OUTSOURCING STUDY COMMITTEE MEMBERS:

Jim Daymut, CFM, Jones Lang LaSalle Americas, Inc.
Tom Dickenson, Grubb & Ellis Management Services, Inc.
Ian Follett, CFM, Facility Management Services LTD.
Mark Skiff, PE, CFM Network Appliance
John Stanley, CFM, IFMA Fellow, Trane Co.
David Toftoy, PE, ARAMARK Facility Services

ASSOCIATE DIRECTOR OF RESEARCH
Shari Epstein
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ABOUT THIS REPORT
As part of its responsibility to inform its members on issues relevant to the facility management profession, the International Facility Management Association (IFMA) has conducted a tracking survey on the practice of outsourcing in the facility management field. In 1993 and 1999, IFMA conducted surveys of its members on outsourcing issues. Again in 2006, IFMA conducted another study of its members to measure use and practices of outsourcing. The research objectives were to help facility professionals better understand the functions, reasoning, advantages, disadvantages and trends typically involved in the outsourcing decision and process.

METHODOLOGY
The present study was completed to track the data collected from the previous two surveys and to better understand how the outsourcing process is managed. While previous versions of the research were completed by mail, this study was conducted online by a contracted research provider, Intelliscan. A total of 4,816 North American members, including 316 members from Canada, were randomly selected to receive the email invitation to complete the survey online. Survey participants followed a unique link provided in their email invitation and completed the survey online. The survey data was collected from July 11th – 27th, 2006. A total of 487 complete surveys were collected from IFMA members, for a final response rate of 10.1 percent.

ABOUT IFMA
IFMA is the largest and most widely recognized professional association for facility management, supporting more than 18,000 members. The Association's members are represented in 125 chapters, 15 councils and one Special Interest Group (SIG), in 60 countries worldwide. Globally, IFMA certifies facility managers, conducts research, provides educational programs, recognizes facility management degree and certificate programs and produces World Workplace, the largest facility management-related conference and exposition. For more information, visit www.ifma.org.

ABOUT IFMA RESEARCH
IFMA conducts a variety of research programs that serve to strengthen the knowledge and skills of FM professionals while advancing the FM profession itself. From industry surveys to forecasting to best practice forums, IFMA's research department draws on the practices and opinions of FM professionals and educators, covering topics vital to the day-to-day operations of facility professionals and the built environment in general. Whether the focus is on industry averages, benchmarking statistics, or the latest on trends in the workplace, IFMA is an information leader for the FM profession.
ACKNOWLEDGEMENTS
This report is the culmination of a team effort. In the spring of 2006, six dedicated IFMA members, Jim Daymut, CFM; Tom Dickenson; Ian Follett, CFM; Mark Skiff, PE, CFM; John Stanley, CFM, IFMA Fellow; and David Toftoy, PE, subject matter experts in the field of facility management outsourcing, dedicated many hours to work through multiple drafts of the survey instrument, making sure the wording and responses matched current practices. A larger group of members pre-tested the survey in June. The survey was conducted in July by Intelliscan. Chris Riepe of RTS Marketing Research, LLC analyzed the data and drafted the report. Ken Kozielski, of ARAMARK provided valuable comments throughout the process. Shari Epstein, IFMA’s associate director of research, managed the study from start to finish. Finally, the report would not have been possible without the assistance of the hundreds of participants who took the time to answer all the questions in this detailed survey. We appreciate their high level of commitment to IFMA and the facility management profession by taking the time to complete this survey.
In 15 years, business process outsourcing has become an accepted business practice but not always a popular decision by those affected. In the realm of facility management, outsourcing is more commonly accepted for some responsibilities, but not all. Unlike other functions such as manufacturing or call center support, facility management (FM) is not being transferred offshore to other countries but rather FM functions are being managed by on-site contractors.

Although the use of outsourcing or out-tasking has slightly decreased overall, facility managers remain confident in the ability to save money and improve quality through the use of outsourcing. FM departments are consistently stretched on budget and staffing needs. Most facility managers believe outsourcing can be the answer if they can find the right service provider.

**Outsourcing Management Practices**

- Over the past 13 years, the use of out-tasking (i.e. the hiring of individual, specialized vendors to provide one or more services) has decreased from 91% in 1993 to 77% in 2006. The steepest decline has come in the past seven years with a corresponding increase in the number of companies that are outsourcing (i.e. the hiring of a full-service vendor to provide many functions bundled together who in turn employ their own staff or hire subcontractors.)

- The most commonly outsourced services are architectural design, housekeeping, property appraisals, roads, parking, and garage maintenance, landscape maintenance, and exterior building maintenance. Operations and maintenance tasks are the most commonly outsource facility management functions.

- Organizations choose to outsource for a number of reasons. The most important criteria when deciding whether or not to outsource are to better manage costs and fluctuations in work flow, as well as to improve quality of service by accessing specialized knowledge, experience and specialty skills.

- Some of the challenges facility managers face most often with outsourcing are concerns over the service provider’s loyalty and ability to fit into the organization’s culture, as well as the need to consistently monitor the provider to ensure the company is receiving the appropriate level of service quality.

- Most facility managers are satisfied with the operation of their facility management function at their organizations. Companies that out-task tend to be more satisfied than those who outsource or those who do neither.

- Over one-half of companies have saved money through outsourcing/out-tasking and one-third have seen a quality improvement. These results are consistent regardless of whether the company is outsourcing or out-tasking.

- Two in five companies have brought services back in-house after outsourcing the service. Typically the reasons are to regain control of the service, either in terms of costs, quality, or response time.
Executive Summary

Managing the Outsource Contract
• Facility managers tend to closely monitor the contracts with service providers and the providers’ fulfillment of their contractual obligations. Most companies either specify every detail in the contract or retain overall management responsibility as means to ensure that the service is provided at an acceptable quality level. Further, most companies either do not allow service providers to make any expenditures or require additional approval for all expenditures over a certain level.

• On average, one-half of all service provider contracts are based on performance measures. One-in six companies base all of their contracts on performance measures.

• In recent years, the standard length of outsourcing contracts has stayed the same at most companies. One-fourth of facility managers now use longer-term contracts and 15% use shorter contracts.

Trends in Outsourcing
• Trends identified in this 2006 study are not significantly different than those identified in previous studies. Several of the trends that emerged in this study are that outsourcing is implemented to save costs, it is better for some service than others, and that outsource providers are offering more services.

• Over the past five years, one-half of companies have consolidated their vendor base to use fewer service providers. The result is that for nearly one-half of companies, service providers are in a position of receiving substantially larger contracts than just two to five years ago.

