# Facilities Management Examples From Central & Eastern Europe

## A smarter way to manage real estate and facilities





### Facility Client Challenges



- Expense
  - property typically 2<sup>nd</sup> largest item on the balance sheet
  - operating expense is 50% of building life cycle cost, retrofit is 25%
  - pressure to reduce cost now exacerbated by continued escalation of energy prices
- Efficiency
  - building life cycles largely disjointed
  - silo management of sub-systems and assets
  - lacking end-to-end visualization, analytics and optimization
- Sustainability
  - long term focus and flexibility
  - new sustainability and carbon management mandates
  - better social and commercial alignment cost, investment expectations, building function and flexibility, security, occupant productivity and health, environmental and social impacts, are all considered collectively with a long-term focus



## The need for progress is clear

# 2

Real estate is the second largest expense on the income statement for most companies.

# 2025

By 2025, buildings worldwide will become the top energy consumers.

# 3

In most organizations the real estate portfolio is on the balance sheet as the third most valuable or expensive single asset.

# 30 percent

Facilities investments and operating costs can be more than 30% of corporate annual spending.

# 42 percent

Worldwide, buildings consume 42% of all electricity – up to 50% of which is wasted.

## 1

Buildings are the number 1 contributor to global CO2 emissions.



### Figure 3: Top Two Market Pressures

Need to drive down operating costs

Need to maximize Return on Assets



### Table 2: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
<ul> <li>Need to drive down operating costs</li> </ul>	<ul> <li>Improve visibility into key facilities management metrics</li> <li>Establish enterprise-wide capital planning process for facilities functions</li> </ul>	<ul> <li>Standardized policies and processes for facilities management</li> <li>Energy metrics utilized to optimize facility management processes</li> <li>Established formal corporate facilities management group</li> <li>Cross-functional teams foster collaboration across disparate functional groups</li> <li>Ability to forecast, track and report on facilities budgeting</li> <li>Ability to measure time-to-fulfill maintenance requests</li> </ul>	<ul> <li>Enterprise Asset Management / Work Order Management</li> <li>Building Management</li> <li>Document Management</li> <li>Energy Management</li> <li>Automated workflow for scheduling and notification of planned and requested maintenance</li> <li>Budget forecasting and scenario analysis for facilities capital investments</li> <li>Integration with financial systems</li> <li>Electronic generation of purchase requests and purchase orders</li> <li>Online tracking of project scheduling and milestone completion (capital and non-capital projects)</li> </ul>

Source: Aberdeen Group, October 2010



85%



# How assets are becoming smarter; "convergence" Blurring lines of ownership...





## Customer benefits and demonstrated value of MAXIMO SW

- Asset performance creates saleable capacity, contributes to EBIT
- Inhibitors to success:
  - Too much investment in inventory
  - Labor spent on nonvalue add activity
  - Resulting downtime impacts availability



Industry Leaders have a global view of operational assets and the interrelationship between technology and assets can yield a competitive advantage



## **Examples of using Maximo to manage Facilities**

**Office Space** 



Provide end-user portal to create new service requests for facilities related issues. Hospitality



Higher Education



Ensure power/HVAC is supplied to the gaming floor for continuous operations.

Schedule maintenance on a seasonal basis when students are on summer break.

### Healthcare and Hospitals



Asset Maintenance history and warranty information on critical equipment is readily available.

Public Sector



Assign work requests more efficiently and provide new assignments through mobile devices. Internal and External Service Providers



Manage multiple customer agreements which support service level agreements and billing.



### Facilities Customers represent a variety of industries





# Adria Grupa, Zagreb .... 1000 locations, 1200 employees .....

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## Service request example





### Preventive maintenance example





## Customer and contract management, billing

- Supporting multiple customers on a single platform
  - Customer management (agreements, pricing schedules and billing)
  - SLA management (response and resolution times, KPI, escalations)
- Supporting multiple contractors on one platform
  - Contractor management (purchase, labor and lease contracts)

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## Skills and documentation management

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## An example of customer value: Slovenian Ministry Of Public Affairs



- We now have statistics, analysis and KPIs that we can base upon for further process planning and improvement. With pleasure we are able to say, that all statistics and analysis already have proven results in service quality and rationalisation.
- Considering everything done by now and the potential offerred by Maximo, this project must not stop at this point – it would make sense for the Ministry Of Public Administration and whole government administration to broaden the implementation to all IT areas and all areas where management of assets and services is applicable. That means all assets and services that are related to maintenance and management. This is how we can implement a transparent and effective system that will enable lowering cost and most rational use of resources. Every such broadening means an investment, however that is very quickly returned by effective service management (service delivery, standards and regulations, central asset and service management, quality, charging).

Nika Rebernik, Ministry Of Public Affairs, Publication "Informatics in public sector 2009"



## Merkur Group

- Headquarter in Naklo, Slovenia (established 1896)
- More than 5000 Employees
- Located in 8 countries in SE Europe
- Growing retailer and wholesaler
- DIY (Do It Yourself) and DoltForMe home improvment products consumer electronics metal products

industrial/technical items for professional use











- RUCH SA has +4,000 employees, 35,000 points of sale for fast-moving consumer goods (FMCG) and newspaper distribution, and a portfolio of 500 commercial and office facilities. It is challenged by the competitive market
  - to continuously reduce operational costs, implement outsourcing projects, and manage its large portfolio
  - of facilities with many service providers. RUCH implemented IBM Maximo

to manage these diverse facilities more efficiently, to meet all these key challenges.





### Application consolidation in Utilities Smarter Buildings on a Smarter Planet

IBM



#### Application consolidation in Utilities Smarter Buildings on a Smarter Planet

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**Resource Management** 

**Supply Chain** 



# The McMorrow Corporate Facilities Management Report

## Top 10 Trends impacting future of Facility management

- Externaly driven trends
  - Sustainability getting importance
  - Compex BMS new technologies, new opportunities
  - Aging Building Stock "repair or replace"
  - Emergency preparedness and business continuity
- Internally driven trends
  - Increasing quantity and complexity of data row date to information
  - Finding Top talent FM is not about FM gradueates
  - Elevate FM in org structure
- Organizationally driven
  - Technical and business acumen communicate in C-level language
  - Efficiency, productivity, profitability key pillars
  - Changing Work style open work plan

# Facilities Management Examples From Central & Eastern Europe

## A smarter way to manage real estate and facilities





## What is it? Super office, Park House, Fashion Apartment ...?



