Searching for Excellence
Using APPA’s Facilities Performance Indicators

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Higher Education

“Education is not about filling a pail, it’s about lighting a fire.”

William Butler Yeats
Objectives of Higher Education

- Socialization to Maturation
- Training to Learning
- Research to Discovery
- Public Service to Engagement
- Credentials to Competence
- Recognition to Credibility
Why I improve?

- What pressures?
- What new and future challenges?
- What opportunities?
- What is the cost of not improving?
- What personal drivers?
Major Forces Impacting Higher Education

- Accountability
- Educational delivery no longer time/place sensitive
- Lifelong learning
- Diminishing resources
- Competition requires market focus
- Entrepreneurial skills necessary
- Scarce energy
Capital Asset Realities

- Construction
- Maintenance
- Renewal
- Demolition
Facilities Management’s Role

- Ensure that the buildings and infrastructure are a strategic enabler for the business of higher education
- Stewardship role for the largest capital asset on campus, buildings and infrastructure
- We must be accountable for the assets entrusted to us
- Facilities must be able to tell their story to decision makers
- Engage other Administrative staff and Academicians
- Facilitate a discussion of capital asset realities
What are Facilities Performance Indicators (FPI)?

- FPI creates a powerful tool for achieving organizational excellence through continuous improvement:
  - Organization’s financial performance
  - Effectiveness of its primary processes
  - Readiness of employees to embrace the future
  - Ability to delight customers
Why Use FPI?

- Self-Assessment
- Self-Improvement
- Peer comparison
- Benchmarking

- Your Roadmap to Future Excellence
Components of FPI

- Balanced Scorecard
- Quantitative Measurements and Indicators
- Qualitative Criteria Captured in the Performance Levels
Balanced Scorecard

- **Financial Perspective**: How do we look to resource providers?
- **Customer Perspective**: How do customers see us?
- **Internal Process Perspective**: Are we productive and effective?
- **Innovation & Learning Perspective**: Can we sustain excellence over time?

Vision
Efficiency Versus Effectiveness

- Efficiency is getting results
  - You can do that if you pay attention to one perspective

- Effectiveness is getting results time and time again
  - You can only get by paying attention to all four perspectives
Financial Perspective

- How do we look to resource providers?
  - Reflects organization’s financial integrity
  - Demonstrates stewardship responsibility
    - Capital and financial resources
    - Preservation of physical assets
  - Linked to the other perspectives through the relationships between cost and the results
Internal Process Perspective

- At what must we excel?
  - Evaluation of delivery of primary services
    - Administration
    - Operations and maintenance
    - Energy and utilities
    - Planning, design and construction
  - Emphasis on improvements and measuring results
Innovation and Learning

- How can we sustain excellence over time?
  - Creating a high performance workplace and a learning organization
  - Considers how the organization enables and encourages employees to contribute effectively
  - Training – leadership and knowledge sharing
  - Employee well being and satisfaction
Customer Perspective

- How do our customers see us?
  - Considers relationships with customers
  - Measures customer satisfaction and performance of services
  - Categories
    - Types of surveys
    - Primary customer groups
    - Primary services
Strategic Financial Measures

- Facility Operating CRV Index ($/CRV)
- Facility Operating GSF Index ($/GSF)
- Facility Operating GIE Index ($/GIE)
- Capital Renewal Index ($CR+Adapt/CRV)
- Facilities Condition Index ($DM/CRV)
- Needs Index ($DM+CR+Adapt/CRV)
Facility Operating/ CRV Index

- Annual Facility Operating expenditures ($$) Divided by Current Replacement Value (CRV)
- Level of funding provided for the stewardship responsibility of the institution’s annual facilities operating expenditures
Facility Operating/ GSF Index

- Annual Facility Operating Expenditures ($$) Divided By Gross Square Feet (GSF)
- Level of funding provided for the stewardship responsibility of the institution’s educational and general capital assets
Facility Operating/ GIE Index

