

What has been addressed

- **“Who the heck is Jack”**
- **What is Facility Management**
- **Value add FM – extended facilities value chain**
- **Facility Management Association New Zealand**
- **Model of CRE**
- **Asset Management**
 - **Definition, Benefits, Framework, Life Cycle**
- **Asset Management and Facilities Management**
- **The six what’s of Asset Management**
- **FM concepts applicable on Asset Management**
- **FM – strategic perspective**
- **FM Toolbox**
- **Future of Asset Management and FM in NZ**
- **Questions to be answered?**

What is Facility Management?

Facility (facilities) Management

European Standard / CEN/TC 348 “Facility Management”

“the integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities”

International Facilities Management Association

“A profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process and technology”

What is a Facility Manager?

Manages assets

Market value

Property asset management

Manages occupancy

Use value

Procurement

Change management

Performance management

Support the business

Business value

Organisational transformation

&

Enable communities

Stakeholder value

Benefits management

Environmental focus

Social and economic development



Value add FM – extended facilities value chain



FMANZ has been formed to define and promote professional FM practice.

FMANZ aims to:

- Promote FM as a recognized profession to the property industry, government bodies and public
- Develop FM practice within NZ to encourage advancement of the profession in term of delivery and understanding
- To take a leadership position on key matters where value can be added, there are expected to be:
 - Promoting improved health within buildings
 - Promoting sustainable building management and use
 - Promoting clarity on building related regulatory matters

- Board – elected
- 3 regional Branch committees: Auckland – Wellington – Christchurch
- Each regional Branch committee can have sub committees
- More than 350 members
- Membership (individual & corporate)

What do we do?

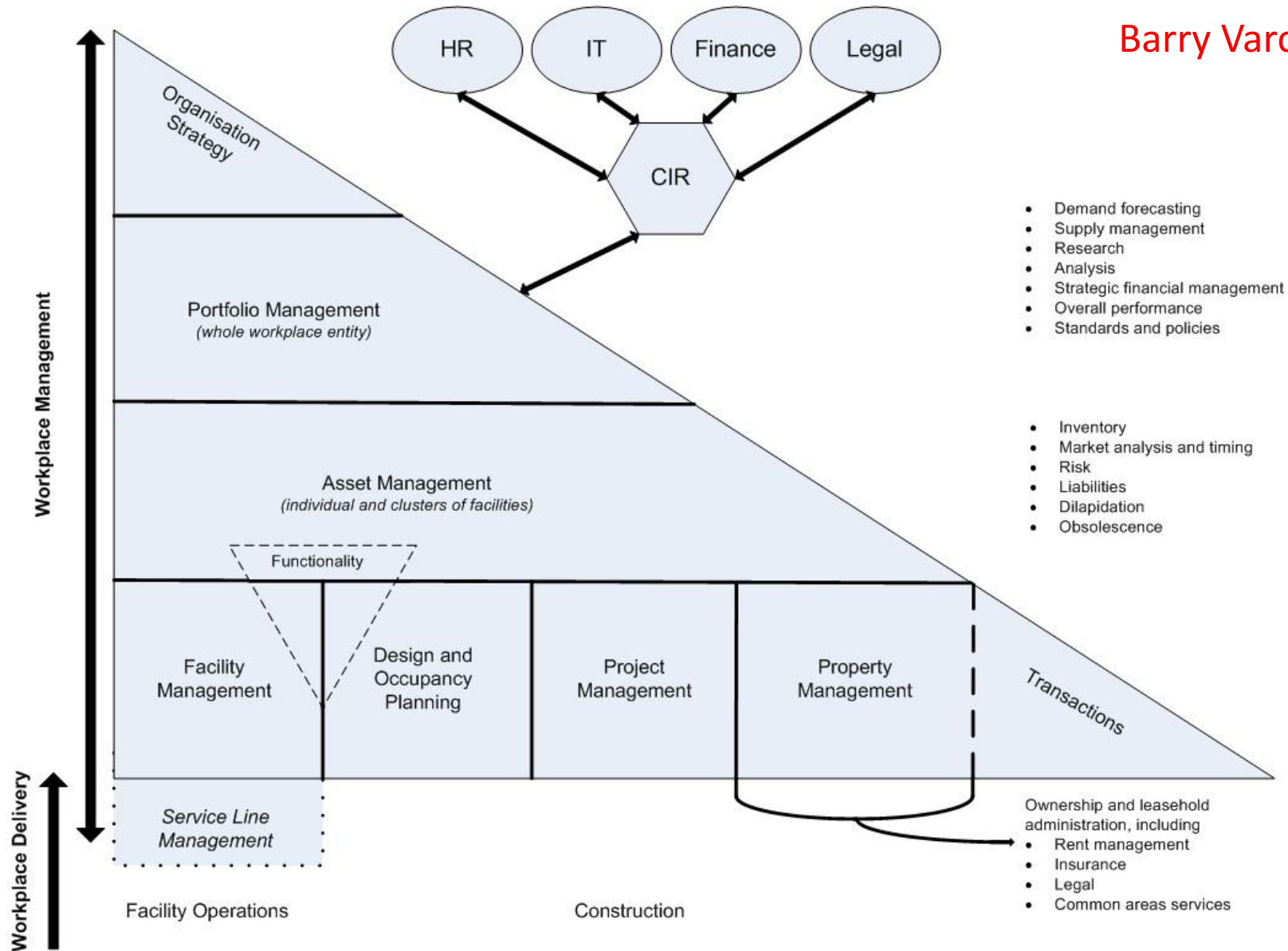
- Professional Competency Model
- Master Classes & Education
- Annual Conference & Awards
- Web site (www.fmanz.org) : forums, resources (papers, ppt, newsletter), jobs
- Survey to members , salary research
- Networking events : breakfast, 5pm events, site visits
- Sponsorships

