

# FM OUTLOOK 2016

Trends, Issues and Forecasts

OCTOBER 2016



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## ABOUT IFMA

IFMA is the world's largest and most widely recognized international association for facility management professionals, supporting 24,000 members in 104 countries. This diverse membership participates in focused component groups equipped to address their unique situations by region (133 chapters), industry (14 councils) and areas of interest (six communities). Together they manage more than 78 billion square feet of property and annually purchase more than US\$526 billion in products and services. Formed in 1980, IFMA certifies professionals in facility management, conducts research, provides educational programs, content and resources, and produces World Workplace, the world's largest series of facility management conferences and expositions. In addition, IFMA's collaboration with the Royal Institution of Chartered Surveyors is transforming the global FM profession by unifying standards, offering comprehensive career advancement resources and magnifying the status of practitioners.

For more information, visit [www.ifma.org/ricscollaboration](http://www.ifma.org/ricscollaboration). To join and follow IFMA's social media outlets online, visit the association's [LinkedIn](#), [Twitter](#), [Facebook](#), [YouTube](#) and [Flickr](#) pages. For more information, visit the IFMA press room or [www.ifma.org](http://www.ifma.org).

## FORUM SESSION VENUES

IFMA would like to thank all IFMA members who participated in supporting sessions:  
FM forum at World Workplace – Denver, CO  
FM closing session at Facility Fusion Indianapolis, IN  
IFMA online sessions

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# ACRONYMS

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<b>3-D</b> .....	Three-Dimensional
<b>BIM</b> .....	Building Information Modeling
<b>CFO</b> .....	Chief Financial Officer(s)
<b>CSR</b> .....	Corporate Social Responsibility
<b>C-Suite</b> .....	Corporate-Suite, senior or top management
<b>FM</b> .....	Facility(ies) Management
<b>HR</b> .....	Human Resources
<b>ICT</b> .....	Information, Communications and Technology
<b>IFMA</b> .....	International Facility Management Association
<b>IoT</b> .....	Internet of Things, device communication without humans
<b>IT</b> .....	Information Technology
<b>O&amp;M</b> .....	Operations and Maintenance
<b>S&amp;P</b> .....	Standard and Poors, global corporate rating system/company
<b>US</b> .....	United States





# EXECUTIVE SUMMARY

The International Facility Management Association (IFMA) supports and helps to advance the facility management profession. One key component of this effort includes the recognition, analysis and publication of issues impacting the advancement of the field. This FM Outlook 2016 is the next in a continuing series of future trends reports for the facility management (FM) profession. Building on the previous IFMA reports-FM Trends 2014 and FM Forecasts 2011 which are briefly reviewed in this document-this report utilizes literature review and qualitative data analysis of expert input to triangulate and determine current and future issues of importance to the management of the built environment.

Key findings from the literature review section which examined the academic and peer reviewed journals, as well as industry publications, are that emerging issues focus around three key areas: business, cultural and technological issues. Within each key area, there are multiple sub-issues, more specifically outlined for focused attention by FM professionals. These current issues facing FM professionals and stakeholders in the literature are both pressing and will influence future trends. As FM evolves, these issues will grow in their impact and wise facility professionals will want to be aware of and stay current with developments to more effectively support their organization.

The qualitative data analysis from a number of structured conversations with experts reveal that emerging trends in FM fall into three categories of externally-driven, internally-driven and organizationally-driven issues. The focus of each category influences how FMs will manage, communicate and deliver information. Qualitative analysis also provided insight into the impacts and influences of FM, focused around improving recognition and influence of the field, education and training, and the impact of international standards. A look at IFMA's role and function was also part of the analysis. Major findings from the qualitative data analysis include:

### **EXTERNALLY-DRIVEN ISSUES**

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- FM needs to leverage and embrace data and technology to align to the rapid changes in the technological world.
- FM needs to have a better reaction to the economic environment, specifically regarding the labor market changes and the increase in multi-skilled workforce.
- FM is witnessing a role convergence and there is a “blurring of the lines” between roles and departments
- Regulations and standards need to focus more on metrics and measurement with an emphasis on benchmarking tools

### **INTERNALLY-DRIVEN ISSUES**

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- The role of the workplace and the importance for FM to align to rapid changes in workplace technology.
- The industry needs to continually break away from work silos and move to collaborative and engaging work practices.

### **ORGANIZATIONALLY-DRIVEN ISSUES**

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- There were mixed perceptions on the role of outsourcing, and procurement decisions need to be carefully evaluated.
- There should be a more strategic focus on FM to promote leadership and communication of the discipline.

