

Concept of the Chief Facility Executive

Objective and Methodology

The objective of this research was to investigate and document the concept of the Chief Facility Executive (CFE) or other comparable titles noted later, i.e., the facility professional who is a member of an organization's Executive Committee (EC) or at least has a seat at the Boardroom table.

The investigation consisted of literature review, discussions with peers in online communities, and interviews by phone and email of facility management (FM) and corporate real estate (CRE) executives. The author began this study assuming that the role of CFE was relatively uncommon, and soon discovered that it is indeed rare, with most FM or CRE executives reporting two or three levels below the CEO level. Yet there are notable exceptions, so this paper explores the concept of the CFE role, why it is relatively rare, and plots a roadmap for breaking through the glass ceiling to C-Suite stature.

A strong indicator that the FM/CRE community is poised to elevate its profile was when the author encountered a groundswell of responses to the invitation to contribute to this topic e.g., six members of the IFMA Board of Directors (including the chairman and vice-chairmen) responded, as did the CoreNet *The Leader* magazine editor and four members of the Board of Directors (including the chairman-elect). When the topic was posted on the IFMA online community for the Corporate Real Estate and Corporate Facilities councils, it received significantly more posts than any other topic since the inception of the online community.

Why should FM/CRE be part of the Executive Committee?

Or, what strategic value does FM/CRE bring to the enterprise? Nearly any organization will say its employees are its most valuable asset. And for many organizations, real estate and associated operating costs comprise the significant portion of its assets. FM/CRE creates a bridge between the built and human environments (Kaya et al. 2004). High performing FM/CRE organizations can influence or lead strategy by providing a progressive workplace, with these outcomes:

- Sustain and grow intellectual capital
- Retain and recruit topnotch staff
- Increase value generated by employee productivity
- Lead transformational change
- Create optimal conditions for business processes at every level of change
- Contribute to organizational transformation by adapting environment and people

Alexander (2004) notes that few seem to recognize the role and potential for FM/CRE as a 'factor of production,' a vehicle for corporate identity and positive asset in terms of:

- Adapting to changing business needs, such as corporate restructuring and business process reengineering
- Providing a healthy workplace for employees to innovate in their work
- Assimilating the potential for new technologies
- Ensuring full use of diminishing resources in sustainable ways

Alexander (2004) asserts that facilities and real estate should be managed as an enterprise, with an EC member ultimately accountable for how it contributes to the business.

These views coincide with what many would acknowledge as the primary role of FM/CRE, to focus on the needs of the occupants of the workplace, yet McLennan (2000) offers a more strategic value that FM/CRE can exploit, and that is demonstrating to shareholders their knowledge of maintaining asset value over time. For example, when a project is transformed from a business need to physical reality in the process of finance, design, build, and operate – McLennan asserts that unless FM/CRE is involved in the formulation of the business case for a project, it tends to be ‘relegated to the non-core stage of operate, the domain of facility professionals.’ The high performing FM/CRE who is adept at corporate finance will be not only a stakeholder, but also a leader in developing the business case for major initiatives.

For the FM/CRE who can lead in these ways, they can be positioned to penetrate the inner circle of the enterprise’s leadership team. The author will offer later in the paper stepping stones for the FM/CRE profession as a whole to elevate its profile.

Why is FM/CRE on the periphery of the Boardroom?

Campbell (2004) asked this question during the March 2004 annual BIFM (British Institute of Facilities Management) conference: “Why are FMs inside parent organizations still on the periphery of the boardrooms across corporate UK with at best non-board director status? Is it because FM is marketed as a business outsourcing solution – a simple support service ... a range of non-core activities to be managed as economically as possible? To deliver the vision of FM as a strategic business discipline, one that genuinely adds real value to both the private and public sector, our profession must be leveraged in such a way that propels the profession forward. FM should no longer be seen as a support function to the core business ... but as a function at the very vortex of business strategy and change ... an essential link in delivering parent company business and community objectives ... and developing sustainable competitive advantage in the future.”

Price (2002) believes “the FM profession is beset by paradoxes, among them an aspiration to the status of a strategic discipline when most practitioners function at an operational level. It remains common in academia, organizational hierarchy, and in professional service fields for FM to be seen as either an operational subset of corporate asset management, or something that happens when a new building passes from designers and constructors to maintenance.” CRE seems to struggle less with this dilemma, but even it can be perceived more as an operational subset in terms of business that is transactional and less strategic. Let’s examine in further detail the elements that contribute to this operational impediment.