Current Major Sponsors FMANZ



Model of Corporate Real Estate

Barry Varcoe - 1999



What is Asset Management?

“the life cycle management of physical assets to achieve the stated outputs for the enterprise”

“Asset Management is a systematic process of planning, operating, maintaining, upgrading and replacing asset costs effectively with minimum risk and at the expected levels of service over the asset life cycle”

Asset Management - NAMS definition

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.

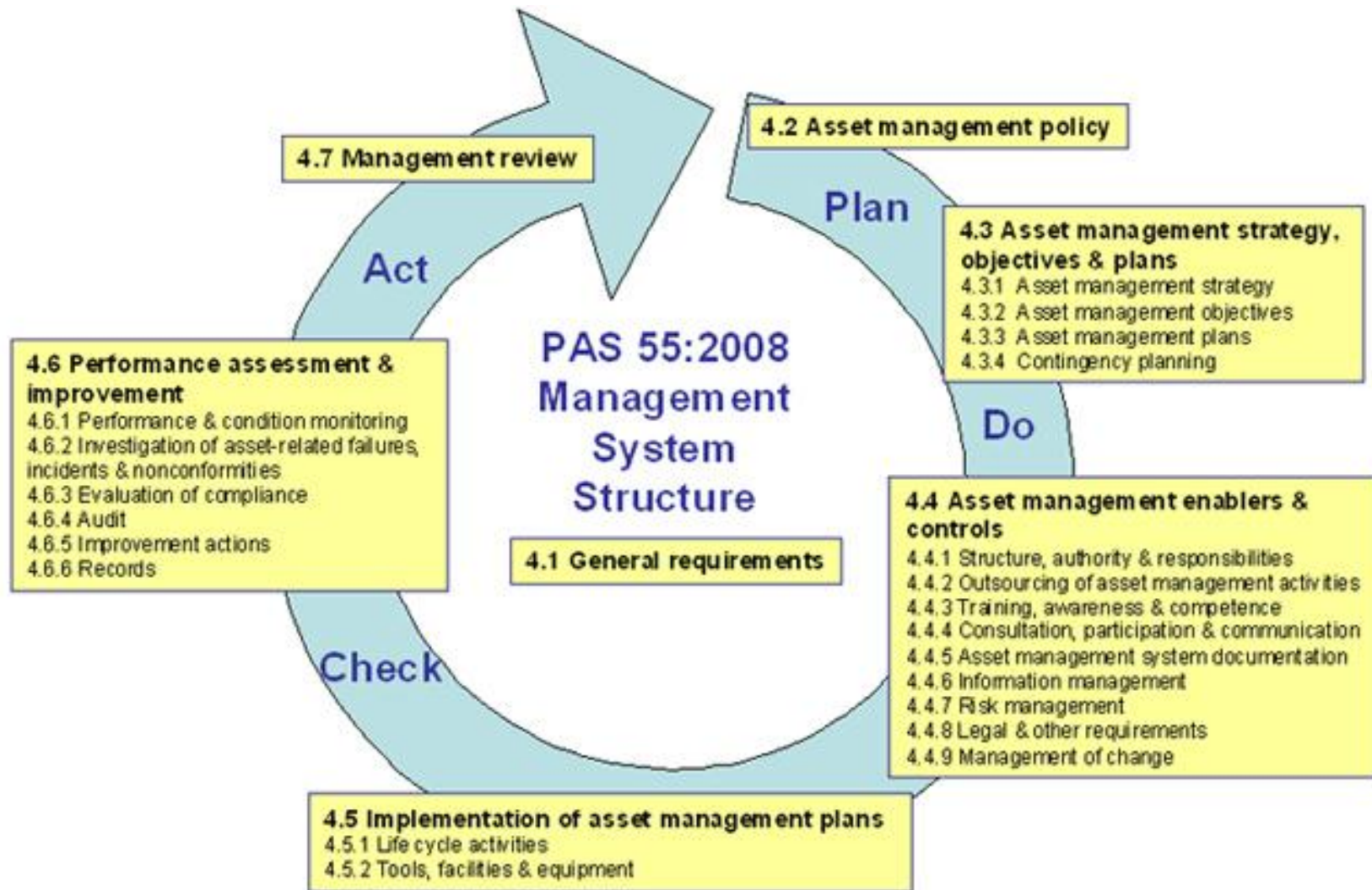
There are many definitions of the aims of asset management, this is a typical one: ‘To deliver an acceptable level of service, at the lowest sustainable life cycle cost, at a level of risk acceptable to the community’.

Asset Management Benefits

- Reduce Costs (PPM, R&M, Capex)
- Extend Life – optimum asset utilisation, reliability and availability
- Optimum balance between maintenance and availability
- Manage Risk – risk calculator matrix (likelihood and consequence)
- Operational Excellence : balance between costs and quality = levels of service
- Manage stakeholders expectations (C-suite, Finance, BU's)
- Increase levels of Service
- Compliance

Balance between Cost – Risk - Levels of Service

Asset Management Frame work – BSI PAS 55 standard



Asset Management Framework– key elements

1. Asset management philosophy / strategy
2. Maintenance Planning
3. Risk Management
4. Life Cycle Management
5. Implementation Plan and Operation
6. Continuous improvement
7. Asset Management Strategy
8. Asset Management Information System
9. Maintenance Information
10. Contingency Planning
11. Performance Monitoring

