



Benchmarking offers facilities managers the opportunity to demonstrate added value to the organisations they represent, whether as staff, consultants or service providers. Freelance journalist Jackie Bennett Shaw talks to Professor Bernard Williams FRICS and other industry experts about what benchmarking is, how to go about it, the benefits it offers, and the top tools, tips and techniques for using it

# Making a mark on FM

**E**ven if you think you are doing everything right in your work as a facilities manager, how do you know you are achieving unless you have a standard for comparison? In order to compare and improve, you need to be able to measure – which is where benchmarking comes in. Benchmarking can be used to measure against something else in order to identify areas where you may be lagging and take corrective action.

In *Benchmarking in facilities management*, Ken Gadd, director of the European Centre for Business Excellence, said that this concept “has been with us since time began – since the first day we decided to look at what others do in order to learn how to improve our own capability”. Yet a BIFM think-tank poll last year showed that nearly three-quarters of respondents had been involved in benchmarking exercises involving computation and analysis where nothing had changed in their organisation. Consequently, enthusiasm was mixed with

responses such as “so far, I’ve managed to avoid such exercises”, and “sadly, we’ve never conducted any benchmarking activity – shocking, I know!”.

BIFM’s *Good practice guide to benchmarking* stresses how important benchmarking is for adding value to our industry, and helps to explain specifically what this means in FM through Professor Bernard Williams’ 2003 definition of benchmarking as: “the process of comparing a product, service, process – indeed, any activity or object – with other samples from a peer group, with a view to identifying ‘best buy’ or ‘best practice’, and targeting oneself to emulate or improve upon it.”

Professor Williams explains: “Benchmarking is usually confined to the costs of facilities services, although informal benchmarking groups are set up from time to time to study best-practice methodology in services such as distribution and catering, which are highly process-driven.” Williams, named one of the BIFM’s ‘Top 20 Pioneers in FM’, has a unique

perspective, having set up practice in 1970 at a time when “apart from my practice and a couple of others, there was no professional body that could give FMs any cost advice at all, so they ended up trying to do it themselves”.

## MORE THAN A NUMBERS GAME

Benchmarking isn’t simply about numbers, however – it must also be a learning process rather than simply a measurement exercise.

“With regard to cost-benchmarking, what it is not, or should not be,” emphasises Williams, “is a tool for demonstrating to your superiors that you are doing a good job. Cost benchmarking – which is best referred to as ‘cost/performance benchmarking’ – can be a very complex activity involving skilled professionals, and that expensive resource needs to go into seeking improvements in performance – not merely fighting your corner. Process benchmarking can often be a logical follow-on to a ‘first-strike’ cost-

benchmarking exercise, which may have highlighted areas where performance seems to be well below par.”

Tim Oldman, managing director of Leesman, the workplace satisfaction and effectiveness measure and its Leesman Index, adds, “Benchmarking is not just about costs; it is about the performance of the workspace and its effect on people using that space. FMs maintain these workspaces and can access important data to improve the performance and costs of the facilities they are responsible for. That is how FM is going to be truly valued, and how chief executives, chief finance and chief operating officers will appreciate it as a strategic discipline.”

Mark Kirkham, director of Service Works Group, backs up this fundamental point: “FM is usually seen as a cost, and seldom seen as ‘value added’. Using benchmarking as a technique is useful in this respect because, other than customer feedback, how do we know if we’re doing it well?”

In the BIFM benchmarking guide, author Mike Packham also warns against using benchmarking ‘as a euphemism for cost reduction or as a means of cost justification’. He explains: “The facilities manager should be constantly challenging the status quo and seeking opportunities to improve the ‘value for money’ of the services being delivered. Benchmarking in all its various guises, and if used correctly (an important proviso), can assist in achieving this objective. Yes, cost is an important part of the overall FM equation, but so too are quality and performance, processes and systems, and inputs/outputs.”

## HOW TO DO BENCHMARKING

The first step when deciding to conduct benchmarking is to be clear on why you are doing it and what you will use the results for: “Anything goes in terms of *what* you can benchmark,” says Williams, “it’s the output you want that determines the methodology.”

Service Works Group’s Kirkham outlines three information-sourcing methods: internal information available from occupant history and other sister sites; commercial organisations that can offer support, consultancy, measurement norms and information platforms; and peer groups, such as BIFM, the Chamber of Commerce and other FM colleagues.

“Many would-be benchmarkees lose heart when they cannot find people in their immediate peer group to join in the process,” says Williams. “What they may not realise is that the ‘peer group’ refers to any organisation or unit that is carrying out an activity with similar characteristics or end product. Although higher management may press for an industry-specific league table,

the law of averages says that best practice is most likely to be found outside of your own sector, so you have to go looking for it in the right places. Too often, it is carried out incorrectly by the wrong people and for the wrong purpose, and consequently, it is a frequently discredited concept.

