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Facilities Management Outsourcing: Current and Future Trends

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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. 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.

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Executive Summary

Primary and secondary research was performed to contribute to the findings of *Facility Management Outsourcing: Current and Future Trends*. Through an extensive literature review, the survey answers from more than 1,100 IFMA members, and in-depth interviews with 10 subject matter experts in the facility management field, current and future outsourcing trends were identified. Below is a summary of some of the key findings.

Nearly all survey respondents believe that facility management outsourcing (OS) is growing. Subject matter experts also identified that facility managers (FMs) are quickly becoming contract managers. Of the FMs surveyed, 90 percent said they were either seeking to renew existing contracts, pursuing new contracts, or both.

On average, FMs spend 30 percent of their time working with outsource contracts every week. The research confirms that FM outsourcing is not only becoming more readily used, but is also becoming a strategic advantage to companies as they expand globally.

Unfortunately, the majority of current outsourcing contracts have no outcome-performance measures or key performance indicators (KPIs). All respondents believe that not only are the skills to prepare, write, contract and manage outcomes for outsourcing contracts important, but they should also be actively pursuing greater knowledge and skill in this area.

FMs are not involved in the current process of creating OS contracts, nor do they think they should be. However, all respondents agree that well-written and well-balanced OS contracts lead to outcome success.

Both FMs and outsourcing companies said that their overall experience in working together has been somewhat positive to very positive. Interestingly, the survey showed that outsourcing companies are much more optimistic about the future growth of outsourcing than FMs.

There are numerous reasons why outsourcing contracts fail and succeed, which include: in-house employees failed to support the idea; poorly written contracts; unclear expected outcomes; owners' expectations were unrealistic; and others.

When asked to rank the most important services that outsource service providers (OSPs) perform, FMs and OSs had differing views. However, they both agree that technology is the most important service.

Current and future skilled labor is a growing challenge. Some FMs feel if the skilled labor market becomes too competitive they can outsource those needed skills. However, OSs feel it may be difficult to provide skilled labor in the future.

These and other findings listed in the report answer a variety of questions about the current and future trends of FM outsourcing. Appendix C provides tools that can help organizations determine the best mix of self-perform and outsourced services for optimal organizational performance. The width and breadth of this research is based primarily on North American research unless otherwise stated.