

# Do You Have the Facilities Your Organization Needs to Succeed?

A Strategic Facility Plan is a valuable tool to identify the direction for your facility portfolio. Projects and operational objectives are all identified and prioritized. But these plans can be time consuming and expensive to develop, so they are only done sporadically.

This makes it especially important that you update your plan frequently to gain the value it offers. It is possible to do this quickly and affordably.

# Strategic Thinking is Always Important for Facility Assets



**Facilities are expensive, and often take a long time to put in place or change.**

Therefore it is important that you are thinking ahead to have the right facilities in the right places, at the right time for your needs.

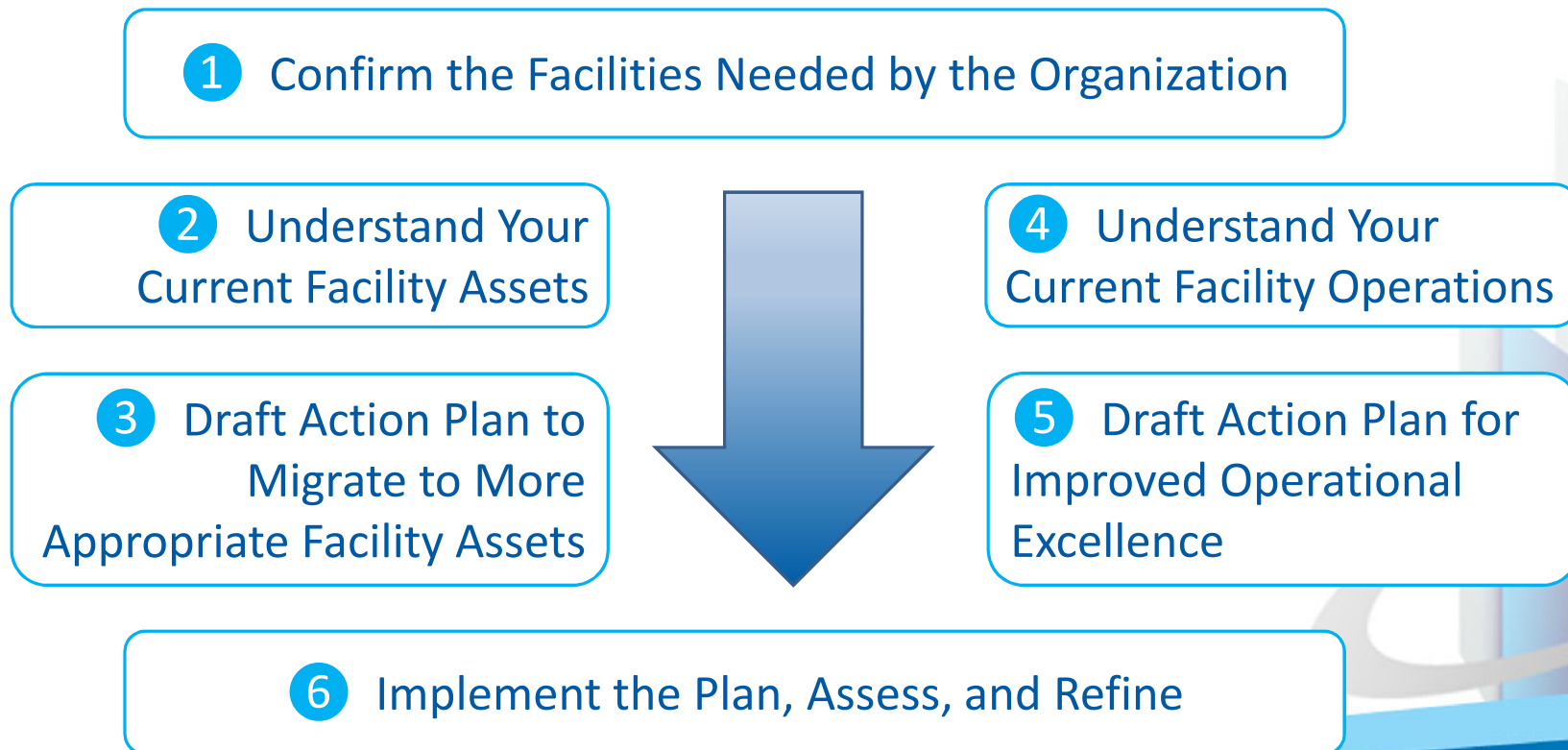
**A strategic facility plan helps to properly align your facilities with your needs.** The plan helps you prioritize and focus resources on those activities that provide the best value to you. This results in less time and investment wasted on things that did not help your organization move forward.

*A strategic approach to your facility actions will provide better facilities at lower cost.*

# A Simple Process to Update Your Strategic Facility Plan

Here is a typical process you can use to validate and update your Strategic Facility Plan.

