

Integrated Facilities Management Category SpotLight



Presentation by:
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CASME_Network

Pondering Procurement



FOCUS FOR TODAY

- How CASME supports Procurement
- Integrated Facilities Management
- Q&A

GLOBAL PROCUREMENT COMMUNITY



200+

Networking
Events



1,000+

Insight
Reports



30+

Benchmarking
Services



20 Indirect Procurement Categories

12 Procurement Processes



ROBUST PEER-TO-PEER NETWORK

Global intelligence

No suppliers, consultants or sponsors

An unbiased platform to share ideas and best practice procurement



DISCUSSION TOPICS

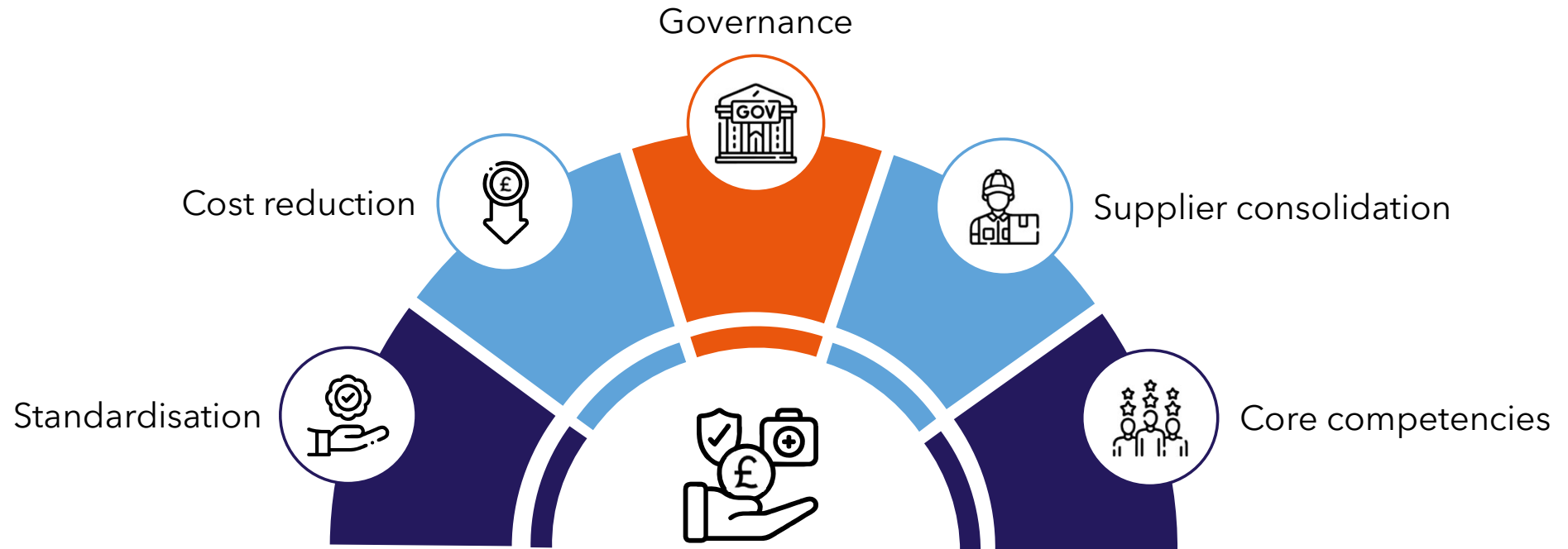


INSPIRING PROCUREMENT EXCELLENCE

- Strategy development
- Stakeholder alignment
- Strategy execution
- Performance management
- Ongoing contracts

STRATEGY DEVELOPMENT

Key benefits of IFM



Porter's five forces analysis

The North American IFM market is a mature space characterized by fierce competition among global and regional vendors

Legend: Strength of market force →

Low High



Low High

Fragmented supplier market (++)

Easy availability of inputs and resources (+)

Diversified and fragmented end-user market (+)

High brand recognition (-)

Market dominated by global IFM suppliers (-)

Low High

Fewer suppliers of skilled labour (+)

Fragmented supply pool – numerous players offering required equipment and tools, especially for soft FM space (-)

Low High

Price-based competition (++)

Fragmented supplier market (++)