Overall, the findings in this report provide facility professionals insight into the future and provide important, research-based reinforcement for some of the needs within facility departments. Issues such as technological upgrades and training, changes in staffing expectations, and dealing with ever-evolving technical, business and cultural issues within organizations require a continuous learning atmosphere for effective FM.

Appendices of literature for additional reference are included for those who want to investigate specifics of any of the research currently underway. IFMA hopes that facility professionals and organizational leadership alike will learn from these emerging trends and remain vigilant for the broad evolutions that impact us all.

## BACKGROUND AND PURPOSE OF THE RESEARCH

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IFMA defines facility management (FM) as a profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place and process. The value of these capabilities drives FM professionals to continuously innovate and update in order to meet organizational demands. FM professionals need an understanding of current and future issues in order to advise and support their organization.

As FM trends continue to evolve based in large part on the macroeconomic climate IFMA periodically conducts workshops to examine the emerging issues that will influence facility management in the coming years. Understanding the present and anticipating the future is important to everyone in FM, and facilitating this conversation and informing members are at the core of IFMA's objectives – Learn, Connect, Advance. To assist the FM profession overall in preparing for the future, IFMA periodically conducts forecasting forums with industry experts to identify emerging trends. On this occasion, we continue and expand the work from IFMA's FM Forecasts 2011 and FM Trends 2014 reports based on 2010 and 2013 forums respectively.

A forum at World Workplace 2015 in Denver intended to set the stage for FM Outlook 2016. A follow-up forum held at Facility Fusion in Indianapolis in April 2016 supplemented and progressed the discussion. Between these forums, a broader industry scan was conducted, comprising literature searches, other conference interactions, online forums and follow-up interviews with IFMA members and industry leaders worldwide. All of this material has been distilled into this FM Outlook 2016 report.

As a global resource for the FM profession, IFMA seeks to advance and support FM practice globally.

The FM Outlook 2016 report provides:

- Insights to help IFMA maintain its leadership of the profession;
- Understanding of trends, issues and forecasts in order to better comprehend future challenges and opportunities, and remain competitive; and
- Recommends changes that may be required within the industry in coming years.

This FM Outlook 2016 provides relevant information for IFMA membership and the entire FM marketplace as well as the support for industry strategic planning for IFMA members and the broader industry. It brings current, independent analysis of FM trends and associated information in a format that can be quickly consumed and easily adapted into improved FM practice. The report looks at information in multiple ways to triangulate concepts for maximum benefit through analyzing externally-, internally- and organizationally-driven trends.

Moreover, this new report identifies emerging FM opportunities and challenges to better equip the FM profession to focus our future efforts. Ultimately, this report increases the FM body of knowledge, better equipping the profession for what lies ahead and helps professionals anticipate and adapt new ideas, innovations and practices.

The FM Forecasts 2011 and FM Trends 2014 provided insights that were similar to this report, however, set in the earlier timeframe. They were conducted with industry workshops composed of experts in corporate real estate, government policy, energy, risk management, technology and workplace issues. The findings of the 2011 forecasts included 10 major areas for learning and action. These included:

1. Sustainability
2. Complex building technology
3. Economic recession and the aging building stock
4. Preparedness
5. Quantity and complexity of FM data
6. Finding top talent
7. Elevating the facility management profession
8. Evolving skill set and business acumen
9. Enhancing workplace productivity
10. Changing workplace

The 2014 trends were classified into three primary areas:

1. Leading the conversation and increasing FMs impact on the C-suite;
2. Speaking the right language by connecting FMs directly to strategic business priorities; and
3. Building the future of FM by setting a baseline for future excellence.

Each of the 2014 trends had related tactics and strategies for meeting the needs of each trend. The report also provided questions to consider in each trend area in order to help FMs move forward in their understanding and skills in each trend area. The 2014 conclusion was that “FM professionals should continue to identify ways to further assert themselves within their respective organizations, using metrics and value propositions that with their business and stories, and building the future for a more socially connected and technologically enabled generation in meaningful and specific ways.” These 2011 and 2014 publications are available from IFMA for reference.

This 2016 report takes a further step in not only providing workshop participants' input, but also adds literature review and qualitative data analysis to provide a more focused and vetted viewpoint of current trends and issues. The 2016 outlook report makes it clear to facility professionals that the issues presented are important, clearly documented trends that require attention, development and expertise for competitive, successful support of the organization. Rather than more of the same, this report provides the background and substance many FM professionals need to document and convince senior management that facilities play a key role in the effectiveness of an organization. Not only can effective FM help to reduce costs within an organization, but innovative methods and practices also lead to higher productivity, loyalty, engagement, and in some cases, increased attraction and retention of key employees for the company.