(Steps 2/3 and 4/5 can be parallel tracks provided there is some coordination. Attention to both the property assets and their operation is strongly encouraged.)



# 1. Confirm (Define) the Facilities You Need

The most important step is to be clear about the facilities your organization needs and why. This can be a simple review and validation of your current plan. (If you have no plan, or find it to be questionable, then more effort will be required on this step.)

- ❑ These should first be described in business terms
  - What is the purpose of the physical space?
  - When is it needed? For how long (how many years)?
  - What is the financial value to the business?
  - What characteristics of the facility provide competitive business advantages?
  - What will be the hours of operation?
  - What is the acceptable risk of down-time?
- ❑ Then this can be translated into architectural, real estate, and operational criteria.
  - Size and quality of physical space by type.
  - Property location.
  - Property budget (capital and operating).
  - Operating SLAs.



## 2. Understand Your Current Facility Assets

You need to fully understand the properties you already have. These are what you have to start with (and will probably fill the majority of your needs).

### ❑ Validate Your Facility Inventory

- Master list of properties
- Classify by who controls and type (owned vs. leased space, active vs. inactive)
- Size (SF and Acreage)
- Location
- Ownership (and key dates if leased)

### ❑ Perform a Strategic Facility Assessment<sup>©</sup> of Each Facility

- Asset Value
- Condition of the asset
- Utilization
  - Business activities that use it
  - The vacancy rate
  - The expansion capability
- Risk Assessment

Facility	Type	Owned	SF	Value (k)	Condition	Utiliz %	Occupants
Headquarters	Mixed	Own	61,000	18,300	V Good	92%	281
Main Street	Office	Own	18,000	3,600	Poor	3%	3
May Street	Prod	Own	42,000	14,700	Good	87%	183
North Road	Office	Lease	11,000	-	Good	85%	47
Third Ave	Logis	Own	12,000	2,640	V Good	95%	22
West Ave	Retail	Lease	5,000	-	Fair	100%	14
New Training Site	Train	New	TBD				

Example Inventory

### 3. Action Plan to Reposition Your Facilities as Required

Given the facilities you have, and the facilities you are going to need, you can clarify each facility's function and identify & sequence the actions to make any transitions.

- ❑ Changes in portfolio
  - Properties to acquire/lease
  - Properties to divest/sublet
- ❑ Changes in existing properties
  - Expansions, contractions, consolidations
  - Redevelopment, re-purpose
  - Major renovations, upgrades, restack
  - Property refresh & repairs; rebranding programs
  - Properties to maintain/ongoing
- ❑ Include support projects and significant technical studies
  - Technology upgrades,
  - Sustainability initiatives
  - Real estate activities
  - Architectural/engineering studies



Example Action Plan

## 4. Understand Your Current Facility Operations

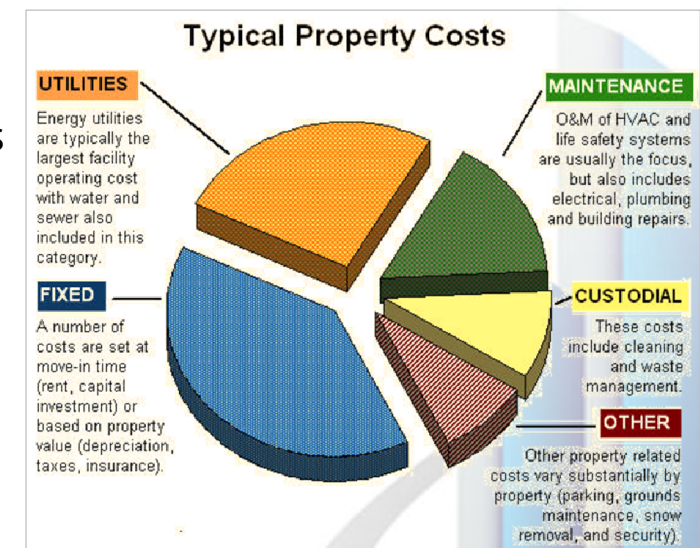
You also need to fully understand your current facility operations. The allocated resources and work flows determine the quality of the facility assets as well as the day-to-day facility environment for your organization.