Tactical orientation, identity struggle, and vernacular

The commonly held view is that FM is a non-core, middle management function, managing resources and services to support steady state operations. The ongoing focus on outsourcing, competitive sourcing, and supplier management has led many in FM (end users and suppliers) to essentially act as commodity managers.

Osgood (2004) observed that the perception of FM is that its job is ‘to respond to core business strategy, not to help craft it, adding that CEOs say that real estate concepts are often presented to company leadership in the language and tools of architects and brokers, rather than in business terms that demonstrate the impact of the physical environment on their specific strategy.’ In other words, some of these perceptions are self-inflicted by FM/CRE. One FM executive shared that when he tried to show his CEO a simple schematic, she shoved it aside, and said, “Let me tell you what I want.” Price (2004) says that the FM/CRE industry seems to ‘unintentionally conspire in a system of discourse that perpetuates and reinforces’ the esoteric insider view.

Price (2004) goes on to say that the terminology of core and non-core, so prevalent in FM/CRE, subtly ‘reinforces a perception of unimportance, even inhibiting FM/CRE from enunciating its contribution to the core business.’ Out of frustration, some in FM/CRE may follow the path of least resistance by taking an operational and cost focused stance. This in turn can contribute to the low visibility of FM/CRE except for its cost cutting and statutory tasks. In such cases, the links between senior management and FM/CRE weaken, resulting in a low view of the function, or at least one in which the CEO or CFO view FM/CRE as an operations function with occasional strategic input (Kaya et al. 2004).

There may even be cases of a dichotomy with FM/CRE being best in class in terms of service and operations, while the CEO sees stained carpet, clutter, and burned out light bulbs as symptoms of a failure of FM practice. This can lead to a vicious cycle of criticism that assures FM services are bound to visible operational functions. In discussing reform for the profession, Nutt (2004) notes that this ‘dichotomy can be prolonged by the tension in views between those who want to manage resources strategically and those who want to focus on service operations management directed at consumption needs and expectations of customers rather than core interests of business and property.’

The author has also observed in the review of literature the prevalence of the descriptors ‘support’ and ‘service’, more so in FM than CRE. That led to a consideration of the overall professional vernacular that subtly reinforces the tactical inclination within the profession. Price (2002) delved into the concept of the FM/CRE ‘meme, a unit of cultural information, such as a practice or idea, that is transmitted verbally or by repeated action from one mind to another, eventually forming collective organizational paradigms.’ Price elaborated that the FM meme supports an industry, trade associations, academia, consultancies, and suppliers, all of which are part of a loose federation which replicates FM semantics regardless of whether they agree on the specific usage. As a metaphor, even the term ‘facilities’ carries basic assumptions, some negative. He said that a meme may devolve into a fad; for example, some advocate adopting terms such as infrastructure, workplace, or asset management in place of facilities, which may pose a risk of saturation or fad, but as shown later, some FM/CRE executives assert that these descriptors aligned with or even helped prompt the corporate strategy for change. One ‘workplace’ executive who was SVP and an officer of the corporation, even challenged the author’s assumption of the title ‘Chief Facility Executive’, saying that the term ‘Facility’ could be a constraint to attaining corporate officer status.

In sum, is the FM profession its own worst enemy in terms of the default view of a profession that is geared more toward operations with a tactical mission? Examination reveals the profession’s vernacular is biased toward support and service over strategic terminology, prevalence of tactical topics within professional journals and trade association chapter meetings, predominance of technical competencies in credentials and academic degrees, and procurement practices that drive FM to manage by commodity. There may even be a proclivity for firefighting myriad facility crises as many in FM relish and perpetuate this rescue role; but as Covey warns, the tyranny of the urgent will distract us from the important.

Credibility as a profession

As a recognized profession, FM is relatively young, starting with the formation of trade associations including International Facility Management Association (IFMA) in 1980, EuroFM in 1987, FM Australia in 1989, and BIFM in 1993.

So why should such a young (or immature) profession garner a seat at the table in the C-Suite? The professions associated with buildings, architecture and engineering, have been around for millennia, and certainly people managed structures and buildings from that time to prolong decay and maintain functionality, not to mention aesthetics. So in one sense, the FM profession is ancient. Yet, when contrasted with the major professions of medicine, law, architecture, science, and engineering, FM is in its youth in terms of a published body of knowledge and credentials, especially in academia where there is a paucity of institutions with degree programs in the FM/CRE fields.