Limited-service differentiation (+)

Leading companies from adjacent industries (real estate, construction and energy) increasingly bolstering their IFM portfolio (+)

In spite of low switching costs, clients are typically hesitant to switch suppliers and prefer to provide repeat business (-)

High brand recognition (-)

Low High

Low service differentiation among leading players, coupled with limited requirement of specialised, value-added FM services (++)

Price-based competition (++)

Fragmented vendor base (+)

Low switching cost for standard IFM services, provided by almost all IFM vendors (+)

Diversified and fragmented end-user market (-)

Low High

Inclination of clients to conduct FM tasks via in-house departments (+)

Low expertise for IFM services delivered in-house (-)

POLL #1 STRATEGY DEVELOPMENT

What are the three most important factors to determine when developing the IFM procurement strategy? (Select three options)

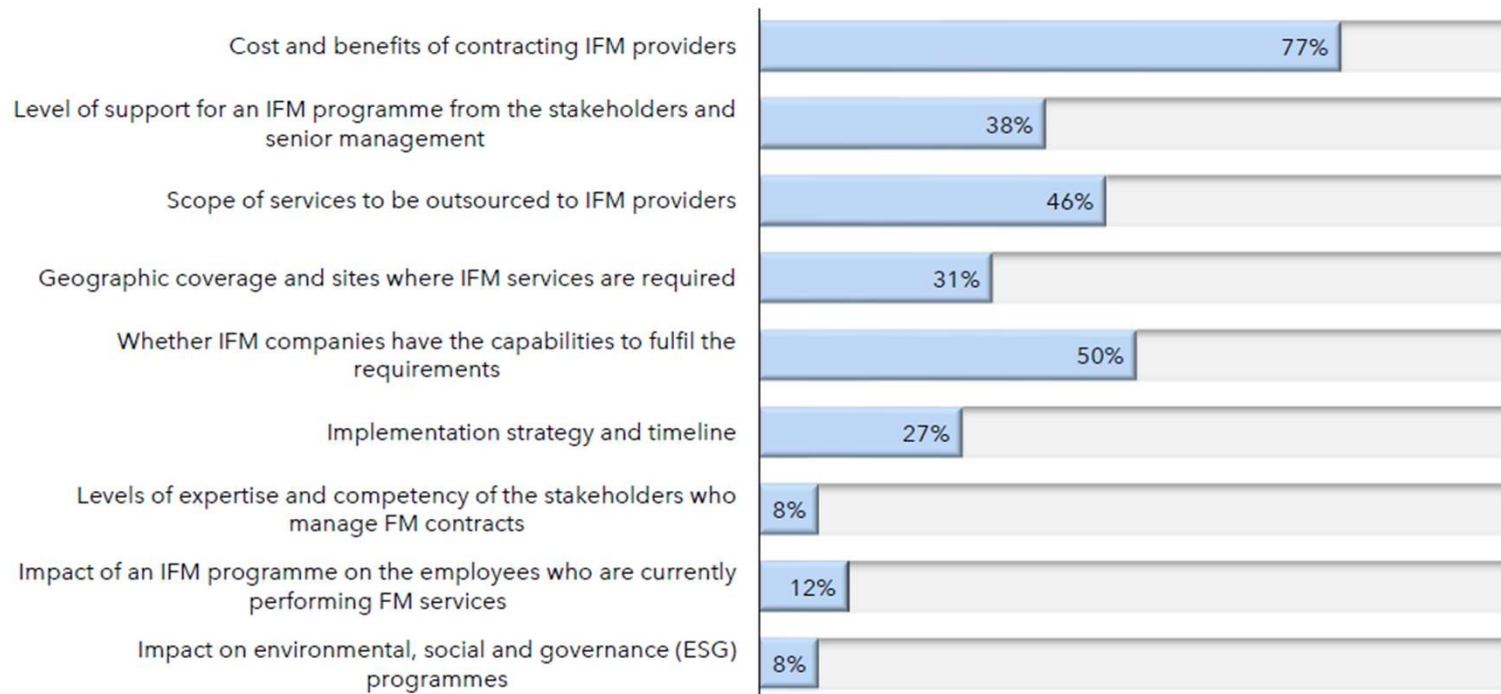
Cost and benefits of contracting IFM providers	<input type="checkbox"/>
Level of support for an IFM programme from the stakeholders and senior management	<input type="checkbox"/>
Scope of services to be outsourced to IFM providers	<input type="checkbox"/>
Geographic coverage and sites where IFM services are required	<input type="checkbox"/>
Whether IFM companies have the capabilities to fulfil the requirements	<input type="checkbox"/>
Implementation strategy and timeline	<input type="checkbox"/>
Levels of expertise and competency of the stakeholders who manage FM contracts	<input type="checkbox"/>
Impact of an IFM programme on the employees who are currently performing FM services	<input type="checkbox"/>
Impact on environmental, social and governance (ESG) programmes	<input type="checkbox"/>