• In the next five years, facility managers foresee an increase in the use of outsourcing in specialized areas and an overall increase in the use of outsourcing.

• The challenges facility managers will face in managing their company’s facility management programs will most likely be focused on balancing internal demands for quality and service with the need to find enough qualified employees, while minimizing overall costs. For those who outsource, they will also face the challenges of integrating the service provider’s employees into the organization’s culture and the need to monitor the performance of the service provider.
OUTSOURCE VERSUS OUT-TASK

Over the past 13 years, the use of out-tasking (hiring individual, specialized vendors to provide one or more FM functions) has slowly dropped from 91% in 1993 to 77% of companies who out-task in 2006. On the other hand, the use of outsourcing (hiring full-service vendor providing many functions bundled together, which in turn employs own staff or subcontractors) has grown from just 3% in 1993 to 15% this year. Notably, the percentage of companies that manage all services in-house has increase from 3% in 1999 to 8% this year.

- The use of outsourcing is most common in the Northeast United States and Eastern Canada, where 26% and 22% of companies report fully outsourcing.
- Out-tasking is most common in the South (91%), West Coast (88%), North Central (88%) and the Southwest (84%).
- Companies in Western Canada (18%), Mid-Atlantic (16%), and Northwest (14%) are more likely to maintain services internally.
OUTSOURCING MANAGEMENT PRACTICES

PROVISION OF FM SERVICES
Facility managers in this study were presented with a list of 47 facility management functions and were asked to identify if their companies provide the function through in-house staff, contracted staff, or equally by both. In some cases, the service is not provided or needed, and respondents could indicate accordingly.

Operations and Maintenance
Services such as housekeeping, roads, parking and garage maintenance, landscaping, utilities system maintenance, and exterior building maintenance are the most commonly outsourced services in the area of operations and maintenance. Tasks such as the help desk and energy management tend to be managed using in-house staff.

Maintenance and Operations

<table>
<thead>
<tr>
<th>Service</th>
<th>Primarily by contracted staff</th>
<th>Equally by both</th>
<th>Primarily by in-house staff</th>
<th>Do not provide or service not required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housekeeping</td>
<td>68%</td>
<td>8%</td>
<td>19%</td>
<td>5%</td>
</tr>
<tr>
<td>Landscape maintenance</td>
<td>63%</td>
<td>6%</td>
<td>17%</td>
<td>14%</td>
</tr>
<tr>
<td>Roads, parking, garage maintenance</td>
<td>61%</td>
<td>9%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Utility systems maintenance</td>
<td>53%</td>
<td>14%</td>
<td>24%</td>
<td>9%</td>
</tr>
<tr>
<td>Exterior building maintenance</td>
<td>52%</td>
<td>16%</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Interior systems/building maintenance</td>
<td>32%</td>
<td>22%</td>
<td>41%</td>
<td>5%</td>
</tr>
<tr>
<td>Energy management</td>
<td>21%</td>
<td>11%</td>
<td>56%</td>
<td>12%</td>
</tr>
<tr>
<td>Help center/trouble desk</td>
<td>12%</td>
<td>3%</td>
<td>77%</td>
<td>8%</td>
</tr>
</tbody>
</table>

While outsourcing of energy management has increased since 1999, the percentage of companies outsourcing housekeeping and landscaping services has remained consistent.

- Manufacturers and service companies are the most likely to outsource operations and maintenance services to contracted staff. Other institutions, such as educational and governmental organizations, are the most likely to handle these services with in-house staff.
- While headquarters facilities are most likely to outsource interior systems maintenance and housekeeping services to outside contractors, other facilities are more inclined to have internal staff manage these services.
• Facilities with in campus settings are the most likely to utilize in-house staff to manage operations and maintenance services. Single building facilities are the least likely to provide any of these services.

• Over one-half of companies that lease their facility do not provide services such as exterior building maintenance, landscaping, and roads and parking maintenance, for these are services that landlords are likely to provide using contracted labor.

• Larger facilities (500,000+ GSF) are the most likely to outsource exterior building maintenance, help desk functions, landscaping, and roads, parking and garage maintenance.

**Administrative Services**

In the area of administrative services, building security and food services are the most commonly outsourced services. Most companies retain the majority of administrative services as tasks for in-house staff.

### Administrative Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Primarily by contract staff</th>
<th>Equally by both</th>
<th>Primarily by in-house staff</th>
<th>Do not provide or service not required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cafeteria services/food kiosks</td>
<td>56%</td>
<td>3%</td>
<td>13%</td>
<td>28%</td>
</tr>
<tr>
<td>Building security</td>
<td>50%</td>
<td>13%</td>
<td>29%</td>
<td>8%</td>
</tr>
<tr>
<td>Reprographic services</td>
<td>31%</td>
<td>12%</td>
<td>39%</td>
<td>18%</td>
</tr>
<tr>
<td>Mail services</td>
<td>20%</td>
<td>5%</td>
<td>70%</td>
<td>5%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>20%</td>
<td>17%</td>
<td>56%</td>
<td>7%</td>
</tr>
<tr>
<td>Records retention</td>
<td>18%</td>
<td>13%</td>
<td>64%</td>
<td>5%</td>
</tr>
<tr>
<td>Fitness center</td>
<td>17%</td>
<td>4%</td>
<td>25%</td>
<td>54%</td>
</tr>
<tr>
<td>Shipping/receiving</td>
<td>14%</td>
<td>4%</td>
<td>74%</td>
<td>8%</td>
</tr>
<tr>
<td>Corporate art</td>
<td>13%</td>
<td>6%</td>
<td>50%</td>
<td>31%</td>
</tr>
<tr>
<td>FM purchasing</td>
<td>4%</td>
<td>3%</td>
<td>91%</td>
<td>2%</td>
</tr>
</tbody>
</table>

N=487
OUTSOURCING MANAGEMENT PRACTICES

Outsourcing of food services has remained unchanged since 1999, however a larger percentage of companies are outsourcing building security and telecommunications.