According to Grimshaw (2003), the underlying characteristics of a major profession are:

- “Specific and definable knowledge and skills base that has to be acquired and tested,
- High degree of self-control of behavior via a code of ethics,
- Recognized social responsibility that gives a primary and selfless orientation to the community of interest”

The first two characteristics noted are very well-suited to FM/CRE because of the strength and vitality of their respective trade associations. IFMA, Corporate Real Estate Network (CoreNet), Building Owners and Managers Association (BOMA), and Association of Facility Engineering (AFE) is each comprised of thriving membership rolls, rigorous credential programs (although not well-known outside the profession), and impeccable codes of ethics. Likewise, for the associations based outside the US. Grimshaw (2003) notes that the third characteristic, social responsibility, appears to be the strongest aspect of professions, i.e., ‘social relevance and direct influence on people’s well-being.’ FM/CRE clearly has a social role due to the impact of the physical environment of work upon employees. Yet, it has not capitalized on this aspect as other professions have in terms of user advocacy (i.e., do CEOs, CFOs, or employees view the FM/CRE professional as a strong advocate?). There is much opportunity in this area for FM/CRE to provide value to the enterprise as will be presented later.

Grimshaw (2003) also cautions that the diversity of practice within FM/CRE can be a double-edged sword, with a possible downside of diluting the professional discipline. He describes the core practice as containing these functions and associated interdisciplinary elements:

- Technical (operations)
- Economic (financial)
- Strategic (change management)
- Social (user interfacing)
- Service (support)
- Professional (advocacy)

Grimshaw notes that as long as a healthy tension is maintained, the core practice will develop, but there is a growing dominance of cost control and outsourcing to reduce servicing costs for the asset in order to increase return on investment (ROI). The pitfall is that FM in particular will spend its time focused on economizing services and commodities, while neglecting strategic planning and alignment with the core business.

Passivity in external focus

It is not uncommon for FM professionals to be so focused on technical, service, and operational matters that they overlook prime opportunities to influence external factors affecting the core business. The key to elevating the FM/CRE profile is to develop and maintain acumen for the business. IFMA's President and CEO, David Brady, conducts a presentation for IFMA chapters, *The Future of FM*, in which he sets apart two of the nine FM professional competencies: finance and communications. These competencies are key not only to understanding and relating to the core business as it faces external markets and other forces such as regulatory bodies, but also to convincing the internal C-Suite executives of the strategic relevance of FM/CRE.

As interest in environmental sustainability accelerates, FM/CRE has an extraordinary opportunity to demonstrate leadership, yet some are content to allow other stakeholders to lead this initiative, or others dabble with tactical aspects of energy conservation. IFMA Board member William Conley thinks that strategic leadership in sustainability can leverage FM/CRE into the Boardroom. Conley stated that "Facility managers have the most impact of any profession in the world on the environment because they make the decisions in the built environment." He pointed out three reasons why the CEO should treat sustainability strategically, each of which FM/CRE can lead:

- 1) Saves money
- 2) Positive impact on the environment – enhances corporate citizenship
- 3) Attracts and retains best employees – given the choice, the new generation of employees will opt to work for a company that provides an environmentally sound workplace and strong environmental stance

Corporate sustainability is even tracked in the Dow Jones Sustainability Indexes and other international indexes, which gives evidence that it creates long term shareholder value, a strategic external factor that FM/CRE can influence through leadership in this area. Conley acknowledged that IFMA needs to press on the sustainability agenda, a challenge because it is a moving target due to geopolitical forces, and ensure that its members are equipped with the training and resources to integrate sustainability across all of the FM technical competencies.

Another external factor that is infrequently pursued is community based leadership. The FM/CRE executive has access to a network that is inherently comprised of community and political leaders and officials, yet may neglect nurturing these interfaces to the detriment of the organization. Such leadership offers immense opportunities for the savvy FM/CRE executive as there is often a void within the company's leadership in exercising this level of influence. Likewise, there are opportunities for publicizing through the media certain FM/CRE projects and initiatives, yet many shy away from such media opportunities fearing the risk of exposure or the time needed to collaborate with internal communications staff and the media interface itself.

Global influences are shaping business in profound ways. Here again, FM/CRE executives who do not have direct regional or global responsibilities may be overlooking opportunities for influence. If FM/CRE does not plan globally, then there is a risk of losing ground as external factors suddenly alter the business. One FM/CRE executive persuaded his management to add 'global' to his title, then assumed an informal role as internal consultant to the company's regional and global sites, which may lead to formal responsibility as the company is now seeking strategic integration opportunities.