POLL #1 STRATEGY DEVELOPMENT



What are the three most important factors to determine when developing the IFM procurement strategy?



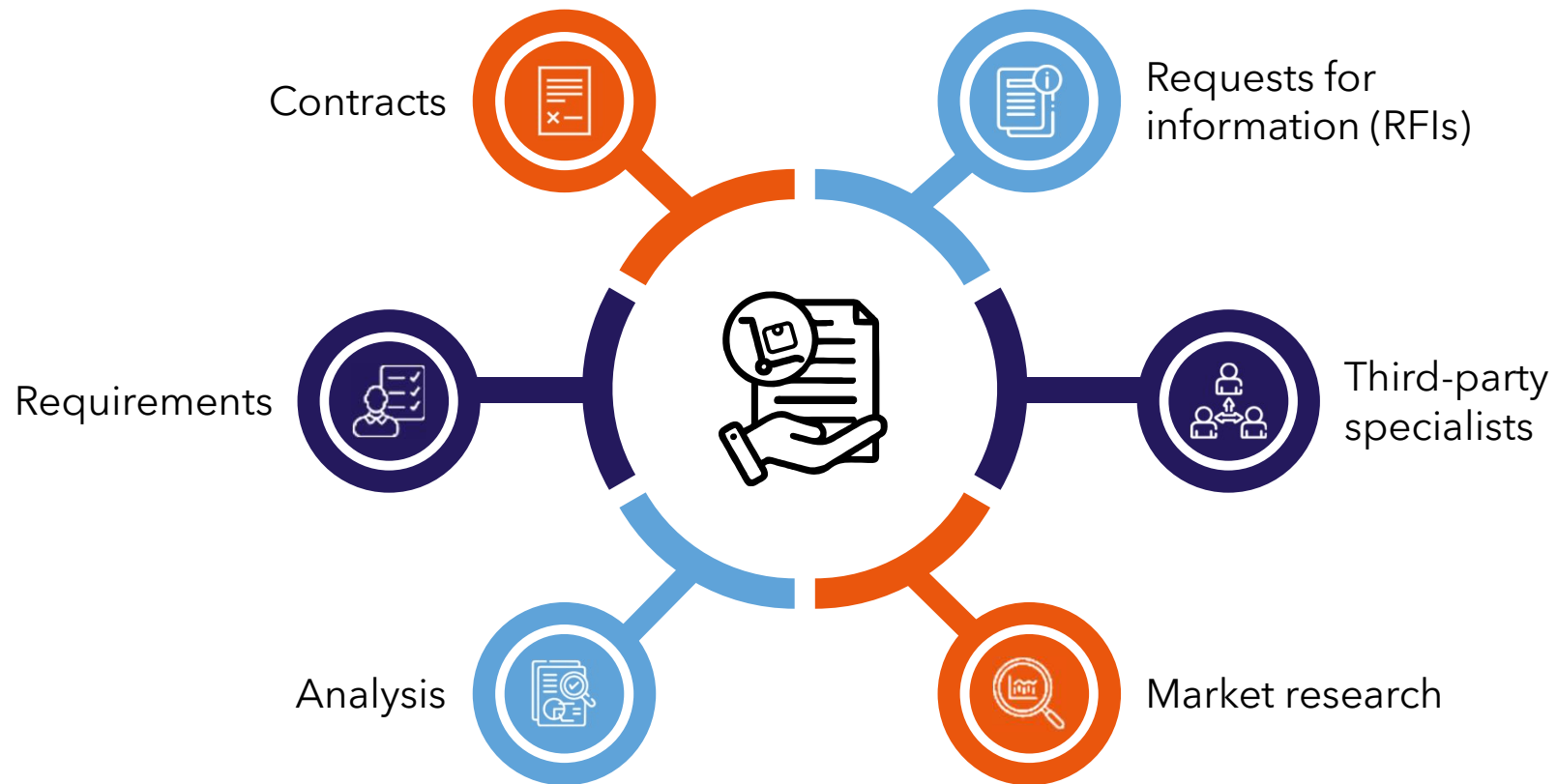
CASME Member results

STAKEHOLDER ALIGNMENT



STRATEGY EXECUTION

Request for proposal (RFP) best practices



POLL #2 STRATEGY EXECUTION



What are the three most important criteria for evaluating and selecting IFM providers? (Select three options)

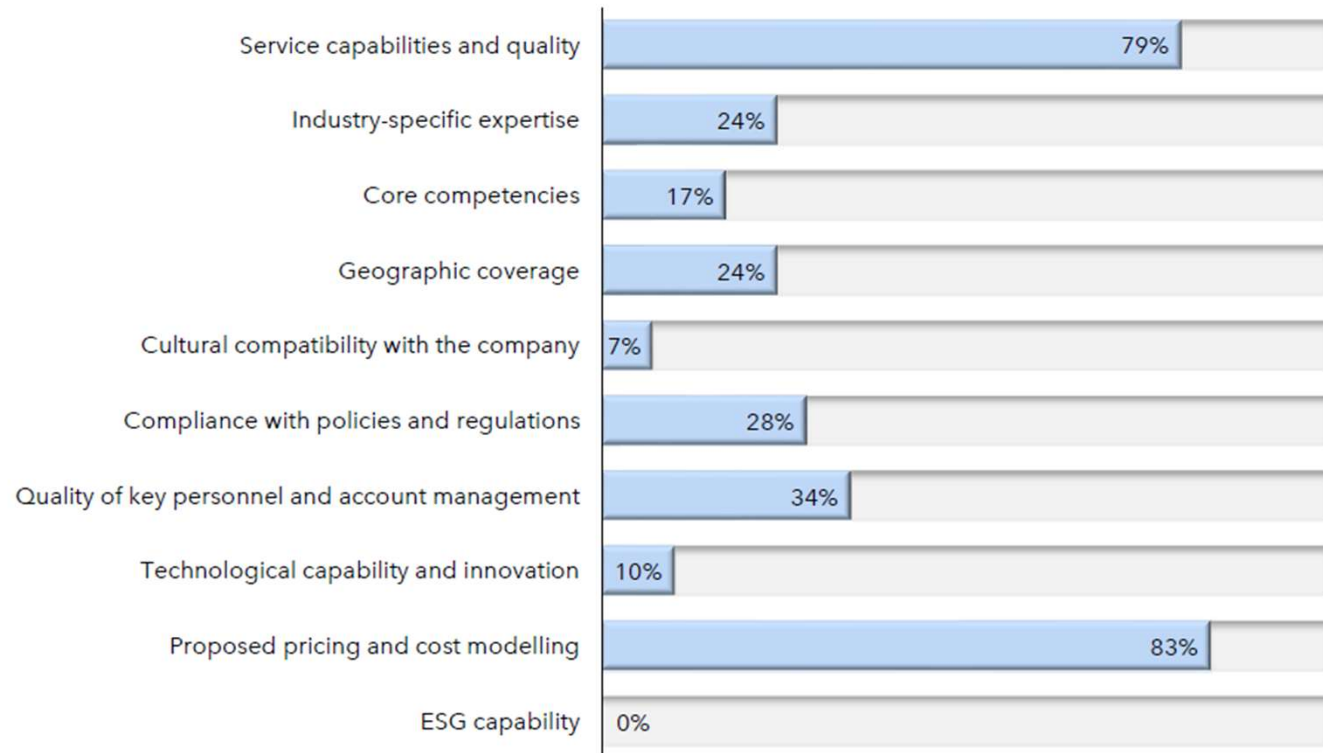
Service capabilities and quality	<input type="checkbox"/>
Industry-specific expertise	<input type="checkbox"/>
Core competencies	<input type="checkbox"/>
Geographic coverage	<input type="checkbox"/>
Cultural compatibility with the company	<input type="checkbox"/>
Compliance with policies and regulations	<input type="checkbox"/>
Quality of key personnel and account management	<input type="checkbox"/>
Technological capability and innovation	<input type="checkbox"/>
Proposed pricing and cost modelling	<input type="checkbox"/>
ESG capability	<input type="checkbox"/>



POLL #2 STRATEGY EXECUTION



What are the three most important criteria for evaluating and selecting IFM providers?