- Nearly two-thirds (63%) of manufacturers outsource building security, as compared to one-half (50%) of services companies that outsource the security function.
- One-fourth of manufacturers (27%) and other institutions (24%) outsource telecommunications, whereas only 15% of services companies outsource the function.
- Headquarters facilities are more likely than other locations to outsource records retention (22%), reprographic services (37%), and shipping/receiving (17%), but tend to keep corporate art services in-house (57%).
- Single buildings are the least likely to provide food services and building security services. On the other hand, campus sites and facilities spread among several locations are most likely to outsource food services to contracted staff.
- Small facilities (Under 100,000 GSF) and the largest facilities (over 1,000,000 GSF) are more likely than mid-sized facilities to outsource telecommunications services.
- Mid-to-large size facilities (500,000 – 1,000,000 GSF) are more likely than other size facilities to outsource shipping/receiving and mail services.
Space Management and Planning

In the space management and planning category only major space redesigns (61%) and CAD drawings are outsourced to contract staff by a majority of facility managers. Most companies choose to keep space management and planning tasks as an in-house service.

The percentage of companies outsourcing major space redesigns, furniture inventory, furniture purchase, and furniture moving has remained unchanged since 1999.

- While over one-half of manufacturers manage moves and CAFM operations utilizing in-house staff, they are also twice as likely to use contracted staff for major moves than services companies.
- Facility managers who oversee more than one building are more likely use in-house staff for major space redesigns, CAFM, and CAD operations.
- More than 90% of small facilities (under 100,000 GSF) manage furniture inventory in-house, while 22% of the largest facilities utilize contract staff.
- Larger facilities (500,000 GSF or more) are most likely to use in-house staff for CAFM and CAD services.
Architectural and Engineering Services
In general, facility managers choose to use in-house project managers (68% use in-house staff), but will outsource the architectural, engineering, and interior design aspects of a project (90% use outsource staff). The construction management function is largely split between in-house and contract staff.

Architectural and Engineering Services

Architectural/engineering/interior design:
- Primarily by contracted staff: 67%
- Equally by both: 23%
- Primarily by in-house staff: 8%
- Do not provide or service not required: 2%

Construction management:
- Primarily by contracted staff: 34%
- Equally by both: 26%
- Primarily by in-house staff: 39%
- Do not provide or service not required: 1%

Project management:
- Primarily by contracted staff: 7%
- Equally by both: 25%
- Primarily by in-house staff: 68%

N=487

In comparison to 1999, outsourcing of construction management has increased significantly from 47% in 1999 to 60% this year. Likewise, more companies are choosing to outsource project management this year than in 1999 (32% and 24%, respectively).
Research Report #27
AN INSIDE LOOK AT FM OUTSOURCING
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OUTSOURCING MANAGEMENT PRACTICES

Real Estate
For real estate functions, in-house staff is more likely assigned to the job. Just over one-third (37% and 36%) use contract staff for site selection and site acquisition/disposal services. Likewise, 47% of companies use contract staff for leasing/sub-leasing services. The handling of property appraisals is consistently trusted to outside contract staff (73% use contract staff).

Real Estate

<table>
<thead>
<tr>
<th>Service</th>
<th>Primarily by contracted staff</th>
<th>Equally by both</th>
<th>Primarily by in-house staff</th>
<th>Do not provide or service not required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property appraisals</td>
<td>63%</td>
<td>10%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>Leasing/subleasing</td>
<td>18%</td>
<td>25%</td>
<td>46%</td>
<td>11%</td>
</tr>
<tr>
<td>Site acquisition/disposal</td>
<td>14%</td>
<td>24%</td>
<td>49%</td>
<td>13%</td>
</tr>
<tr>
<td>Site selection</td>
<td>11%</td>
<td>26%</td>
<td>51%</td>
<td>12%</td>
</tr>
</tbody>
</table>

N=487

Use of contract staff for real estate services has increased significantly in the past seven years. A larger percentage of companies are using contract staff for site selection (37% vs 23%), as well as for site acquisition and disposal (36% vs 29%).

- Government and educational institutions are two to three times less likely than private sector companies to utilize contract staff for real estate services such as site selection, site acquisition/disposal, and leasing/subleasing.
- Facility managers responsible for multiple sites are the most likely to outsource real estate services, especially property appraisals and site acquisition/disposal services.
- Smaller facilities are the least likely to require or utilize real estate services. Companies with large portfolios of space are more likely to use in-house staff for site selection and site acquisition/disposal.
Facility Planning

Only a small percentage of the companies surveyed use outside providers for facility planning services, such as annual operational planning, strategic planning, and emergency planning. Most facility managers prefer to utilize internal staff for those types of planning tasks. One-fourth (25%), however, outsource energy conservation planning.

The provision of facility planning services has not changed since 1999.

- Headquarters facilities are the most likely to use contract staff for energy conservation planning, while other types of facilities prefer to use in-house staff.
- Facility managers responsible for campus settings are the most likely to utilize energy conservation planning, but they tend to use in-house staff.
Financing and Budgeting
Nearly all (95%) managers use in-house staff to complete the budgeting function, the balance securing the services of external providers for operational or capital budget writing.

Environmental Health and Safety
While 55% of the facility manager respondents contract indoor air quality matters to outside specialists, most facility managers choose to maintain internal control over other environmental health and safety functions.
While use of outsourcing is not widespread for environmental health and safety programs, it is growing. Since 1999 a higher percentage of companies are outsourcing ergonomics, indoor air quality, and environmental permitting.

- Manufacturers and services companies are more likely than other institutions to use contracted staff to run recycling programs. Services companies are also more likely than others to outsource environmental plans and management.
- Facility managers responsible for a large portfolio of sites are the most likely to use in-house staff for environmental plans and for environmental permitting.
- Companies with the largest facilities tend to use in-house staff more often than those with smaller facilities to manage indoor air quality programs, environmental plans, environmental permitting, and sustainable/green building plans.
- Smaller facilities are the least likely to implement any type of environmental planning, environmental permitting, or sustainable/green building plans.
### MOST COMMONLY CONTRACTED SERVICES

The following chart lists the top 20 services most commonly outsourced in 2006. Compared to 1999, outsourcing of utility system maintenance, site selection services, indoor air quality services, and leasing/subleasing services have increased the most, each growing by at least one-third. Other services realizing a significant increase in outsourcing are architectural design, exterior building maintenance, building security, construction management, environmental permitting, and site acquisition/disposal.