Organizational paradigms

Valenziano and Kious (2005) note that most FM/CRE professionals were 'groomed in an industry focusing on functional excellence. Even as outsourcing models have evolved, in-house staffs are still organized

functionally.’ They challenge companies that have outsourced their FM/CRE to ask if they have ‘retooled their organizations to reflect the higher, advisory role of strategic alignment, or whether they maintain an inefficient shadow structure.’ There also continue to be silos among the infrastructure groups of HR, IT, and FM/CRE. Valenziano and Kious urge FM/CRE to be initiators of organizational change rather than passive recipients, and in so doing become a better advocate for a strategic role with these groups, as well as Finance.

Additionally, the profession’s struggle for identity is apparent in many organizations that are uncertain and even indecisive in where to place FM/CRE within their hierarchy. The author’s own career experience illustrates this point. In business units of two Fortune 100 companies, the author has led the FM/CRE function under Engineering, Supply Chain Operations, R&D, Finance, and HR. The current debate reveals a matrix of function and geography, i.e., whether the function is a corporate service under HR (employee interface) or Finance (cost control), and whether a North America regional or Global oversight function.

Is CRE on the right track?

Through most of this paper, the author has coupled FM and CRE together because in many organizations, they are managed within the same division or equivalent entity, with many variations, including outsourced and integrated models of which function leads the entity. Because there are conspicuous examples within industry of CRE leading the combined function, the author briefly examined a survey conducted by Jones Lang LaSalle (JLL) (O’Mara et al. 2002) as to whether CRE is any better positioned with respect to the C-Suite. Also, although the respective trade associations (IFMA and CoreNet) partner together on various initiatives, they remain distinct, and there are differences worth noting later.

Although the JLL survey was conducted about seven years ago, the results are still germane in today’s business environment. JLL noted that real estate requires long term commitments in a very short term world; hence it is important to align to a company’s strategic objectives. The survey of 26 global companies set out to determine the characteristics of a high level CRE organization. Of the 26 companies, not one CRE reported directly to the CEO, seven reported to the CFO, and 19 reported to the CAO or other (three levels down). This outcome may be somewhat better than the average FM position, especially since FM reported to CRE in several of the companies, and current observations seem to support this outcome, but not significantly. The JLL survey did zero in on these apparent characteristics of a high level CRE organization:

- 1) Fewer levels between the CRE and CEO
- 2) Frequent meetings with senior management
- 3) Broad span of control that includes FM
- 4) Executive committee for real estate matters
- 5) Receive more strategic planning information
- 6) Formal lines of authority and power
- 7) More formal policies and standards
- 8) Formal client relationship management between CRE and lines of business

All of these characteristics can be applicable to repositioning FM as well as a combined FM/CRE function. What was unclear in the survey was whether in high level organizations, did the CRE have authority given to them, or did they gain it through expertise and leadership ability? The author suspects that the latter played a significant role.

As with IFMA, CoreNet has a professional credential, the Master of Corporate Real Estate (MCR), which designates specific competence and experience as a CRE executive. There are differences to discern between the FM and CRE credential programs, salient in that CoreNet emphasizes the aspects of the core business (e.g. case study methodology, business and workplace strategy, impact of global markets, and enterprise alignment), whereas IFMA focuses on the knowledge and abilities of the practice of facility management. Furthermore, CoreNet offers an advanced credential for senior executives, the Senior Leader of Corporate Real Estate (SLCR). This credential provides a series of forums on change leadership, enterprise program management, financial leadership, and others including one on positioning and designing the optimal CRE organization. This thought leadership structure is precisely geared to elevating the profile of CRE by crafting it as the ‘business of the business.’

On the other hand, IFMA is making a concerted effort to ‘sustain and grow higher education programs globally,’ according to Charles Claar, Director of Academic Affairs, IFMA Foundation. There appears to be no such effort within CoreNet, which focuses instead on its credential programs, communities of practice, and extensive learning and research programs.

Conclusion: Roadmap to the C-Suite

Not all roads lead directly to the C-Suite, some may detour and others may lead to a dead end. As with any journey, one needs to look for the guideposts and occasionally ask for directions, but probably more important is taking measured risk in anticipating and establishing a direction that aligns with the strategy of the enterprise. Setbacks will occur, but integral to leadership is recovery and nimble redirection.