Asset Management model – BSI PAS 55 standard



Asset Management Life cycle

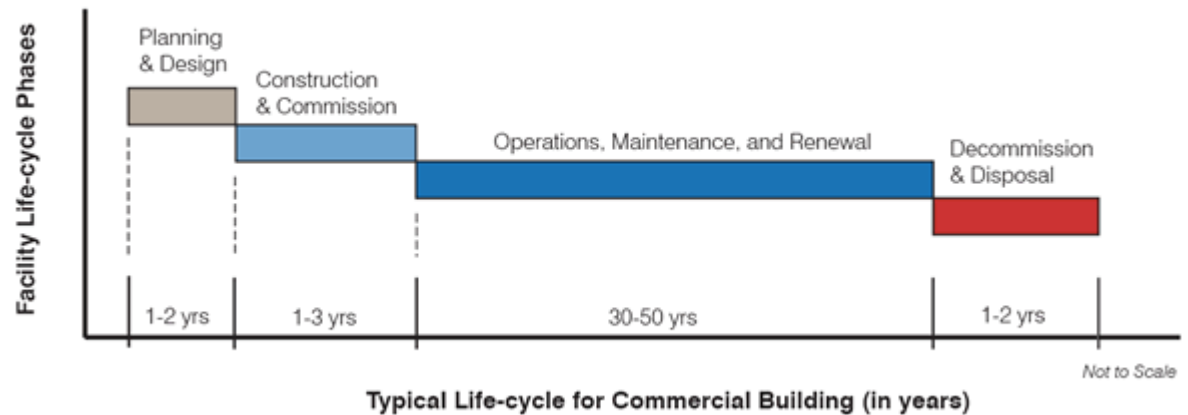
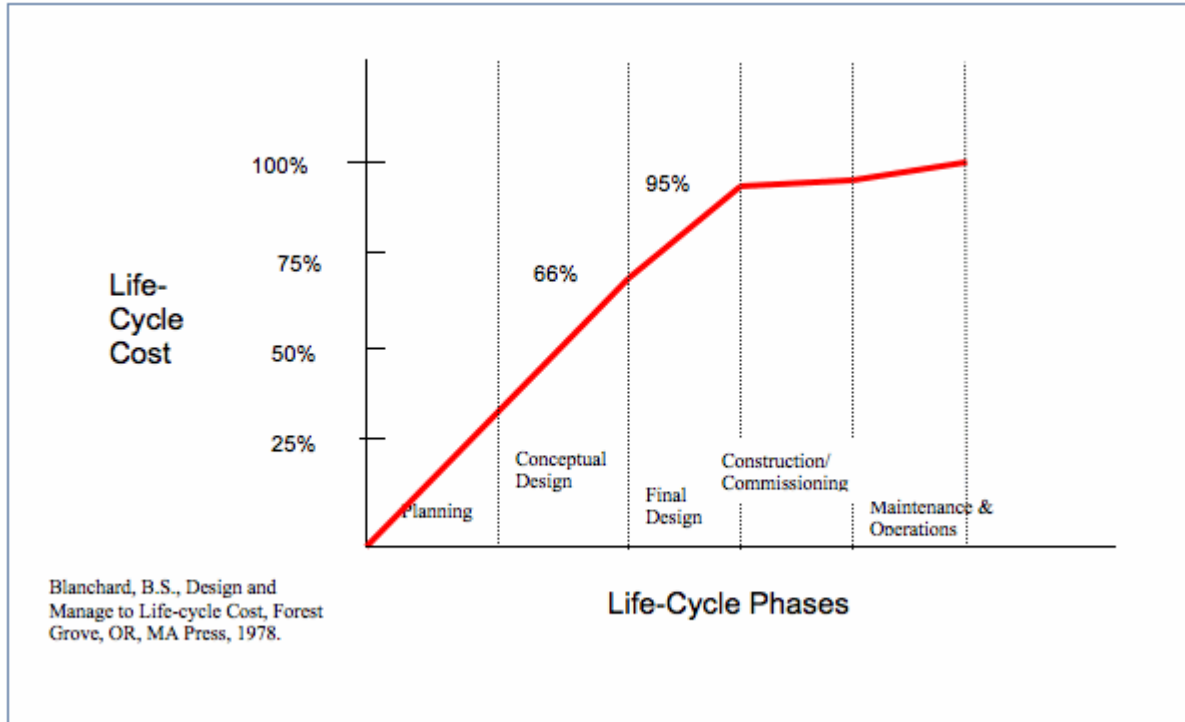