<table>
<thead>
<tr>
<th>Outsourced Service</th>
<th>Percentage Outsourced in 2006</th>
<th>Percentage Outsourced in 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural/engineering/interior design</td>
<td>90%</td>
<td>86%</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>77%</td>
<td>77%</td>
</tr>
<tr>
<td>Property appraisals</td>
<td>72%</td>
<td>69%</td>
</tr>
<tr>
<td>Roads, parking, garage maintenance</td>
<td>70%</td>
<td>*</td>
</tr>
<tr>
<td>Landscape maintenance</td>
<td>69%</td>
<td>69%</td>
</tr>
<tr>
<td>Exterior building maintenance</td>
<td>68%</td>
<td>58%</td>
</tr>
<tr>
<td>Utility system maintenance</td>
<td>67%</td>
<td>44%</td>
</tr>
<tr>
<td>Building security</td>
<td>64%</td>
<td>56%</td>
</tr>
<tr>
<td>Major space redesign</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>Construction management</td>
<td>60%</td>
<td>47%</td>
</tr>
<tr>
<td>Cafeteria services/food kiosks</td>
<td>59%</td>
<td>60%</td>
</tr>
<tr>
<td>Indoor air quality</td>
<td>55%</td>
<td>41%</td>
</tr>
<tr>
<td>Interior systems/building maintenance</td>
<td>54%</td>
<td>44%</td>
</tr>
<tr>
<td>CAD drawings</td>
<td>49%</td>
<td>*</td>
</tr>
<tr>
<td>Reprographic services</td>
<td>43%</td>
<td>39%</td>
</tr>
<tr>
<td>Leasing/subleasing</td>
<td>43%</td>
<td>32%</td>
</tr>
<tr>
<td>Recycling program</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Environmental permitting</td>
<td>40%</td>
<td>31%</td>
</tr>
<tr>
<td>Site acquisition/disposal</td>
<td>38%</td>
<td>29%</td>
</tr>
<tr>
<td>Site selection (land/building)</td>
<td>37%</td>
<td>23%</td>
</tr>
</tbody>
</table>

*Not measured in 1999 survey*
# REASONS FOR OUTSOURCING

In 2006, facility managers are choosing to outsource as a way to manage their costs and work flow, as well as to improve quality and customer satisfaction through accessing specialized knowledge or specialized skills. The top reasons address these concerns:

- Reduce or control costs—94% rate it as important
- Access specialized knowledge/experience/best practices—91% rate it as important
- Requires specialty skills—87% rate it as important
- Better adjust to work fluctuations—87% rate it as important
- Improve quality of services—85% rate it as important
- Improve customer satisfaction—84% rate it as important

## Reasons to Outsource

<table>
<thead>
<tr>
<th>Reason</th>
<th>Very Important</th>
<th>Somewhat Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce or control costs</td>
<td>65%</td>
<td>29%</td>
</tr>
<tr>
<td>Access specialized knowledge/experience/best practices</td>
<td>57%</td>
<td>34%</td>
</tr>
<tr>
<td>Requires specialty skills</td>
<td>56%</td>
<td>31%</td>
</tr>
<tr>
<td>Better adjust to work fluctuations</td>
<td>44%</td>
<td>43%</td>
</tr>
<tr>
<td>Improve quality of services</td>
<td>53%</td>
<td>32%</td>
</tr>
<tr>
<td>Improve customer satisfaction</td>
<td>52%</td>
<td>32%</td>
</tr>
<tr>
<td>Requires specialty tools/equipment</td>
<td>47%</td>
<td>33%</td>
</tr>
<tr>
<td>Increase uptime and total return on property, plant, and equipment investment</td>
<td>39%</td>
<td>41%</td>
</tr>
<tr>
<td>Focus on and invest in the success of our core business</td>
<td>45%</td>
<td>34%</td>
</tr>
<tr>
<td>Provide accelerated, sustained, and measurable performance improvement</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>Access to larger labor pool</td>
<td>36%</td>
<td>37%</td>
</tr>
<tr>
<td>Reduce turnover, training costs</td>
<td>28%</td>
<td>39%</td>
</tr>
<tr>
<td>Share risk via service provider</td>
<td>21%</td>
<td>38%</td>
</tr>
<tr>
<td>Make capital funds available</td>
<td>22%</td>
<td>35%</td>
</tr>
<tr>
<td>Meet government/affirmative action and contract compliance requirements</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
<td>10%</td>
</tr>
</tbody>
</table>

N=487
While the top reasons for outsourcing remained largely consistent from 1999 to 2006, one notable attribute dropped out of the top 5 in 2006—Focus on and invest in the success of our core business. In 1999, 93% of facility managers rated that attribute as important, making the 3rd (out of 11) most important attribute behind accessing specialty skills and reducing costs. This year, only 79% rated it as important, ranking 9th out of 16 reasons.

It is worthwhile to note that the scale measuring importance in this survey question changed between 1999 and 2006. In 1999 a three-point scale was used (Very important, Somewhat important, and Not at all important), whereas in 2006 a four-point scale was utilized (Very important, Somewhat important, Not very important, and Not at all important). This change likely accounts for a portion of the differences between the scores on individual criteria.

• Companies in the services industry are more concerned than those in the governmental, educational, or non-profit sector with factors such as improving quality, focusing on core business, and sharing risk with the service vendor. Additionally, service companies are more interested in making capital funds available through outsourcing than are manufacturers.
• Companies that lease space are more concerned than those that own with improving quality of service when deciding whether or not to outsource.
• Freeing up capital funds is a more important reason to outsource for facility managers who manage multiple sites than it is for those who manage one site.
• Gaining access to specialized knowledge or best practices is important to more than 90% of facility managers who are responsible for medium-to-large facilities with 100,000 GSF or more, but only 78% of those responsible for smaller facilities rate it as an important factor.
OUTSOURCING MANAGEMENT PRACTICES

BARRIERS TO OUTSOURCING
The most common concerns or barriers to implementing an outsourcing/out-tasking FM operations are that the outsource provider’s staff may not have as much loyalty or dedication to the company and, likewise, the outsourcer may not understand the company’s culture or priorities. Having an outside company that “fits in” is clearly a key concern for facility managers when selecting a service provider.

