

## **Connecting the Dots . . . Secrets For Creating Your First Strategic Facilities Plan**

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“Adventure is just bad planning”, said Ronald Amundsen in 1912. He discovered the South Pole on his first try, mainly due to years of planning and checking to assure him self and his backers that he could achieve his objective. Although it was an “adventurous” project, he was not looking for an “adventure”!

So it is for the first time a Facility Professional takes a serious look at creating their first Strategic Facilities Plan (SFP). Questions are often asked like “Do we really need to have one?”, or “What the heck in this SFP thing?”, or “Looks pretty scary to me!” In order to minimize the “adventure” possibility, let’s look at what an SFP is and how it can be created.

What is an SFP?

- It is a clearly written document
- Contains a complete analysis of needs, options and recommendations
- Shows how facilities and occupant services support the current and future mission and goals of the organization
- Quantifies the financial impact of proposed projects
- Clarifies organizational impact of creating and implementing projects
- Shows specific benefits - human, financial, environmental

There are two categories of approach when deciding on the process to be used in the development of the SFP – the formal and the informal. The formal approach uses well-documented processes from training courses, research papers, consulting services, and written guides. IFMA’s FMP course “Leadership & Strategy Essentials” provides a very comprehensive development process. It is formal, has many process steps, uses a variety of analytical tools and techniques for selecting, justifying, presenting and documenting the SFP. Not every FM needs to use such a process. Success can also come from a more simplified technique – especially if it the first SFP, and the organization’s management team is also learning what it is and how it benefits their business successes.

In either case, the FM must prepare for the effort and decide if they are ready to take on the leadership of such an initiative. They might ask themselves:

- What’s my organizations history with strategic planning?
- Is the necessary information available?
- Is there a management sponsor I can work with?
- What is the capacity of me and my FM team to deliver?
- Am I comfortable with the “selling” process?

Given the FM is engaged, confident and ready to proceed, what is the “SPF-Lite” approach?

The approach being offered here is a four-step process: ASSESS what facility changes and user services might come from changes in the business strategy now and in the next several years. CONNECT the potential FM facilities projects to these stated business goals and plans. CHOOSE the best project(s) based on the capacity and interest of the organization to integrate these elements into their overall business plans. DOCUMENT the plan and be prepared to make it a living document and a supporting, living process of review and updating over time.

### **ASSESS**

When starting the assessment phase, the FM needs to be thinking beyond her or his immediate responsibilities, asking high-level questions that will drive the projects, programs and visibility of the FM team. Here are several examples:

- What functions may be interested in Workplace Alternatives?
- Where will support functions (data centers, call centers, repair, distribution, etc.) be located in future years?
- Are there possible changes in sourcing for enterprise activities?

- “What if....?” Is always a good starter question to get ‘outside the box”

There are three areas of assessment to consider:

- Business
  - Current goals, strategies, results
  - Future needs and plans (products, services, etc.)
- Physical
  - Facilities inventories and registers
  - Condition assessment, O&M history
  - Space utilization
  - Budgets and projects (major and minor)
- Managerial
  - Perceptions of the FM function and team
  - Decision making biases
  - Potential sponsor(s) and functional helpers

The management team may be trying to help with the process, so be sure to think about what they KNOW they don’t know and also what they DON’T KNOW they don’t know. Assumptions can impact the plans – especially if they are not validated properly. The priorities during this phase are:

- Focus on the big picture issues
- Talk to the “key few” people – define the priority issues
- Gather what data you have now
- Use estimates when needed
- Verify expectations & perceptions
- Compare to benchmark reports
- Check the willingness of the planning team to innovate

## CONNECT

Given a base set of information about strategy, facilities, goals and expectations, the next phase is to connect the business plans with the facilities possibilities. Here is an outline of some of the elements to be connected:

- Current “fit” of facilities for current and future needs?
  - Age, flexibility, renovations, restrictions, etc.
  - Gap analysis – what we have vs. what we need
- Real Estate considerations
  - Owned and leased properties – is the balance right?
  - Expansion and contraction of sites, buildings – mergers? Acquisitions?
- Accommodation of employees
  - Space allocation statistics, standards and policies we have or need to implement
  - Employee services (café, meeting spaces, mail, copy, vending, etc.)