Manage as an
End-to-End
Process

Role of FM in
each phase of the
cycle

But often only
operational focus

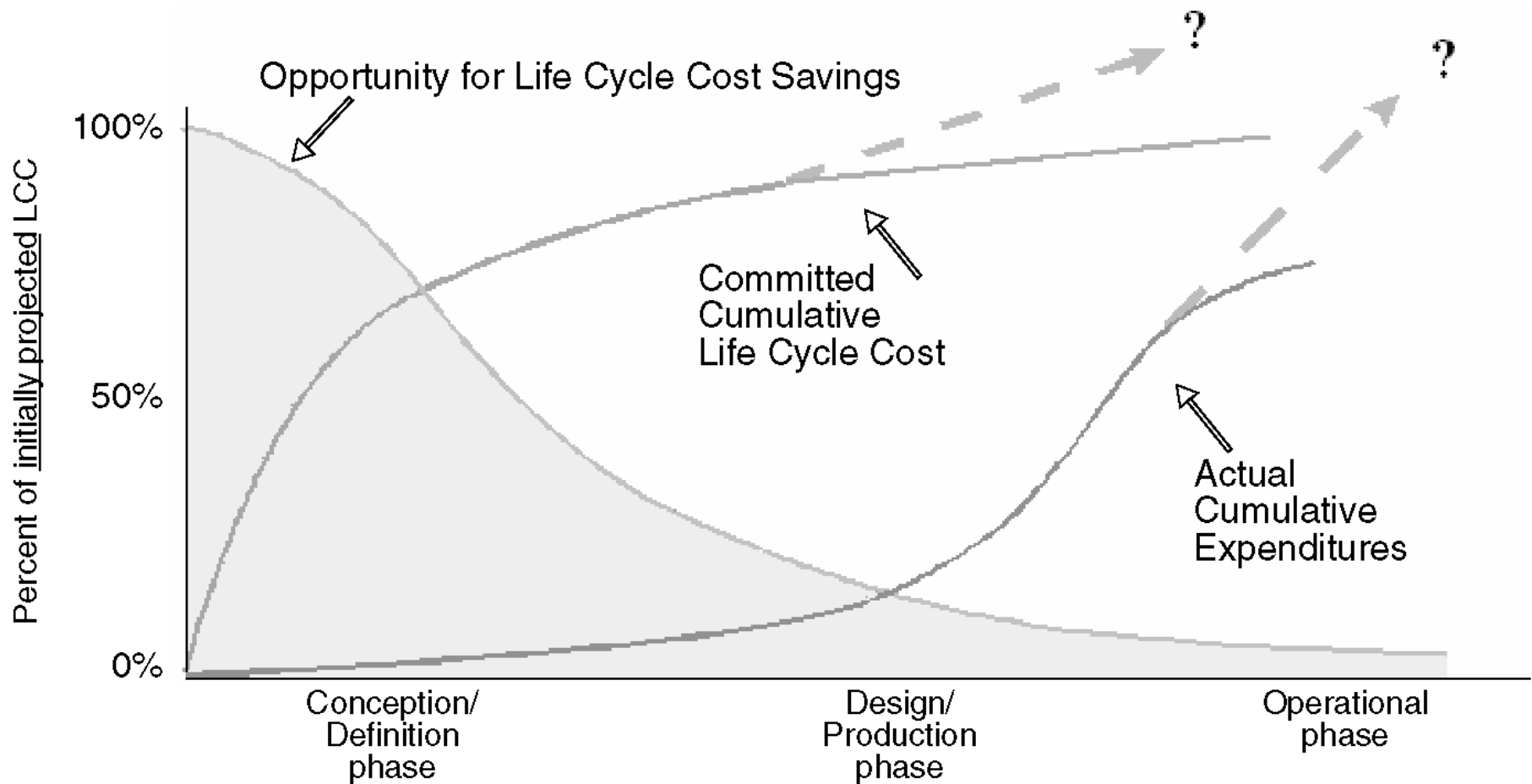
Asset Management and FM



Value add FM – extended facilities value chain



Life cycle cost management – FM input at the Definition Phase



FM and impact on Life Cycle Costs

For what type of purchases do you strive to compute and reduce life cycle costs?