While most FM/CRE executives are two or three levels below the CEO, there are exceptions. Those who are at or near the C-Suite level unequivocally stated that the reason for attaining the stature was their alignment with the strategic goals of the business. This is not a trite prescription – it requires extraordinary insight, innovation, penchant for change, and boldness. One such example is Bill Agnello, former SVP of Workplace Environment at Sun Microsystems. He posed a remarkable challenge to his staff, which should apply to any FM/CRE executive seeking C-Suite stature: “Would you be able to stand in for the CEO during the quarterly conference call with Wall Street analysts?” He said that he could, emphasizing that the FM/CRE who is linked to the EC should be ready to accept the mantle of strategic responsibilities that comes with it.

None of the executives interviewed believed that the profession will ever see a Chief Facility Executive or Officer per se. However, they were optimistic that some variation could occur, such as Chief Workplace (or Asset or Infrastructure) Officer. One executive surmised that one must have more than FM/CRE responsibilities to get to the EC level e.g. Chief Administration Officer. While there is no formula for success in FM/CRE becoming an officer of the corporation, or at least establish a strong link to the C-Suite, or even just name recognition among the EC, the guideposts listed below can lead the way. Some depend upon strong individual leadership, some on systemic changes within the loose federation of the profession, especially in the trade associations and academia, while most are more likely coalescent dependencies.

- **Enterprise Alignment**

A good starting point for determining the relevance of FM/CRE to the enterprise is to define a value proposition, which requires an understanding of the company’s competitive strategy as a precursor to aligning to the company’s core business and external environment. It is prudent for FM/CRE to proactively articulate the value it offers to the business rather than passively accepting an ill-defined objective or deferring to other parts of the organization. Value propositions appear simple on the surface, yet require contemplation to arrive at one or more that are effective in addressing how FM/CRE can positively

influence market share and revenue. The key is to avoid FM or CRE vernacular in constructing the proposition. For example, Valenziano and Kios (2005) offered FM/CRE elements that could form the basis of a business value proposition:

- 1) “Provide shelter (physical space or envelope)
- 2) Optimize workplace (production platform)
- 3) Reward shareholders (financial return)”

Price (2004) observed that FM/CRE may be frustrated about not receiving clear directions from the core business, but they struggle to define their contribution in terms that are relevant to the business. Price (2002) also notes that the typical FM/CRE output measures have failed to reflect the necessary change to a core business focus, believing that the solution is considering performance in relation to measures of core business success, i.e., outcomes rather than outputs. For example, FM/CRE should translate measures assessing the workplace and practices for their impact on outcomes such as:

- Speed of knowledge creation
- Speed to market
- Impact of built environment upon employee productivity and innovation
- Impact on unwritten rules and protocols (i.e., culture) of the organization
- Customer satisfaction
- Agility in dealing with rapid and dynamic business cycles
- Shareholder value

Some CRE groups have successfully aligned to the business by implementing the concept of client relationship manager (CRM) as a single point of contact with a line of business. However, FM/CRE groups with limited size staffs may view this as a luxury, or as Roper (2001) explains ‘realize that planning and relationship management do not successfully occur within the scope of day to day operations,’ resulting in different points of contact for portfolio (CRE) and operations (FM) support. Either way, some form of relationship management with each line of business is necessary.

Also, an important aspect of alignment is that FM/CRE must be willing to deal with strategic risks of failure as well as the customary operational risks. Risk is often a function of uncertainty of the future, and as Nutt (2000) points out, the further out the future, the more risk. The strategic approach for FM/CRE focuses on management of this uncertainty, which requires moving closer to the core business strategy.

- External Focus

As noted earlier in the paper, FM/CRE is uniquely positioned to take advantage of external interfaces that can favorably affect the enterprise, yet tactical or internal objectives may distract many facility executives from this focus, and it requires time away from the office (including evenings) to nurture. This is the kind of leadership that is exercised by the C-Suite, and FM/CRE can likewise demonstrate community, regional, and global leadership, as applicable, in a variety of ways, such as establishing a rapport with municipal and government officials, attending planning commission and city council meetings, meeting with economic development agencies, participating in industry roundtables, joining chambers of commerce, spearheading community outreach initiatives, acting as stakeholder in community development planning, funding community initiatives that interface with and/or enhance the reputation of the organization, lead the overall sustainability effort, find ways to collaborate with regional and global business units, etc.

