

Finding your way through the automation maze

Melita Thomas summarises the key points facilities managers need to consider when choosing IT systems to help them manage and operate their portfolio.

Thirty-five years ago, IT systems to run buildings that were not part of the space-exploration programme were just a twinkle in a technician's eye. Now, we are totally dependent upon them. They monitor every component from temperature to timesheets, energy consumption to environmental quality, and are even pre-programming lifts so that visitors to a building cannot even select the floor at which they alight.

But amid this plethora of systems, how can you choose the one most suitable for your portfolio?

This is a massive topic but there are two key aspects to consider:

- the range and scope of the functionality you are looking for, which will define the type of system to consider; and
- the method of delivery and ownership of the system.

FUNCTIONALITY

System functionality covers five key areas, as illustrated in figure 1. The various IT systems available in the market will cover these functional areas to a greater or lesser degree. Some, for example the Enterprise Resource Planning (ERP) systems, purport to cover the whole gamut of functionality, while others concentrate on specific areas, as shown in figure 2.

The first consideration, therefore, is whether you need your system to cover more than the facilities management functionality. If you do, there are two possible options.

Single system

The first option is to implement a wide-ranging system that covers all areas. The disadvantage of this is that wide-ranging systems tend to lack depth in the FM area. If you need detailed life-cycle costing, job monitoring, analysis of works and complex workplace management, then a specialist system is probably more useful. The advantage of a single system, of course, is that the financial elements of the tasks, such as maintenance budgeting, can be fully integrated with service-charge budgeting and the overall financial position of the individual property or asset.

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FIGURE 1: KEY FUNCTIONAL AREAS

Financial accounting	<ul style="list-style-type: none"> ■ Company and statutory accounts ■ VAT ■ Fund accounting and consolidation
Fund & asset management	<ul style="list-style-type: none"> ■ Valuation ■ Appraisal ■ Performance ■ Cashflow ■ Forecasting
Property transactions	<ul style="list-style-type: none"> ■ Acquisitions/disposals ■ Customer-relationship management ■ Commercial agency
Estates management	<ul style="list-style-type: none"> ■ Ownership ■ Lease and tenant management ■ Rent and service-charge management ■ Budgeting ■ Billing, receipts and reconciliation ■ Project financial control ■ Insurance management ■ Rating
Facilities management	<ul style="list-style-type: none"> ■ Building and fixed asset register ■ Maintenance – planned and reactive ■ Condition surveys ■ Health, safety and other regulatory ■ Forecasting and purchasing ■ Carbon Reduction Commitment and energy management ■ Space and accommodation management ■ Soft FM services – catering, room booking, cleaning ■ Security

FIGURE 2: BREADTH OF COVERAGE

Financial accounting	Fund & asset management	Property transactions	Estates management	Facilities management
ERP systems, such as Oracle or SAP				
National and international property systems – MRI, Yardi, Horizon, Manhattan, REMS etc				
	Argus, Cougar, Dyna, Tririga	Caldes, River Lake, Agency Pilot		FM and IWMS ¹ , eg Workplace IQ, Concept2, Planon, Archibus

¹ Integrated Workplace Management Systems.

PROJECT RISKS

When a system is selected and implemented well it can transform a business, improving efficiency, effectiveness and resource management. To get the most out of it, proper planning and project management are essential, as well as real agreement on what the system is supposed to deliver and what “success” looks like. The table below highlights some of the key risks that can be mitigated by thorough preparation and planning.

Risk	Mitigation
<p>Lack of initial agreement about the objectives Often members of the team think they have agreed something but are at cross-purposes, or do not really understand what the IT systems are capable of.</p>	<p>Initiate early discussions with a range of business users to ensure all have the same vision.</p>
<p>Fear of IT projects Expensive recommendations are accepted from suppliers because there is not enough in-house knowledge to raise robust challenges.</p>	<p>Ideally, if the knowledge is not available in-house, use an external adviser with knowledge of the systems and the ability to challenge suppliers and users to create a realistic functional scope.</p>
<p>Users do not want the system which is delivered Users not involved in specifying the information and functionality in a system do not see the potential benefits and will not support the system.</p>	<p>Involve all levels of users every step of the way – not just senior people.</p>
<p>Changes are continually being specified, vastly increasing costs and causing overruns Poor change management is the bane of IT projects at every level.</p>	<p>Spend enough time initially getting agreement on what is to be delivered and rigorously control any additional requests.</p>
<p>Different underlying processes When systems are implemented, it often becomes clear that users undertake the business processes to be supported by the system in different ways, meaning implementation will be delayed as decisions are made.</p>	<p>Spend time mapping business processes before selecting the system. They will need tweaking during the implementation, but you will be starting from an agreed, consistent base.</p>
<p>There are not enough milestones in place Large teams of analysts and implementers work for long periods with no discernible results, leading to loss of focus.</p>	<p>Robust project management is key.</p>
<p>Lack of proper change management New systems or processes are announced and users told to change without having been involved in the decision making.</p>	<p>Involve users early.</p>
<p>Training is unsystematic and related to the IT product only The training should relate to the use of the system in specific roles rather than rely on pure system-based training.</p>	<p>Plan training thoroughly and carry it out at the appropriate time.</p>

Multiple systems

The second option is to select a range of “best-of-breed” systems from each functional area and then use a data warehouse or reporting tool, such as Business Objects or Cristal Reporting, to pull together information across the different systems. This has the advantage that all of the underlying systems can give the in-depth functionality required, but has a number of drawbacks:

- it is likely to prove more expensive, time-consuming and difficult to implement several systems;
- where there is overlap in functionality, it will need to be clear which system is to be used; and
- although reports can be integrated through a reporting tool, interfaces between systems will need to be built to integrate the underlying data, which can also be time consuming and expensive. Relying on manual transfer of data would tend to defeat the objective of a single version of the truth.

