



Challenging Your FMO

“What Do Outsourcing Firms Know That You Don’t”

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The Learning Objectives Are...

- ➔ **Maintaining A Competitive Edge**
- ➔ **Ensuring The Organization's Stability**
- ➔ **Applying Meaningful Benchmarks**
- ➔ **Useful Management Tools**
- ➔ **Improving The odds**



With questions such as...

- ➔ What are the needs?
- ➔ When is it necessary?
- ➔ Why change, “it’s not broke”?
- ➔ How can it help?
- ➔ Where is the pressure coming from?





What Are The Needs?

- ➔ **Regulatory Pressures**
- ➔ **Cost Pressures**
- ➔ **Re-Engineering Or Rightsizing Pressures**
- ➔ **New Technologies**
- ➔ **Staffing Pressures**



When Is It Necessary?

- ➔ Larger staff without workload
- ➔ Not performing at expected levels
- ➔ Reoccurring problems
- ➔ Service costs out of control
- ➔ Poor records



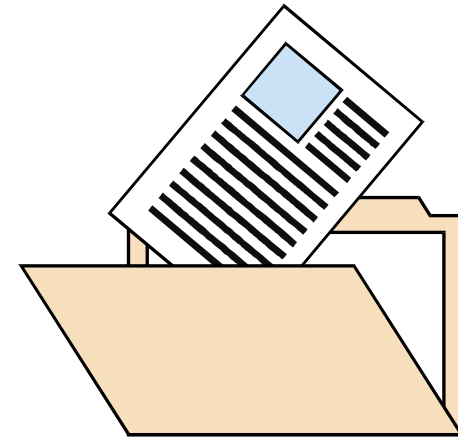
Why Change, “It’s Not Broke”

- ➔ Compare to peers in the industry (APPA)
- ➔ Compare outside the industry
- ➔ IFMA, AFE, AEE, BOMA, ASHRE
- ➔ Challenge performance inside the organization
- ➔ Challenge design of systems & components



How Can It Help?

- ➔ Tracking the performance
- ➔ Documenting results
- ➔ Controlling expenditures & inventory
- ➔ Identifying staffing needs
- ➔ Becoming more proactive & less reactive





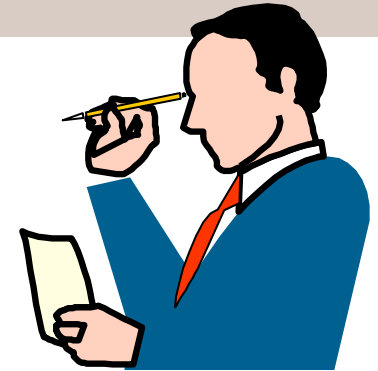
Where Is The Pressure Coming From?

- ➔ Upper Management
- ➔ FMO is Too Expensive
- ➔ Service Providers Capable and Hungry
- ➔ New Methods & Service Approaches
- ➔ Poor Benchmarks And Performance Indicators
- ➔ New Technologies



What Does Outsourcing Firm Know That You Don't?

- ➔ Maintaining A Competitive Edge
- ➔ Ensuring The Organization's Stability
- ➔ Applying Meaningful Benchmarks
- ➔ Useful Management Tools
- ➔ Improving The odds



Competitive Edge

- ➔ Regulatory training
 - Do you have a viable training program?

- ➔ Less oversight of service provider's spending
 - Do you watch what is being charged?

- ➔ They have more supervision
 - How are you controlling the work product?





Competitive Edge

- ➔ Direct pass through
- ➔ Their benefits loads are 30 to 40% of labor
 - Can you be competitive?
- ➔ Extra staff from other sites
 - New occupancy do you just hire more staff?
- ➔ After start-up they can usually operate with less staff
 - Evaluate your staffing needs





Competitive Edge

- ➔ Least skilled workforce
 - Is your workforce meeting job requirements?

- ➔ Out task skills
 - How much work is out-tasked?

- ➔ Site specific policies
 - Are you bound by employee-wide policies & benefits?

- ➔ Latest technologies
 - Do you review your methods and equipment annually?