Barriers to Outsourcing

- Outsourced FM provider’s mgmt and employees would not have as much loyalty or dedication as internal ones: 31% (Strongly agree), 42% (Somewhat agree), 31% (Neutral), 16% (Disagree), 2% (Strongly disagree) - Total: 73%
- Outsourced FM provider would not understand our organization’s culture or priorities: 27% (Strongly agree), 42% (Somewhat agree), 31% (Neutral), 8% (Disagree), 2% (Strongly disagree) - Total: 69%
- In-house employees at our organization might lose their jobs: 23% (Strongly agree), 34% (Somewhat agree), 42% (Neutral), 9% (Disagree), 2% (Strongly disagree) - Total: 57%
- Outsourced FM provider would not provide a strategic view of our master planning needs: 19% (Strongly agree), 38% (Somewhat agree), 44% (Neutral), 0% (Disagree), 1% (Strongly disagree) - Total: 57%
- Outsourced FM provider may not be able to provide consistent level of supervision required for continuity of service: 18% (Strongly agree), 37% (Somewhat agree), 45% (Neutral), 0% (Disagree), 4% (Strongly disagree) - Total: 55%
- Outsourced FM provider would not share our priorities: 20% (Strongly agree), 35% (Somewhat agree), 44% (Neutral), 1% (Disagree), 9% (Strongly disagree) - Total: 54%
- In-house operation can provide service more cost effectively than an outsourced FM provider: 24% (Strongly agree), 24% (Somewhat agree), 48% (Neutral), 2% (Disagree), 0% (Strongly disagree) - Total: 48%
- Our organization would lose control of our facilities service operations: 16% (Strongly agree), 30% (Somewhat agree), 46% (Neutral), 1% (Disagree), 0% (Strongly disagree) - Total: 46%
- Outsourced FM provider would be less able to tailor/customize to meet the requirements of our organization: 16% (Strongly agree), 27% (Somewhat agree), 43% (Neutral), 0% (Disagree), 4% (Strongly disagree) - Total: 43%
- Service would be less professional and responsive: 8% (Strongly agree), 20% (Somewhat agree), 28% (Neutral), 50% (Disagree), 2% (Strongly disagree) - Total: 88%
- Outsourced FM provider would bring little management expertise: 4% (Strongly agree), 15% (Somewhat agree), 19% (Neutral), 62% (Disagree), 3% (Strongly disagree) - Total: 94%

Facility managers at governmental, educational, and non-profit institutions are more likely to cite the fear about in-house employees losing their jobs as a barrier to outsourcing than are facility managers in the private sector.
• The concern that outsourcing would cause service to suffer and be less professional is more common among those who manage single building than those with multiple sites.

The most common challenge facility managers experience with outsourcing is ensuring that the company is receiving the correct level of service (78% of facility managers faced that challenge). One-half (52%) of facility managers cited the difficulty of developing a level of trust with the outsource provider.

### Key Challenges to Implementing Outsourcing Initiative

- **Ensuring we are getting the correct level of service**: 78%
- **Developing a level of trust**: 52%
- **Dealing with scope creep**: 32%
- **Getting past start up mode**: 27%
- **Relinquishing areas of responsibility that the provider should be doing**: 25%
- **Other**: 6%

_N=487_

• Ensuring the correct level of service is especially common among facility managers responsible for just a single building (90%); those who manage multiple buildings (76%) or multiple sites (76%) are significantly less likely to cite it as a problem related to outsourcing.

• Dealing with scope creep (keeping the scope of work in a contract from slowly expanding over time) is twice as common among companies with larger facilities than it is among companies with smaller facilities (40% and 21%, respectively).
EVALUATION OF OUTSOURCING

Overall, facility managers are satisfied (88% overall) with the facility management operations at their organization. Only a small percentage (5%) is dissatisfied at all with the current state of facility management at their company.
Facility managers who use an out-tasking strategy report the highest levels of satisfaction, with 90% who report being satisfied with the facility management operation at their companies. In comparison, 82% of those who outsource are satisfied and only 77% of those who retain all services in-house are satisfied with FM operations at their companies.

### Has Outsourcing Saved Money?

- Yes: 56% (N=487)
- No: 44% (N=487)

### How Has Outsourcing Affected Quality?

- Stayed the Same: 52% (N=487)
- Improved: 32% (N=487)
- Declined: 16% (N=487)
OUTSOURCING MANAGEMENT PRACTICES

Even though saving money and improving quality were rated among the most important reasons to use outside providers, there is not a strong correlation between saving money and improving quality with overall satisfaction with FM. As long as the company is achieving at least one of those two goals (saving money or improving quality), the facility manager tends to be as satisfied with the FM at the company than as if the company were achieving both goals (overall satisfaction of 88% and 91%, respectively). However, if the company is not saving money and has seen a decline in quality, satisfaction will drop (74% overall).

SERVICES BROUGHT BACK IN-HOUSE
Approximately, four in 10 (39%) facility managers have elected to bring certain services back in-house after having outsourced them in the past; this represents a substantial increase over 1999, when just 22% of companies had brought services back in-house.

- Manufacturers are the least likely (30%) to have brought back in-house previously outsourced, while non profit institutions, as a group, are the most likely (44%) to have brought services back in-house.
- More than half (56%) of facility managers who have seen quality decline have brought back in-house previously outsourced services. Likewise, one-half (49%) of companies that have not realized any cost savings from outsourcing have brought certain services back in-house.
As in 1999, the primary reason for bringing back services in-house is to improve the quality of the service. Reducing cost, improving response time, and regaining control are also important reasons. Some of the other reasons mentioned for bringing services back in-house were internal pressure, union issues as well as the emergence of new in-house technology.
Managing the Outsource Contract

CONTRACT SPECIFICATIONS

Approach to Managing Provider

We specify everything in the contract that the vendor is to do. We expect the vendor to provide the specified services only, as we manage the function 59%

We retain overall management responsibility of each function outsourced by retaining a small core of senior management of the function(s) outsourced 40%

We hire a full-service vendor to manage the entire facility management department, including budgeting and strategic facility planning. The total facility management function is outsourced 2%

N=487

Overall, six out of ten (59%) facility managers specify everything in their contract that the vendor is required to do – the company manages the function, expecting the vendor to provide specified services only. Another 40% choose to retain overall management responsibility of each function by retaining a small core of senior management associated with the outsourced function; only 2% hire full-service FM provider to manage the entire facility management function, including the budgeting and strategic facility planning.

- While companies that out-task tend to specify everything the vendor is expected to provide (60%), companies that choose to outsource are more evenly split between specifying every vendor service (45%) and retaining a small core of senior management for the outsourced functions (51%).

Retaining a core team of senior management for outsourced functions has a direct relationship with perceived quality of the outsourcing/out-tasking program—companies that retain a core team of senior managers for outsourced functions are only half as likely to report a decline in quality as are those who specify all vendor services in the contract (10% and 20%, respectively). Likewise, 38% of those who retain senior managers report quality improvements, as compared to 27% of those who specify all vendor services in the contract.
Managing the Outsource Contract

Managing Provider's Expenditures

- Annual budgets are prepared; however, individual expenditures above a prescribed limit require additional approval - 27%
- All expenditures require approval by owner - 27%
- Monthly variance reporting - 21%
- No expenditures are made by the outsource provider - 12%
- Once a year an annual budget is prepared and approved and no further approval is required - 10%
- Other - 3%

N=487

Overall, the most common methods for managing outsource providers’ expenditures for items such as subcontracts or commodity purchases is to prepare annual budgets, but require approval on individual expenditures over a certain amount (27% of companies use this method). Another 27% require that any vendor expenditure receive approval by the owner. A few companies also listed that they use semi-annual and quarterly budgets to control service provider expenditures.