CASME Member results

STRATEGY EXECUTION (CONT'D)

IFM programme



Change
Management



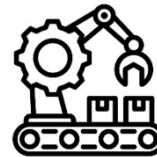
Research



Adoption



Project teams



System and tools



External
consultants

PERFORMANCE MANAGEMENT

Key KPIs



Service levels



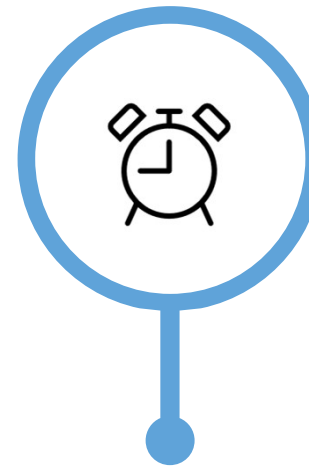
Compliance



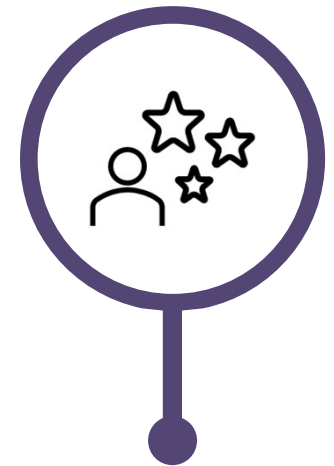
Service delivery



Savings



Response times



Customer
satisfaction

KEY PLAYERS



Key players (indicative)



POLL #3 REMUNERATION MODELS

What type of cost modelling are you using?
(Select all that apply)

Fixed price/fees

☐

Cost plus a management fee

☐

Guaranteed maximum price (GMP)