Organization Stability

- ➔ Primary focus on preventive maintenance
 - Does your staff concentrate on the repairs?

- ➔ Deferred maintenance and deficiency list
 - Do you have a list?

- ➔ Reoccurring problems
 - Are you using all the features in your system?

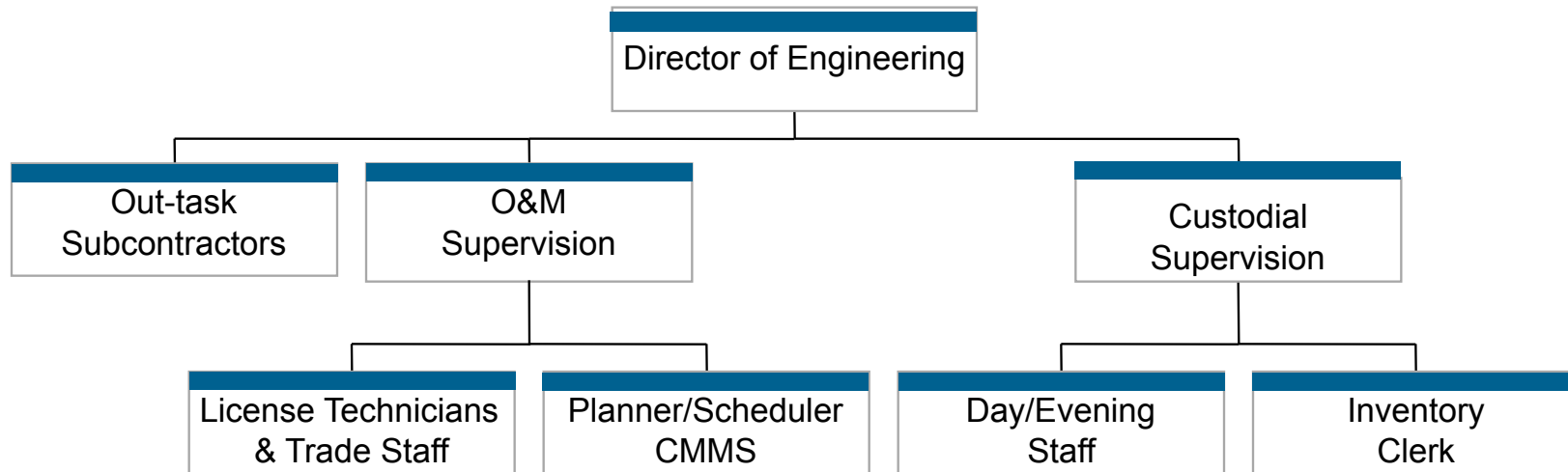
- ➔ Other clients operations
 - Do you regularly visit your peers in nearby campuses?





Organization Stability

**How would you
reorganize this chart?**





Organization Stability

Centralized Benefits

- ➔ Typically used in smaller Campuses
- ➔ Reduces non-productive hours
- ➔ Focuses on highest priority work

Area Benefits

- ➔ Typically used in midsize campuses
- ➔ Response time is reduced
- ➔ Engages in lower level activities such as PM's

Hybrid Benefits

- ➔ Typically used in large campuses
- ➔ Preventive maintenance crews are assigned in areas
- ➔ The remaining staff is assigned to central locations
- ➔ Central group supports during emergencies



Applying Meaningful Benchmarks

- ➔ Preventive maintenance ineffective
- ➔ Putting out fires, reactive maintenance
- ➔ High overtime cost
- ➔ Rapid increase in maintenance cost over last five years
- ➔ Equipment not available for the scheduled work
- ➔ Low worker productivity





Applying Meaningful Benchmarks

- ➔ Supervisors not scheduled properly by shift
- ➔ High equipment breakdowns be reported
- ➔ Inventory not available for the scheduled work
- ➔ Work order closings slow or incomplete
- ➔ The need to hire more people to cover basic services





How to Apply Meaningful Benchmarks

- ➔ Identify in your industry campuses larger and smaller
- ➔ Compare the operation with other industries that are similar and completely different
- ➔ Challenge the engineering design of your systems and its components with third party evaluations
- ➔ Re-commission your systems to improve performance
- ➔ Cross utilize supervisory staff between primary services to identify weaknesses and strengths