- Among companies that outsource, monthly variance reporting is the most common method for managing vendor expenditures—36% of companies that outsource use this method, versus only 19% of out-tasking companies.
- Companies that out-task are three times more likely than outsourcers to require authorization for all vendor expenditures (30% versus 11%, respectively) and to mandate that the contractor is not allowed to make any expenditures (13% versus 4%).
- While none of the methods have an advantage over the others in terms of saving money for the company, there is an advantage in perceived quality. Companies that are more “hands-off” and simply approve annual budgets once per year are twice as likely to see declines in quality as companies that are very “hands-on” and require each expenditure be approved by the owner (25% versus 11%, respectively).
Compensating Provider for Training

Typically companies will rely on the outsource provider to fund their own training programs (73% overall). Only 16% allow charges for technical training, but only when the training is applicable to the employee's responsibility at the site. A small percentage, 7%, allow charges for both technical and professional development to be charged back, and 5% provide an annual allowance for training, but require the FM provider to track actual training dollars.

- While three-fourths (75%) of companies that out-task require service providers fund their own training, only 55% of outsourcers have the same requirement. Instead, 19% allow charges for technical training, 11% allow charges for technical and professional development, and 15% (five times more than those who out-task) provide an annual allowance for training.
Most facility managers (71%) are not involved in the salary and promotion practices of the service providers with whom they contract. These organizations usually employ a fixed price or bundled time and material contract, so salary and promotions remain at the discretion of the outsource provider. Fifteen percent will approve an annual lump sum for salaries, but they are not involved in individual salary or promotion decisions.

- While companies that outsource are twice as likely to be involved in the service provider’s salary and promotion practices than companies that out-task (52% versus 24%, respectively), they most commonly will simply approve a lump sum on an annual basis without becoming involved in individual salary and promotion decisions (38%).
- Facility managers responsible for small facilities tend to prefer to remain uninvolved in the salary and promotion practices of their service providers (88% have no role in providers’ salary practices), whereas managers of larger facilities are more likely to at least approve annual lump sums for salaries (16% of larger facilities versus 2% of small facilities).
Managing the Outsource Contract

TERMS FOR CONTRACT EMPLOYEES

Contract with Provider Includes Terms for...

- Request removal of service provider employee for cause: 58%
- Request any service provider employee removed for convenience (no cause): 44%
- Pre-approve key employees: 39%
- Pre-approve all employees: 28%
- Hire existing staff: 28%
- Hire existing management: 15%

N=487

With regards to staffing, more than half (58%) of the organizations surveyed can request the removal of a service provider employee for cause and 44% have built into the contract the ability to terminate for convenience or no cause. A significant portion of companies also include terms that allow managers to pre-approve key contractor staff (39%) or all employees (28%).

- Companies that outsource are more likely than companies that out-task to include contractual terms to pre-approve key employees (53% vs 37%), to hire the existing staff (45% vs 23%), and to hire existing management (22% vs 12%).
- Companies that include a contractual term to pre-approve key employees are more likely to have saved money with outsourcing than are those who did not include that option in the contract (63% and 52%, respectively).
On average, one-half of a company’s outsourcing/out-tasking contracts are based on performance measures. Almost two-thirds (64%) of the companies surveyed use performance measurements on at least some of their service provider contracts. Sixteen percent do not use performance measures at all, while 17% use them for every contract.

- Companies employing an outsourcing strategy tend to base their service provider contracts on performance measures more frequently than those who out-task. On average, 58% of outsourcing contracts are based on performance measures; 47% of contracts for companies that out-task are performance-based.
The most common ways of measuring contractor performance is to perform regular or continuous inspections (64%), customer satisfaction evaluations (63%), key performance indicators (KPIs) (61%), or to monitor customer complaints (59%).
In recent years, the standard length of outsource contracts has grown... 

- Companies reporting that the standard length of their contracts has shortened in recent years are twice as likely as other companies to have seen a decline in quality from outsource providers (28% versus 14%, respectively). Likewise, companies with shorter contracts are less likely to have saved money from outsourcing (44% saved money with shorter contracts versus 60% with same length or longer contracts).
- Facility managers responsible for large facilities are more likely than those with smaller facilities to have seen contract lengths become even longer in recent years (31% and 15%, respectively).
Fixed-price contracts are the most common structure for standard facility-related contracts with nearly one-half (47%) using this cost structure. Cost pass-through plus fixed management fees are used by 17% of companies and 15% use a time and materials structure; the remaining 21% use a combination of the three structures.

- Companies that out-task are most likely to use a fixed-price model (50%), but companies who have totally outsourced all services are more likely to prefer a cost pass-through plus fixed management fee structure (45%).
Managing the Outsource Contract

Overall, only 26% of companies use contracts that include terms and conditions for bonus and penalty fees. However, one-half (51%) of companies that use an outsourcing model include bonus and penalty fees in their facilities contracts. In comparison, only 22% of out-tasking companies have similar terms and conditions in their contracts.
### Measures for Bonus or Penalty

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achievement of KPIs</td>
<td>66%</td>
</tr>
<tr>
<td>Costs</td>
<td>62%</td>
</tr>
<tr>
<td>Achievement of strategic objectives</td>
<td>56%</td>
</tr>
<tr>
<td>Customer satisfaction surveys</td>
<td>55%</td>
</tr>
<tr>
<td>Complaint records</td>
<td>33%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

The most common measures to determining the size of contractor’s bonus or penalty is whether or not the service provider achieved its key performance indicator (KPI) goals (66%). Other measures used by companies that specify bonuses or penalties in their contracts include tracking costs (62%), achievement of strategic objectives (56%), and scores on customer satisfaction surveys (55%). Only 33% link bonuses and penalties to complaint records. Other companies use inspections and safety and environmental compliance to award bonuses.
In recent years, the most significant trends in facility management outsourcing recognized by the respondents are that cost savings continue to be a driving force and that outsourcing works better for some services, but not for others. Indeed, these two trends have remained consistent since 1999. In 2006, however, more facility managers are noticing that providers are offering more services (40% in 2006 vs 33% in 1999) and fewer managers view outsourcing as a means to lower overhead by downsizing (38% in 2006 vs 52% in 1999).