Keep in mind these priorities when in the connect phase:

- Clear statements on business goals
- Use asset/space utilization info you have now
- Use current major project information
  - Renovations
  - Major maintenance/replacement projects
- Discuss options for growth/downsizing
  - Buildings, floors
  - Standards for workers
  - Policies for alternative workplaces
- What is the capacity/interest for change?

## CHOOSE

This is the phase where alternatives are considered, scenarios are validated, impacts are measured and the best fit is determined. Be sure to document the processes used and keep all relevant data on the choices – they may become “popular” again if conditions change.

Here are some of the steps and activities to consider using during this phase:

- Scenarios that make sense
- Show business impact/results with each one
- Agree on decision criteria
- “SWOT” the finalists (Strengths, Weaknesses, Opportunities, and Threats)
- Choose the “best” one
- Prepare the recommendation
- Make the presentation – document the decision

Again, there are other aspects of the choosing stage that need to be kept in mind. For example:

- Agree on decision criteria
- Agree on decision maker(s)
- Use drawings and mockups
- Scenarios and evolutions of site plans
- Document the “dots” connecting the proposed plans with the business strategy
- Have RE expertise available for RE asset plays
- Look out 3-5 years

## DOCUMENT

Having made the best choice (for now) for projects and activities that will demonstrate the positive alignment of the facilities plans with the business plans, the results need to be documented and presented to management for approval and eventual implementation.

What goes into the document can vary, but these elements are typically considered necessary to create a consensus and produce alignment across the enterprise:

- Executive Summary of assets and services impacted
  - Asset demographics
  - Financial issues
  - “Triggers” for action
- Primary projects
  - Renovations
  - Added/deleted space
  - Scope, money, schedule
- Financial summary
  - Capital for replacement and new
  - Major One-time expensed projects
  - Justifications – ROI, NPV, TCO, etc.

The last phase also includes the sustaining processes that assure future reviews will be done without going back to re-visit all the steps in the initial creation of the first SFP. Checking on-going assumptions and incorporating changes is always part of the sustaining steps. Here are some other suggestions to help with that on-going support:

- Information management is key
- Utilize project management techniques
- Reporting at key milestones
  - The plan itself
  - The processes being used to review
- Secure necessary and competent resources
- Communicate along the way

Assuming the FM and the management team have found value in the first SFP development process, the FM is the best resource to manage the future updates and changes. Here are some suggestions for avoiding the dreaded “One and Done” situation:

- Avoiding "One & Done"!
- Document everything
- Periodic reviews (you set them up!)
- Communicate status
- Executive sponsors and mentors – stroke them!
- Share SFP stories from other FMs – we are not alone

The FM is the best leader for putting together the process and the information for the SFP. They need support from a variety of internal and external resources to make the plan realistic, viable and indicative of how facilities will support future business success.

Here are some of the things that the FM needs to know:

- Assessment tools and resources
- How/where information is stored/retrieved
- Basic analytical tools
- Communication techniques that work for your organization

Here is a list of possible tools that the FM and others will need to use when creating the SFP:

- Project Management
- Alternative analysis – SWOT, SCAN
- Financial Analysis - impact, justification, prioritization
- Presentation - ideas, proposals, approvals
- Writing - recommendations, analysis, interactive
- Access to SMEs and consultants

In summary, here are some proposed next steps and activities for taking the above information back to the job and starting the SFP development process:

- Organizational business strategy exists
- " " " is unclear
- You KNOW there are current/future RE and FM issues
- Having influence without authority
- Gather big picture info
- What are the biggest gaps in plans, info, etc.?
- Recruit an executive sponsor – now!
- Network, network, and then network some more!

Using a simplified process can set the stage for continued support of the FM as a business partner, as well as setting that stage for a more refined and detailed process in future years when the SFP is updated. Nothing succeeds like success!

Make it a good plan, don't let the process become an "ADVENTURE"!!!