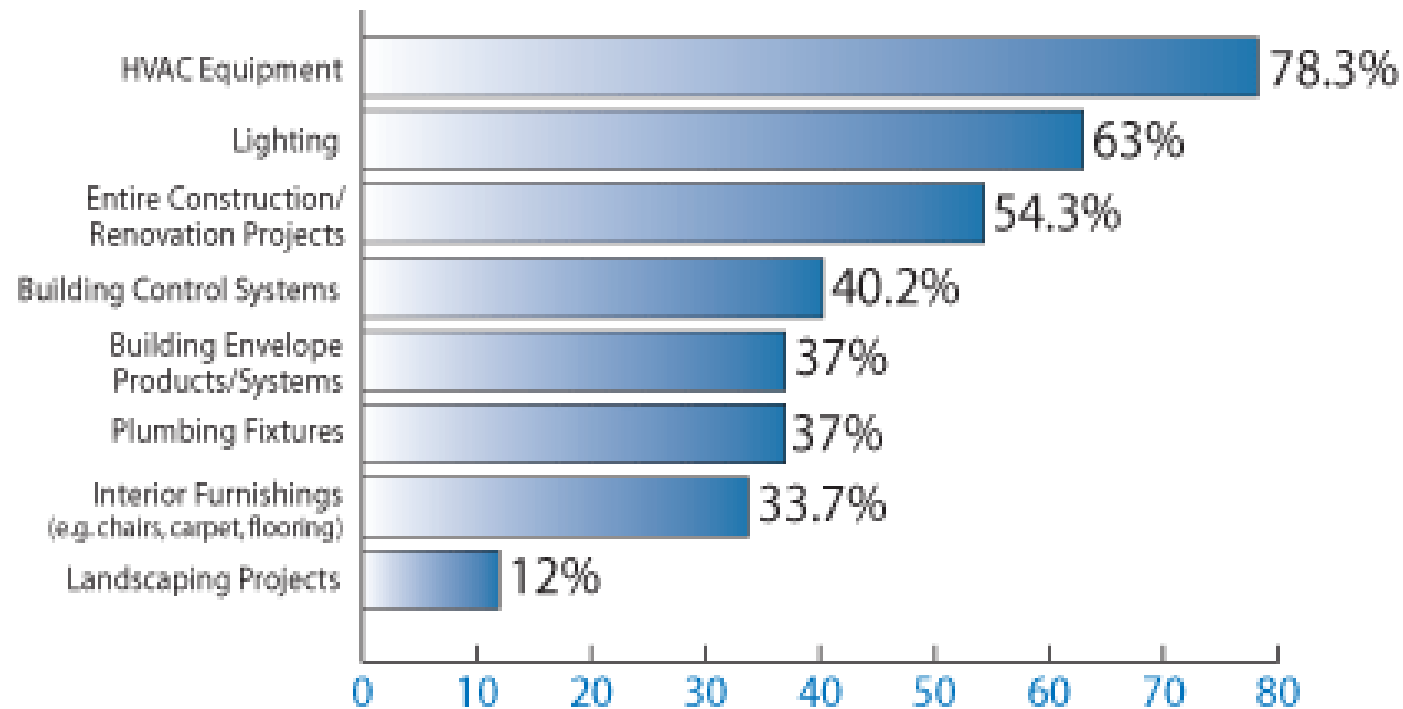
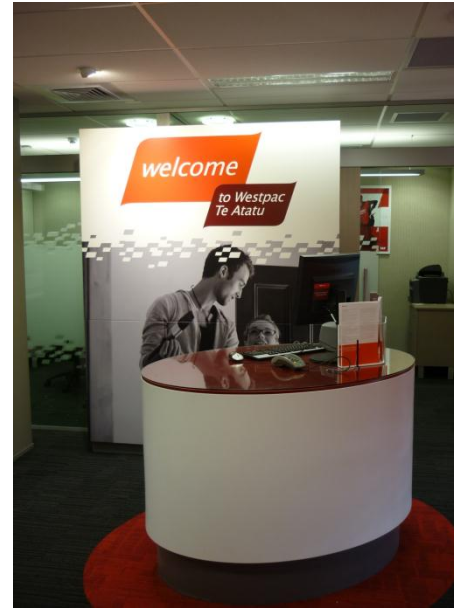