- Annual Facility Operating Expenditures ($$) Divided by Gross Institutional Expenditures (GIE)
- Level of funding provided for the stewardship responsibility of the institution’s educational and general capital assets
Capital Renewal Index

■ Annual Capital Renewal and Renovation/Modernization Expenditures ($) Divided By Current Replacement Value (CRV)

■ Level of funding expended in addressing identified capital renewal and renovation/modernization needs
Facilities Condition Index (FCI)

- Deferred Maintenance Deficiencies ($)
  Divided By Current Replacement Value (CRV)
- Comparative indicator of the relative condition of facilities
Needs Index

- Capital Renewal and Deferred Maintenance Backlog plus Renovation/Modernization Need ($)
  Divided by Current Replacement Value (CRV)

- Overall indicator of campus condition. It is influenced by resource availability and utilization
Internal Process Perspective

- Cycle Time (Time to complete)
- Average Age (Average age of active work orders)
- Backlog (Staff Hrs/FTE Hrs)
- Energy Usage (BTU/GSF)
- Estimating Index ($Actual/$Estimate)
- Project Soft Costs Index ($Soft/Total)
Innovation and Learning

- Employee Climate Survey
- Employee Focus Groups
- Investment in Training
- Quality work incentives
- Awards and Recognition
- Job Skills
Customer Perspective

- Customer Surveys
- Customer Focus Groups at different levels of the organization
- WEB resources and tools
- Participation in Academic briefings
Performance Levels

- Level 5  Platinum
- Level 4  Gold
- Level 3  Silver
- Level 2  Bronze
- Level 1  Copper
Level 1 - Copper

- No systematic approach
- Only anecdotal information
Level 2 - Bronze

- Beginnings of a systematic program
- Major gaps exist
- Early stages of improvement orientation
- Trends of some improvement
Level 3 - Silver

- Sound systematic program
- Fact-based improvement for most areas
- Emphasis on improvement
- Improvements in most areas
- No adverse trends
- Comparisons - good to very good
Level 4 - Gold

- Sound program with refinements
- Cycles of improvement in many to most
- All primary areas included
- Sustained performance trends
- Benchmarking
- Results show leadership in performance
Level 5 - Platinum (Stretch)

- Program accomplishes all objectives
- Fully deployed for all primary areas
- Emphasis on refinement
- Cycles of improvement – Mature program
- Excellence sustained over several years
- Benchmarking with outside industries
Why FPI?

- Strategic Tool
  - Helps to assess where you are
  - Describes where you can go
  - Outlines the strategies and action necessary

You decide how far to go

Tailor model for your specific needs
Sharing FPI Data

- **Internal**
  - FM employees
  - FM contractors
  - FM administrators

- **Within the institution**
  - Planners
  - Financial Officers
  - Academicians
  - Researchers

- **Externally**
  - Legislatures
  - Other institutions
Why is Sharing Important?

- Remember the capital asset realities?
- They cannot be solved by FM working in isolation
- FM must educate the institution
- Engage the institution
- Create partnerships
- Work together to create a strategy to address the capital asset realities
Your Stairway to Excellence

- Understand the context within which you operate
- Create partnerships with your environment
- Identify your measurements of success
- Strive for balance using four perspectives
- Measure at all levels of the organization
- Share the results
- Set the bar higher
- Identify new strategies
- Educate, engage and brief your partners on how you’re doing
- Do it all over again
- Don’t give up!!!!
“Knowing is not enough; we must apply. Willing is not enough; we must do.”

Johann Wolfgang von Goethe
Keeping it All in Perspective

**DILBERT**

**DOGBERT CONSULTS**

You need a dashboard application to track your key metrics.

**THAT WAY YOU'LL HAVE MORE DATA TO IGNORE WHEN YOU MAKE YOUR DECISIONS BASED ON COMPANY POLITICS.**

**WILL THE DATA BE ACCURATE?**

Okay, let's pretend that matters.
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