- Facility managers who manage a single building are more likely to identify trends in providers offering more services (49% vs 33%) and a decline in provider’s service quality (20% vs 7%).
- Respondents who manage multiple sites are more likely than other facility managers to foresee a need for multi-regional or global coverage (34% vs 13%) and to recognize that certain FM services have become a commodity (26% vs 15%).

### Trends In Outsourcing

<table>
<thead>
<tr>
<th>Trends</th>
<th>2006</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost savings are driving force</td>
<td>53%</td>
<td>51%</td>
</tr>
<tr>
<td>Better for some services, not for others</td>
<td>48%</td>
<td>55%</td>
</tr>
<tr>
<td>Providers offer more services</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>Lowering overhead by downsizing</td>
<td>38%</td>
<td>52%</td>
</tr>
<tr>
<td>More liability shifted to contractor</td>
<td>36%</td>
<td>*</td>
</tr>
<tr>
<td>Emergence of partner relationship</td>
<td>34%</td>
<td>*</td>
</tr>
<tr>
<td>Improvement in capabilities</td>
<td>29%</td>
<td>*</td>
</tr>
<tr>
<td>Multi-regional or global coverage</td>
<td>28%</td>
<td>*</td>
</tr>
<tr>
<td>Easier to manage multiple services with fewer providers</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>More full-service providers to choose from</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>Certain FM services have become a commodity</td>
<td>23%</td>
<td>*</td>
</tr>
<tr>
<td>Provider’s service quality has declined</td>
<td>14%</td>
<td>17%</td>
</tr>
</tbody>
</table>

*Not listed as trend in 1999 survey*
Compared to two years ago, 38% of facility managers report that they are spending a larger percentage of their FM budget on third-party providers; 15% state that the ratio has decreased, while 47% report that they are spending the same on third-party providers.
Compared to five years ago, one-half (55%) of companies have chosen to consolidate their vendor base by using fewer third-party vendors and now manage larger individual contracts.

Two out of five companies (44%) have both consolidated their vendor base and have kept spending the same or increased it, suggesting that their contractors are in a position of receiving substantially larger contracts than a few years ago.

- Companies that outsource are more likely than those that out-task to have increased the amount of their FM budget that is spent on third-party providers.
- Industries most likely to have companies that have consolidated their vendor base are banking, information services and energy-related utilities.
In 2006, as in 1999, the expectation among facility managers for the next five years is that the use of outsourcing will increase (41%) and that FM departments will continue to outsource in specialized areas (62%). Nearly one-fourth (23%) of respondents believe the next five years will not bring any substantial changes to the way outsourcing impacts their organizations.

- Companies that out-task services are the most likely to believe that in five years they will outsource in specialized areas (67% vs 40% of companies that outsource).
- One-half (53%) of companies that outsource believe that the use of outsourcing will increase over the next five years, as compared to just 39% of companies that out-task.
FACILITY MANAGEMENT CHALLENGES

Facility managers are faced with a myriad of challenges in managing the company’s FM program. Among the most common challenges are balancing internal demands for quality and service, while minimizing costs and finding enough qualified employees to staff the department.

Companies that have chosen to use an outsourcing model to help face these challenges, also must confront the challenges of integrating the outsource providers’ employees and culture within its own culture, as well as monitoring the performance of the service provider, and trying to develop a relationship with the outsource provider to be able to “trust” that company to efficiently operate the given FM function.

- “Developing a level of comfort to trust the service provider and therefore ‘let go’ of the detailed control.”
- “Insuring we are getting what we paid for. Also insuring quality of outsourced hires.”
- “Service provider must add strategic value, not just tactical day-to-day operations.”
- “Key outsource providers fail to deliver on promise and create the time consuming problem of having to be more closely monitored and hand-held in performing their activities. Also, the outsourced providers’ much fan-fared cost savings initiatives prove to be unrealistic in a long run. It’s very hard to find a service provider with a deep sense of commitment to quality, trust and enthusiasm for adding value to ownership.
- “The diminished technical employee market, we find that the quality of employee is not available either through the outsource vendor or by hiring internally.”
- “Loyalty of the staff and managers who work for the outsource companies. Turnover has been much higher than when all worked for the principal company.”

Among companies that utilize an out-task strategy for their FM responsibilities, the concerns of managing costs and quality are particularly relevant. While companies that out-task are less concerned about the long-term relationship with the service provider, they are challenged with maintaining consistent quality, monitoring service providers, and finding qualified employees.

- “Continuous communication with FM providers to insure they are remaining focused on providing the level of service that is expected in our organization.”
- “Delivering expected levels of service quality within shrinking or at least frozen budgets.”
- “Evaluating the proper scope of FM services to outsource and remembering that constant attention is needed for full production from the outsourced FM vendor.”
- “Following up to make sure the vendor completes ALL scoped items to the specification in a quality fashion; i.e. ‘the punch list.’”
- “Getting outsourced vendor to provide a quality level of service, as outlined in their scope of work; more ‘baby-sitting’ than contract management.”
- “The organization continues to change and demand more of FM staff. Staff can be reluctant to think outside of traditional duties and to embrace the changes as opportunities to grow FM services and better support the organization.”
Trends in Outsourcing

- “Labor, equipment, and materials costs (in-house and contract) are increasing while budget pressures are to decrease. Facilities users don’t want service cuts, but can’t fiscally sustain current levels.”
- “Justifying to senior management that outsourcing will benefit the organization.”
- “Selling the need to out-task based on savings or efficiencies. Still have the mind set of keeping in-house staff employed and that they are more effective then third party vendors in the provision of services.”
- “The stark contrast between employees and non-employees in terms of culture and attitudes due to legal, co-employment restrictions are new challenges.”
- “The scope of the FM commitment versus the size of the in-house staff. Not enough hours in the day to handle all of the challenges in an efficient and cost effective manner.”