### ❑ Processes Related to Facility Management

- Identify all activities that impact facilities, not just those by “FM department”
  - Facility project design, coordination, delivery
  - Facility operations and maintenance
    - Scheduled
    - Unscheduled repairs and demand services
  - HR, Safety, Environmental, Security, IT
- Identify opportunities for quality improvement

### ❑ “Total Cost of Ownership”

- Identify all the costs associated with the facilities
  - Fixed costs
  - O&M
  - Utilities
  - “Tenant” services
- Determine opportunities for efficiency

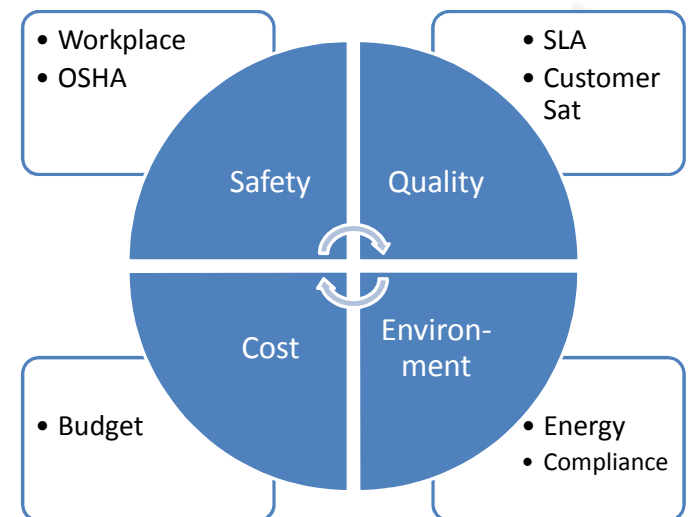


Example Cost Overview

## 5. Action Plan to Improve Operational Excellence

Based on the established facility asset plan, and any value opportunities identified in the current facility operations, you can now identify which facilities operation “initiatives” to pursue with the allocated resources.

- ❑ Maintain and operate the facility asset base in accordance with defined needs.
  - Established SLA for each property
  - Established KPIs for facility operations
- ❑ Improve Operational Effectiveness
  - Quality of service
  - Training and qualifications
  - Customer satisfaction
- ❑ Improve Operational Efficiency
  - Standardized operation processes
  - Cost management



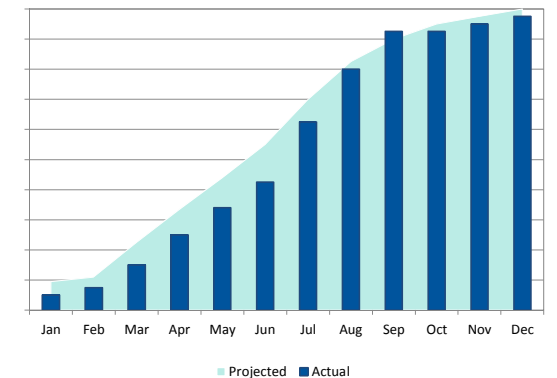
Example Scorecard Criteria



## 6. Implement, Assess, and Refine

Now you have an action plan for your facilities, and a set of initiatives for your FM operations, so it is time to obtain any approvals and start work.

- ❑ Project Management is important for facility development, renovations, relocations, consolidations, and closures.
- ❑ Change Management is important for all of the initiatives that need changes in processes and day-to-day activities.
- ❑ Track, measure, evaluate, and refine
  - It is important to establish a good baseline.
  - Most organizations track budget and schedule.
  - Both successes and failures offer learning opportunities.
  - Documenting value and benefits of projects will help future work be more successful.



# Some Benefits of a Strategic Facility Plan Update....

Get value from your Strategic Facilities Plan – take advantage of this “asset,” extend its useful life, and identify when it is time to revise it.

- ✓ Better Asset Utilization
  - ✓ Identify facility assets that need to be repositioned.
  - ✓ Confirm facility investment project priorities.
  - ✓ Reduce the number of projects that do not contribute towards the future.
- ✓ Improve Visibility and Alignment with Your “Business” Partners
  - ✓ Use it to solicit business input and validate needs.
  - ✓ Use it to document FM value to the business.
- ✓ Improve FM Operations
  - ✓ Confirm activities support organizational priorities.
  - ✓ Identify potential value opportunities (quality improvement & cost management)

# What If You Don't Already Have a Strategic Facility Plan to Update?

## **Do a Strategic Facility Assessment instead!**

- ✓ You (your staff) already know a lot about your facilities.
- ✓ You have limited resources available to you right now.
- ✓ You need to confirm or draft your action plan quickly.

Just a simple, checklist lets you quickly and economically identify potential issues by property. Your executive team can review the results and agree on the priority items for action.



**Download a free self-assessment checklist at:**

**[www.ralstrategies.com/sfa-checklist.php](http://www.ralstrategies.com/sfa-checklist.php)**

*Even without a formal plan, you can STILL take a strategic approach to your facility actions.*



Download a source copy of this presentation at:  
[www.RALStrategies.com/sfp-presentation.php](http://www.RALStrategies.com/sfp-presentation.php)

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