☐

Incentive and penalty models linked to performance

☐

Gain-share models linked to cost savings and implemented innovation

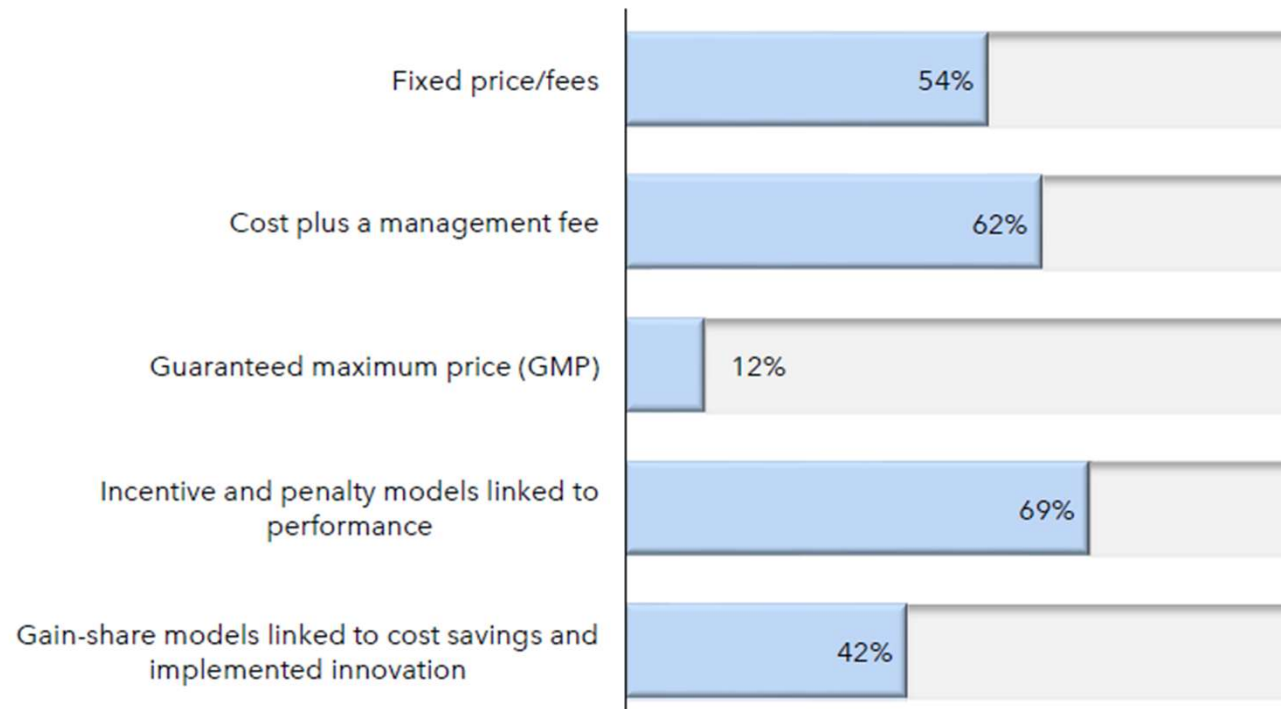
☐

Other

☐

POLL #3 REMUNERATION MODELS

What type of cost modelling are you using?



SUPPLIER PERFORMANCE MANAGEMENT



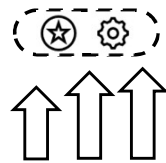
Service level
agreement (SLA)
and KPIs



Supplier
management



Quarterly business
reviews (QBRs)