SYSTEM DELIVERY AND OWNERSHIP

There are two basic ways of running property and FM systems. First, you can own the system, implemented on your own data servers, with all of the IT hardware and support set-up and maintenance that that entails. Or you can have a “hosted” system whereby the system supplier hosts your implementation on its servers. There are various refinements of the financial arrangements that can be made, but this is the basic division between buying and renting.

In both cases, you will pay a licence fee based on the number of users. Some system suppliers categorise the licences as “read only” or “read and write”, the former being cheaper. The number of licences is likely to be the most significant cost variable.

The primary advantage to owning the system is that you have control over the servers, so you can be sure that the data are properly managed and that you have complied with all the requirements of the Data Protection Act 1998. Also, if you currently have an extensive IT capability in-house, which can provide help-desk facilities to users, it may make sense to add the new application.

However, the majority of businesses are moving away from this model to the hosted model. The advantages of the hosted model are considerable:

- the supplier updates the system regularly, whereas if you manage your own system you will have to implement upgrades yourself;
- the supplier is likely to have sophisticated business-continuity and disaster-recovery plans in place; and
- although the annual cost may be higher, there is a considerable saving on capital costs and the costs of having internal IT departments.

A further consideration is the location of people using the system. Most systems under consideration are now likely to be “web-enabled” – that is, available

over the internet from any computer (but password protected, obviously). If you have a range of internal and external users, such as third-party service providers, then it is likely to be more convenient and cost-effective to use the hosted option. Providing IT support and help-desk facilities to your third-party suppliers will be costly and time consuming. It is better to buy the service for them as part of the user licence.

To make a fully informed decision, as part of the selection process you should require the supplier to quote on both bases.

STARTING THE SELECTION PROCESS

So, having identified the general type of functionality and with an idea of whether you will host the system internally or require the supplier to manage it for you, the time comes to start making a selection.

It cannot be emphasised too strongly that a system's success depends almost entirely on the selection process. It is absolutely crucial to involve users from the business at an early stage and to be clear that successful use of the system will require underlying business processes to be changed. Almost every failed implementation occurs when an IT department selects a system and tries to introduce it to users who have been excluded from the decision-making process. To guard against this, it is important that any selection has strong sponsorship from a senior member of the business and that an appropriate range of users is involved in the selection process.

To make an effective choice you need to consider the following:

- Detailed functionality – what exactly do you need the system to do? What is essential and what is just nice to have?
- What business processes does the system need to support? These need to be documented and should form the basis of the request to suppliers to draw up a proposal.
- What is the look and feel of the various systems? Have a look at websites, talk to other users, draw up a shortlist of possible suppliers and request a demonstration. Beware, however, of making a decision on the basis of a demonstration only. These will be tailored to show you the system in the best light.
- What other systems do you have that may need to be integrated? Find out whether suppliers have experience in integrating their systems with others.
- What geographical coverage do you need to have? Are you managing or maintaining property just in the UK or in Europe or the rest of the world as well? How important is local legislation? Do you need a system to conform to health and safety legislation in different countries?

SHORTLISTS AND SHORTER LISTS

Armed with the answers to these questions, you should be able to draw up a shortlist of possible

suppliers. You can then refine this list further, if it is very long, by issuing a Request for Information (RFI). This concentrates on key questions about the supplier, such as:

- financial standing;
- global coverage;
- support offered (do you need 24/7 or foreign-language support, for example); and
- reference sites.

The results of the RFI should then give you a shortlist of suppliers to answer a full Request for Proposal (RFP) but before that is issued, you may require a more in-depth demonstration from your shortlist. This is partly to get to know the suppliers better, as a good working relationship is important to successful implementation, and partly because, by now, you will have a more detailed knowledge of what you are looking for and can ask more pertinent questions.

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The RFP should contain a full functional specification describing and illustrating your business processes, explaining how you need the system to support those processes and detailing the reporting and performance measurement that you will require the system to provide.

You should also test the preferred systems thoroughly by means of a conference-room pilot. This can come either before or after the RFP, depending on the number of systems under consideration and the complexity of the functionality you require. Its purpose is to test those areas of functionality that are vital to your business.

Such a pilot consists of a demonstration of the system based on test scripts which are prepared from your own data or illustrate typical processes that are core to your business. The purpose is to ensure that the system can actually carry out the necessary processes – sadly, many systems have been sold on the basis of functionality that turns out to be deeply flawed when implemented.

The information from the RFP and the conference-room pilot should give you enough understanding of the products available to enter into detailed contractual discussions with a preferred supplier.

AN INVOLVING PROCESS

The above just scratches the surface of the many things to be considered in selecting and implementing a system. However, if there is one message which should be drawn from it, it is to involve your users early and consistently throughout the process.

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