Management Tools

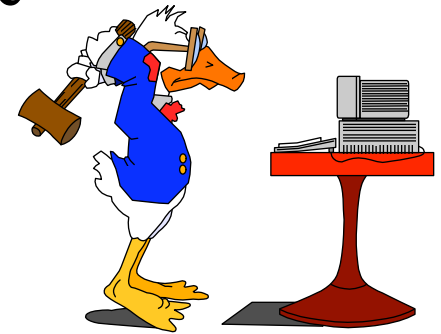
➔ How many have an Computerized Maintenance Management System?

➔ How long has your system been operating?

- Six months or less
- Year or less
- Year or more

➔ What percentage of the CMMS software is being utilized?

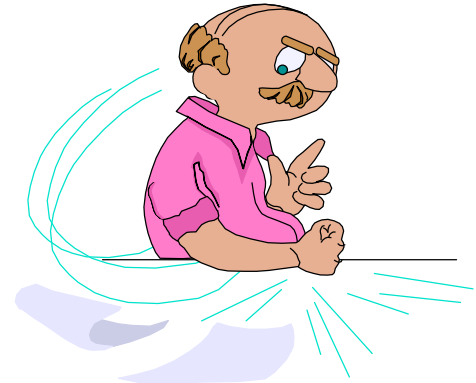
➔ Approximately what did it cost to implement?





Management Tools

- ➔ Problem solving, prevention and detection
- ➔ Work order management
- ➔ Daily, weekly job planning & scheduling
- ➔ Resource controls (effort & inventory)
- ➔ Equipment, cost, and usage data collection



Are these primary functions being utilized to the maximum?





Management Tools

- | | |
|------------------------------|-----------------------|
| ➔ Preventive Maintenance | = 95% Complete |
| ➔ Predictive Maintenance | = 90% Complete |
| ➔ Work Order Program | = 100% Of Work |
| ➔ Service Request Program | = 100% Work |
| ➔ Inventory Tracking | = 90% Captured |
| ➔ Tools & Equipment Tracking | = 95% Captured |





Management Tools

- ➔ Parts Control & Cost = **20% of Value On The Shelf**
- ➔ Planning & Scheduling = **90% Daily**
- ➔ Regulatory Compliance = **100%**
- ➔ Labor Utilization = **100% Captured**
- ➔ Contractor Control & Tracking = **100%**
- ➔ Historical & Trending = **100% Recorded**



Monthly reports that identify

- ➔ Events for the month
- ➔ Control costs
- ➔ Illustrate your control
- ➔ Special training or peer reviews
- ➔ Cutting edge approaches
- ➔ Performance indicators good and poor
- ➔ Planning strategies with goals





Improving The Odds

- ➔ Photographs
- ➔ Identifying specific problems
- ➔ Include photos of completed projects





Improving The Odds

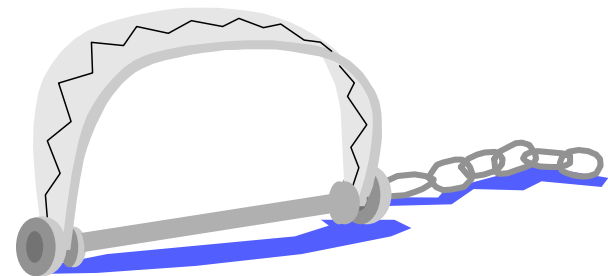
- ➔ Remember maintenance is not hard to perform, it just hard to sell.
- ➔ Remove “I feel” and replace with data
- ➔ Investments and not expenses
- ➔ Improvements, not just maintenance values





Improving The Odds

It should not become an issue of downsizing, but rather an issue of removing waste from the maintenance effort by...





Challenging Your FMO

Are You Prepared To...

- ➔ Maintain a Competitive Edge
- ➔ Ensure Your Organization's Stability
- ➔ Apply Meaningful Benchmarks
- ➔ Use The Available Management Tools
- ➔ Improve The Odds



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