Membership groups such as the Building Services Research and Information Association (BSRIA) Operations and Maintenance Network bring various organisations together to share knowledge and experiences, and to gather and disseminate cost and performance data. The groups meet on a regular basis – usually with a single topic and keynote speaker – to find out about best practice, both through these formal events and informal networking. Typically, members will receive annual questionnaires about costs, performance and consumption, etc, with the group facilitator compiling a report from that data.

Other collaborative groups may come together to benchmark a specific process or to conduct cost/performance benchmarking. While these can be useful, occasionally the limitations of the numbers means that the group may not accurately represent best practice. In this case, success may require using a skilled facilitator to check the data and interpret the results.

“People try using books and other published media to benchmark costs,” explains Williams, “However, published



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cost benchmarks are category-specific but de facto not site-specific, and often those submitting them may not get the correct analysis, according to standard taxonomies, as they are not skilled cost bench markers. Quite often, building areas are mismeasured or incorrectly labelled, which ruins the data-set right from the off.”

When benchmarking is carried out for the right reasons, using comparable data and experts in the field, it can be an incredibly valuable tool. But it must be done properly and carefully, says Williams. “The ability to interrogate the database and the cost drivers behind it can make or break the cost-benchmarking operation, which is where the consultant-led procedure is at its most useful. This granularity is something you cannot get from a book or a published cost analysis.”

John Eldridge, consultancy operations director at Macro, expands further on the benefits of using consultancy services to analyse benchmarking data: “Benchmarking can be used to assess FM costs across different businesses and sectors, making like-for-like comparisons of clients’ FM costs across all their properties and regions. This helps them to better understand their current service value and whether another service provider could offer a better price. Benchmarking can also be used when purchasing a new





service, as it allows the client to understand the potential costs in advance and make allowances for budget provisions.”

Macro’s consultancy director, Edward Carter, adds: “In terms of Private Finance Initiative (PFI) contracts, Macro uses benchmarking to help determine the value of the service during the contract term, but also to develop life-cycle costs, spanning the longer-term occupancy of buildings.”

**ADDRESSING THE CHALLENGES**

Benchmarking poses challenges in terms of collecting the range of data that can be applied across buildings, as there are so many variables relating to design specification, usage and age. Across the 7,500 buildings comprising their UK estate, British Telecomms are currently using IFPI’s *EstatesMaster* to benchmark hard services, as well as utilising the technology to benchmark service charges in their hundreds of overseas premises.

IFPI’s *EstatesMaster* is a web-enabled tool that draws from a large database gathered first-hand and modelled by Chartered Quantity Surveyors. It allows the user to enter sufficient details about their site, the buildings and the facilities’ cost drivers to make it genuinely site-specific. It can be used to benchmark enormous estates as well as single buildings, yet can still provide a valid benchmark for each building in the estate.

Building Information Modelling (BIM) could be a useful method of future data collection

As new buildings will be increasingly measured by performance, Building Information Modelling (BIM) could be a useful method of future data collection that will help to overcome this issue, as the technology used to create the BIM model collects data throughout the design and construction phase.

Mark Kirkham concludes BIFM’s *Good practice guide to benchmarking* by reinforcing the opening message that “benchmarking is all about improvement,

Williams concurs: “It is an uncomfortable fact that many organisations live in a cloud when it comes to facilities costs and performance. Without benchmarking, this can go on for years at a really sub-optimal level. Benchmarking can provide organisations with the catalyst to pull themselves up by the bootstraps and join the elite.”

However, comments Oldman: “Proactive, effective and meaningful benchmarking requires the FM industry to get off the fence. Any professional body that suggests it represents the FM industry could easily offer an open-source information exchange (Corenet’s *Benchcore* is starting to do that for commercial real estate (CRE) property performance), and it is simply institutional procrastination that stops them.

“The BIFM is most guilty because it had the chance to move benchmarking forward from the idea of cost comparison and help its members properly understand how to use data to improve the performance of workspaces and make them more satisfying places to occupy. However, the June FM Leaders Forum on Benchmarking organised and then published by BIFM overlooked the contemporary view of how benchmarking can benefit the facilities profession. The arguments within the document are no different from those observed in 2010 when Leesman first undertook some scoping research for BIFM.

“Institutions must embrace the idea of exchanging information, perhaps creating a standardised benchmark for measuring workplace effectiveness (something Johnny Dunford, global commercial property director of RICS, is exploring) that could transform the way senior executives

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and not simply justification. Used correctly, it provides a realistic and demonstrably achievable baseline, against which the efficiency of an organisation’s FM service delivery regime can be assessed in terms of cost, performance and process (or any combination thereof).” By definition, a baseline is a springboard for further action, and in this context, benchmarking should be seen as the first step in a four-stage process: benchmarking review; strategy (action plan); implementation; and monitoring.

perceive the value of employee efficiency, and change their regard for FM, too. But it takes gumption from the various FM representative bodies, as otherwise our industry will continue to play it safe with narrow ideas of benchmarking.”

Clearly, benchmarking offers the FM industry an opportunity to be taken seriously, but it may need to be equally willing to get off the fence in order to see the results – or reach the benchmark – it aims for. **FMJ**