CHART B

Westpac New Zealand – Community Branches



Westpac New Zealand – Larger Retail sites & Shopping Malls



Westpac New Zealand – Westpac Stadium Wellington



Westpac New Zealand – Westpac on Takutai Square (phase 1)



Westpac New Zealand – Westpac on Takutai Square (phase 2)



The 'six what's' of Asset Management

- What do you own?
 - What is it worth ?
- } Asset knowledge
-
- What is the condition?
 - What is deferred maintenance ?
 - What is the remaining service life ?
- } Calculations
Models
Protocols
-
- What do you fix first ?
- } Decision Making

FM concepts applicable on Asset Management

Facility Condition Index = $\frac{DM \text{ (Deferred Maintenance)} + CR \text{ (Capital Renewal)}}{CRV \text{ (Current Replacement Value)}}$

Facility Condition Assessment

LCC approach

FMIS / CAFM

Risk management matrix

Bench marking

Rating tools : NZGBC – “in use”

See www.ifma.org

Asset Life Cycle Model for Total Cost of Ownership Model

Proposed SAM model for TEFMA (2007) – role of strategic FM plan



- Asset Management
- Space Management (transforming workspace)
- Sustainability
- Value add proposition to C-suite
- Procurement efficiency
- Operational Excellence in service delivery
- Innovation
- Risk Management
- Compliance, H&S

The focus has changed on *what FM does* rather than *how it achieves value*

The Facility Management Toolbox

Attention Area		For development from product to process orientation	To develop process to system orientation
Management	Strategy and Policy	<ol style="list-style-type: none"> 1. Facilities Policy Plan 2. SWOT Analysis 3. Planning and Control Cycle 	<ol style="list-style-type: none"> 1. Outsourcing Policy 2. Centralise – decentralise 3. Front and back office 4. ICT and FM 5. Shared service centre
	Implementation	<ol style="list-style-type: none"> 1. Process Description 2. Quality Standard (eg NEN2748) 3. Facilities Management Information System (FMIS) 4. Internal Allocation of costs 5. Purchasing organisation structure 6. Competency Management 	<ol style="list-style-type: none"> 1. Procurement audit 2. Information plan
	Results	<ol style="list-style-type: none"> 1. Management Information (Reporting) 2. Performance indicators 3. Customer Satisfaction Survey 	<ol style="list-style-type: none"> 1. Company Comparison 2. Supplier Performance 3. Quality Management
Customer Perspective		<ol style="list-style-type: none"> 1. Service desk 2. Product and Service Catalogue 3. Complaints Management 	<ol style="list-style-type: none"> 1. Account Management 2. Service Level Agreements 3. Services via the Web 4. Customer Focus 5. Marketing

Future of Asset Management and FM in NZ

- Public Private Partnership (PPP) is coming to town
- 80% of existing building stock – retrofit
- A lot of assets are old or “cheap” : asset management strategy required
- Innovation : smart/intelligent buildings & technology
- Sustainability : green buildings (incl. energy management)
- Ongoing focus on “operational excellence”
- Outsourcing / in house management of assets
- Performance management : outcome/output based (procurement focus)
- How to add value to corporate strategy via AM or FM
- Integrate the perspectives – develop strategic roles
- Manage demand – lead the market
- Create Collaborative Forums of stakeholders (NZGBC-Corenet, NZPI, FMANZ, NAMS)
- Education : need for considerable up skilling required

Questions to be answered?

- What are we talking about : value of assets / condition of assets / costs of asset management / required asset strategy?
- Ownership Asset Management: how to avoid “battle” between NZPI, Corenet, FMANZ, TEFMA etc?
- Supply & Demand push of Asset Management in NZ?
- How does AM & FM support innovation, sustainability, partnership supply/demand chain?
- Competences and education : do we understand concepts and implementation ?
- AM & FM research – how to use in day to day business?
- Availability of functional IT tools : data warehousing / decision support software ?
- “Crack the nut” – “costs to save costs”?
- The demands of the C-suite – value add proposition of AM via FM/Properties ?
- How to get started : road map / implementation plan / skill set
- The changing role of the FM and/or AM manager!

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Questions ??