From the perspective of the service provider managing the client account:

- “As a contracted service provider, we suffer from lack of communication from the host company on key business vision and forecasting to effectively forecast future opportunities in our FM group.”
- “Adjusting to the rapid growth of the company and communicating on a timely basis.”
- “Alignment on real estate strategy.”
- “Allowing the Outsource Group to function unhindered by the fact they are now a vendor and not an internal part of the company. (Establish a level of trust).”
- “Finding the proper balance between in-house management and outsourced management.”
Description of Survey Respondents

**RESPONDENT DEMOGRAPHICS**

**Position**
- Facility manager, employed internally: 93%
- Facility manager, employed by contractor: 5%
- Consultant, employed by firm: 1%
- Principal of firm: 1%

**Respondent Department/Function**
- Real Estate or Facility Services: 76%
- Corporate Services: 12%
- Finance: 3%
- Human Resources: 2%
- Administration: 1%
- Supply Chain Management or Purchasing: 1%
- Other: 4%

N=487
Description of Survey Respondents

RESPONDENT DEMOGRAPHICS

Tenure

<table>
<thead>
<tr>
<th>Years in Position</th>
<th>Years at Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>10%</td>
</tr>
<tr>
<td>2 - 4 years</td>
<td>29%</td>
</tr>
<tr>
<td>5 - 9 years</td>
<td>22%</td>
</tr>
<tr>
<td>10+ years</td>
<td>51%</td>
</tr>
</tbody>
</table>

N=487

Respondent Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 - 34 years</td>
<td>4%</td>
</tr>
<tr>
<td>35 - 49 years</td>
<td>50%</td>
</tr>
<tr>
<td>50 - 64 years</td>
<td>45%</td>
</tr>
<tr>
<td>65+ years</td>
<td>1%</td>
</tr>
</tbody>
</table>

N=487
**Description of Survey Respondents**

### Description of Facilities

#### Service Industries (50% Total)

- Banking: 7%
- Securities: 5%
- Insurance: 7%
- Information Services: 2%
- Energy Utilities: 5%
- Entertainment: 2%
- Health Care: 4%
- Hotel/Hospitality-Related: 1%
- Professional: 2%
- Telecommunications: 1%
- Trade: 2%
- Transportation: 2%
- Other Services: 10%

#### Manufacturing (19% Total)

- Aircraft/Industrial: 2%
- Building/Construction: 1%
- Motor Vehicles: 1%
- Chemicals/Pharmaceutical: 3%
- Consumer Products: 2%
- Computer: Hardware/Software: 1%
- Electronics: 3%
- Energy-Related: 1%
- Furnishings: 1%
- Medical Equipment: 1%
- Other Manufacturing: 3%

*Graph shows the distribution of respondents across different industries and services.*
## Description of Survey Respondents

### Description of Facilities

#### Institutions (31% Total)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>7%</td>
</tr>
<tr>
<td>Federal Govt</td>
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</tr>
<tr>
<td>State/Province Govt</td>
<td>4%</td>
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<tr>
<td>City/County Govt</td>
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</tr>
<tr>
<td>Special Districts Govt</td>
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</tr>
<tr>
<td>Research</td>
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<tr>
<td>Association</td>
<td>1%</td>
</tr>
<tr>
<td>Religious/Charitable</td>
<td>2%</td>
</tr>
<tr>
<td>Other Institutions</td>
<td>3%</td>
</tr>
</tbody>
</table>

N=487

#### Geography

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Coast - CA, HI</td>
<td>11%</td>
</tr>
<tr>
<td>Southwest - AZ, CO, NM, NV, UT</td>
<td>6%</td>
</tr>
<tr>
<td>South Central - AR, LA, MO, MS, OK, TX</td>
<td>10%</td>
</tr>
<tr>
<td>South - AL, FL, GA, TN</td>
<td>7%</td>
</tr>
<tr>
<td>Northwest - AK, ID, MT, NM, OR, WA, WY</td>
<td>6%</td>
</tr>
<tr>
<td>North Central - IA, KS, MN, ND, NE, SD, WI</td>
<td>10%</td>
</tr>
<tr>
<td>Northeast - CT, DE, MA, NH, NJ, NY, PA, RI, VT, ME</td>
<td>18%</td>
</tr>
<tr>
<td>Midwest - IL, IN, KY, MI, OH</td>
<td>15%</td>
</tr>
<tr>
<td>Mid Atlantic - DC, MD, NC, SC, VA, WV</td>
<td>9%</td>
</tr>
<tr>
<td>Canada West - AB, BC, MB, NW, SK</td>
<td>2%</td>
</tr>
<tr>
<td>Canada East - NB, NS, ON, QU</td>
<td>6%</td>
</tr>
</tbody>
</table>

N=487
**Description of Survey Respondents**

### Description of Facilities

#### Main Use of Facility
- **Headquarters**: 45%
- **Other Offices**: 10%
- **Multi-use**: 12%
- **Research center**: 6%
- **Factory or plant**: 4%
- **Education center**: 5%
- **Health care delivery**: 4%
- **Museum/cultural**: 1%
- **Call center**: 2%
- **Computer/data center**: 2%
- **Retail**: 1%
- **Religious**: 1%
- **Warehouse**: 1%
- **Other**: 6%

*N=487*

#### Facility Size - Gross Square Feet

- **Under 100,000**: 9%
- **100,000 to 500,000**: 34%
- **500,001 to 1,000,000**: 23%
- **Over 1,000,000**: 34%

*N=487*
**Description of Survey Respondents**

**Description of Facilities**

- **Type of Space**
  - Space within a building: 7%
  - Single building: 7%
  - Multiple buildings in one location: 21%
  - Multiple sites: 65%
  
  N=487

- **Facility Ownership**
  - Leased: 42%
  - Owner occupied: 37%
  - Combination: 21%

  N=487
DATABASE IS AVAILABLE FOR FURTHER ANALYSIS

The information contained in this report has been voluntarily supplied by IFMA members and is available in its entirety. Participant names and organizations are not included in the database. The database is available in Excel®. Cost varies based upon membership status and participation in the study.

<table>
<thead>
<tr>
<th></th>
<th>Participant</th>
<th>Non-Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>$500</td>
<td>$1,000</td>
</tr>
<tr>
<td>Non-Member</td>
<td>$750</td>
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</tr>
</tbody>
</table>

For more information, contact IFMA at 1-713-623-4362.

ADDITONAL INFORMATION

Please contact IFMA headquarters for:

- Forming benchmarking consortiums
- Information from existing IFMA reference sources
- Custom research studies
- Additional copies of IFMA research publications
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- Views from the Top, Executives Evaluate the Facility Management Function, Research Report #17
- European Benchmarks, Research Report #22
- Profiles 2003 Salary Report, Research Report #24
- Benchmarks IV, Research Report #25
- Operations and Maintenance Benchmarks, Research Report #26
- The Impact of E-Commerce on Facility Management Practices (IFMA Foundation Report)
- Designing the Facility Management Organization (IFMA Foundation Report)
- Wireless Systems in the Facility (IFMA Foundation Report)
- ASTM/IFMA Standard Classification for Building Area Measurements (E 1836-01)
- Benchmarking for Facility Management Workbook
- Standardized Facility Management Customer Satisfaction Questionnaire
- Proceedings from IFMA Best Practices Forums

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