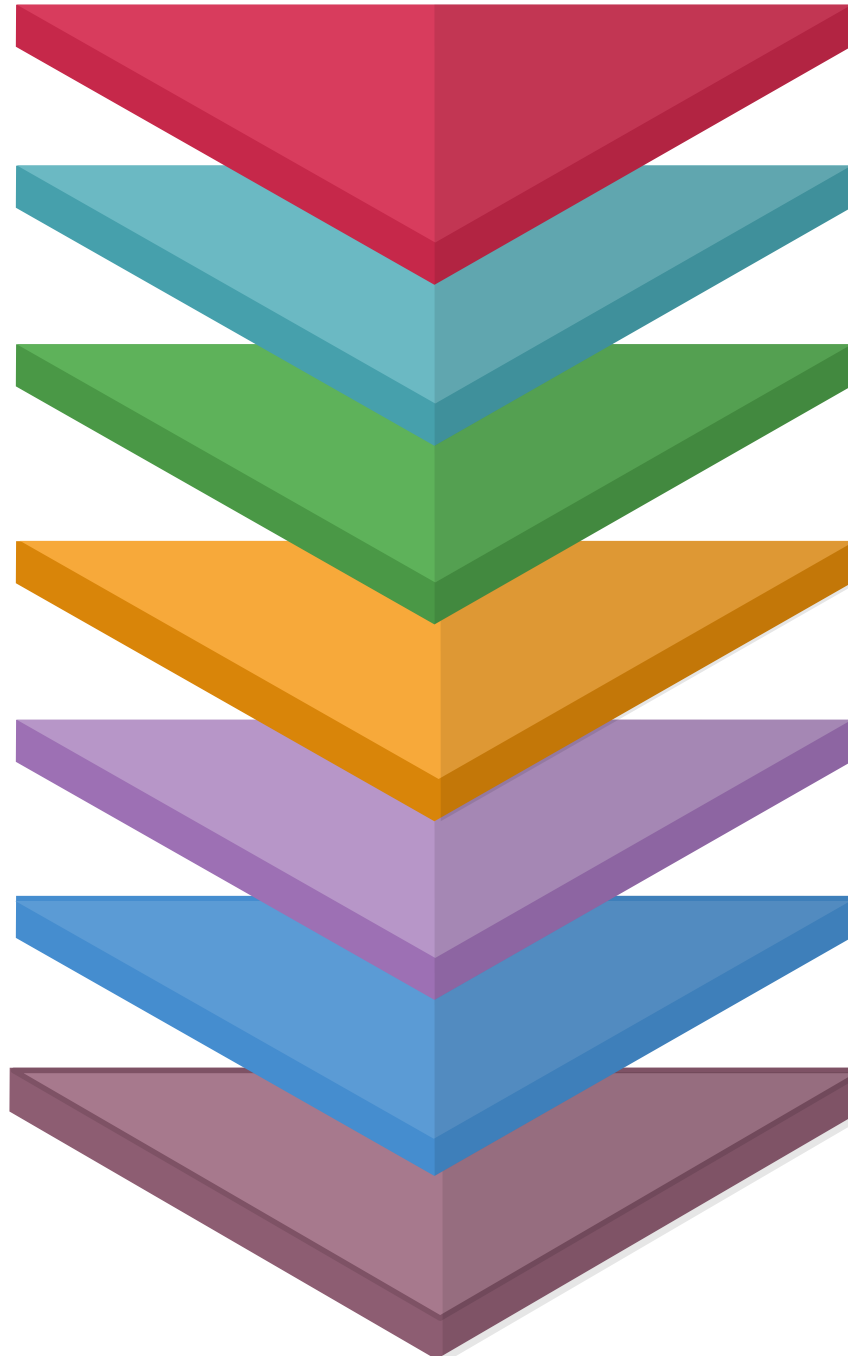
- Risks & Opportunities
- Plan / Address Risks
- Requirements of Stakeholders
- FM Objectives
- Implementation Plan
- Planning Horizons

Operation

- Processes
- Change Control
- Control Processes
- Customer Relationships
- Integrate Service Delivery

Improvement

- Nonconformity
- Corrective Actions
- Proactive Measures
- Gap Analysis
- Continually Improve



Leadership

- Leadership & Commitment
 - Establish FM Policy
- Communicate FM Policy
 - Relevant Roles
- Responsibility & Authority

Support

- ID & Secure Resources
 - Source & Monitor
 - Competencies
 - Awareness
 - Communications
- Information Required

Performance Evaluation

- Scope of Monitoring
- Monitoring Means & Methods
 - Documented Results
- Evaluate Performance
 - Performance Audits
- Top Management Review
- Communicate / Act on Results



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ISO/TC-267 Facility Management (FM)

What next from ISO 41000 series?

- ☐ Building on the Joint TC251 / TC267 article, provide for greater collaboration between AM & FM.
- ☐ Identify additional TC267 joint initiatives with other ISO management system standards.
- ☐ Identify the “Champions of FM” and build website content – *please ask how your organisation can participate.*
- ☐ Work towards ISO 41001 alignment to ISO/IEC 17021 part 11 Conformity Assessment - requirements for bodies providing audit and certification of management systems.
- ☐ Establish WG4 – ISO 41014*, Facility Management - development of FM strategy.*
- ☐ Establish WG5 – ISO 41015*, Facility Management - influencing behaviors for improved facility outcomes and user experience.*



** proposed WG, and working titles*



International
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ISO/TC-267 Facility Management (FM)

Closing Thoughts

1. FM is an “*organizational function which integrates people, place and process within the Built Environment with the purpose of improving the quality of life of people and the productivity of the core business*”.
ISO 41011:2017
2. The complexity of modern assets and facilities, and their relationship to risk management provides us with an opportunity to enhance the strategic significance of a responsibly managed and operationally efficient and effective Built Environment in a challenging world.
3. ISO/TC-267 answers the challenge of promoting FM, defining and coordinating the focus, scope and practice of our profession.





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ISO/TC-267 Facility Management (FM)

Thank you



**Questions &
Opportunities**