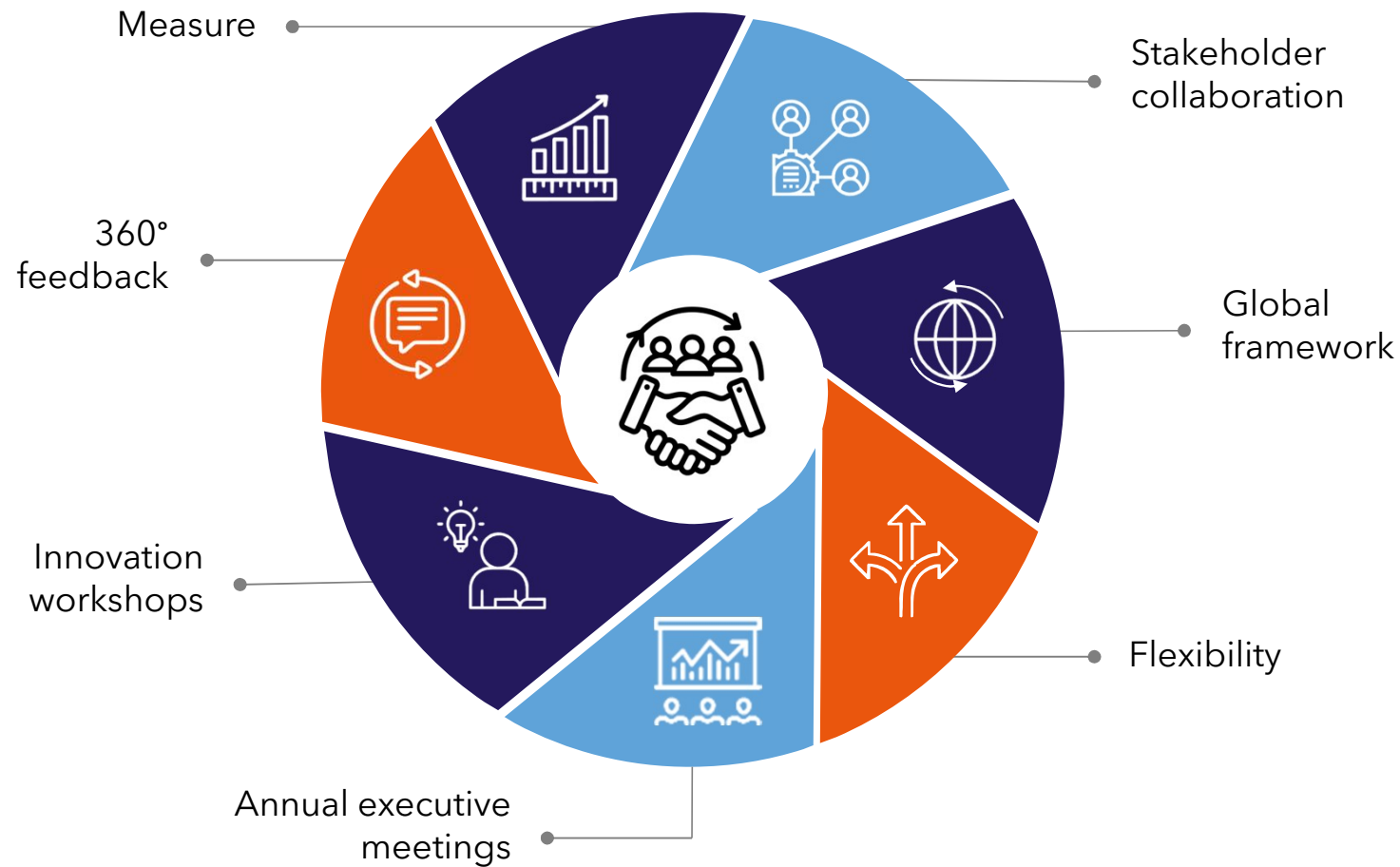


Performance
incentives



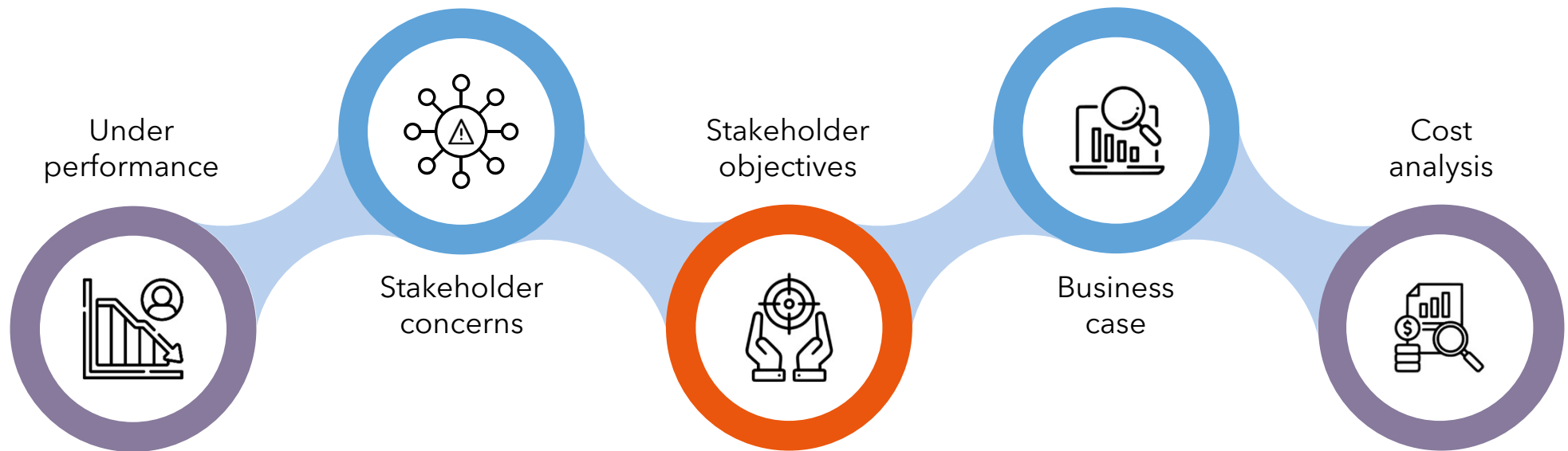
Corrective
action plans

SUPPLIER RELATIONSHIP MANAGEMENT



ONGOING CONTRACTS

Renew or change providers?



ONGOING CONTRACTS (CONT'D)

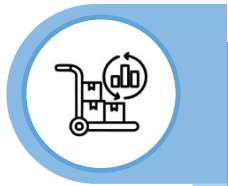
Lessons learned



KPIs



Supplier model



Supplier performance
evaluation



Policy and process



Regulatory compliance



Constant review



Questions?



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