The author shares his own experience in that no one in the company's leadership structure was interfacing with municipal, county, or state officials on the city's long range development plans, the company's quest for enhancing its reputation and visibility within the community, or other opportunities to partner with the government officials on environmental or industry supportive issues. Likewise, no one was proactively working with the business community or the media to favorably position the company's achievements. As the FM/CRE executive, the author became the de facto community leader, later being formally recognized as the company's media spokesperson for a major metropolitan area. This role encompasses collaborating with the mayor and city council on the city's long range development plan and other initiatives, working with internal communications on media articles, spearheading community outreach efforts, interfacing with Congressional or other government representatives, and many other areas. The point is, no one asked or directed the author to assume these responsibilities – once assumed, they became part of the FM/CRE repertoire connected to the core business.

- Executive Leadership

FM evolved from a technical base (formed by many from the trades, construction, or engineering) to more of a management discipline, with many core business related responsibilities, yet FM as a professional activity still struggles to demonstrate its strategic value (Kaya et al. 2004). As with external focus, there are many ways to exert executive level leadership within the profession to advance its agenda for linkage to the C-Suite. Some examples follow:

- As the author discovered, interest in this topic is keen from the industry online communities and up through the IFMA and CoreNet Board of Directors, yet professional journal literature appears to be lacking in guidance or coaching for FM/CRE executives to gain a seat at the Boardroom table or at least have more than infrequent access. This appears to be an area of opportunity for journal editors to elicit dialogue.
- IFMA may consider introducing a formal thought leadership process or program similar to what CoreNet has established in its advanced credential, Senior Leader of Corporate Real Estate (SLCR), which includes a series of seminars that emphasize new capabilities, collaboration across corporate functions and service partners, integrated workforce strategies, understanding work and how the infrastructure can most effectively enable it, and skills to lead change initiatives.
- Executives should consider unconventional opportunities for exercising leadership on the periphery or even outside the realm of FM/CRE. For example, as the author led a redesign of the global headquarters building, he discovered an opportunity for interior branding and corporate identity in which Sales & Marketing staff deferred to him to establish standards. There is obviously a risk to assuming such responsibility, but the upside is elevating the profile of FM/CRE to a major line of business.
- Connected to external focus, leaders should make time to publish articles, participate in roundtables, and speak at conferences.
- As noted above, environmental sustainability provides a significant opportunity for leadership that is accelerating as government and international focus intensifies. If FM/CRE does not act, then other groups may fill the void by default.
- One FM/CRE executive commented that the most important thing for him is FM because he can get anyone to do transactions – Facilities is what makes the employees want to work there. That's an example of an FM group that is focused on workplace strategy.

- Intellectual Capital

The collective know-how of the FM/CRE industry is more than a repository or program of professional knowledge. It covers the relational, human, and organizational aspects of the ‘capital’ needed to develop the discipline and to cultivate the next generation. The learning and credential programs of the trade associations are the cornerstones for professional competence, and the growing importance of degree and continuing education programs in academia provide a means to deepen the external credibility of FM/CRE as a major profession. Here are some further aspects to consider:

The common thread of success for those FM/CRE at or near the top level of the organization is business acumen, including corporate finance, external markets, global planning, and high level and external communications. CoreNet has integrated these elements into its credential programs. It may be time for IFMA to undertake a review of its competency structure to ensure these elements of business acumen, enterprise alignment, and workplace strategy are intertwined into the FM competency set.

IFMA is working hard to sustain and grow FM higher education programs globally, as evidenced in its senior staff position of Director of Academic Affairs, Charles Claar. Charles is convinced that the real future of the profession is in higher education, saying that as FM/CRE degrees become more prevalent, the C-Suite will take notice. This is the long term way to strive for major profession status, while developing interest and expertise within the next generation. There are other opportunities that could support the FM/CRE profession even more, such as formal dual degrees (e.g. MBA, law, engineering), continuing education for seasoned professionals, thought leadership forums hosted by universities, and more juried publication research to help codify best practices in leadership.

Lastly, the FM/CRE professional as polymath, well-versed in and outside the profession, can be a role model as an executive by taking advantage of opportunities such as adjunct professorships, publishing articles in trade journals, engaging politicians and economic development experts, working with internal communications to position FM/CRE initiatives with the media, participating in community events, understanding and demonstrating strong leadership in sustainability, developing global insights, etc.

- Organizational Design

Organizational paradigms may limit the ability to effectively align with the core business. As noted earlier in the paper, due to its functional orientation, FM/CRE may report to a wide diversity of divisions, and as noted in the author’s case, FM/CRE was on a merry-go-round of divisional homes. Consequently, it is important for the FM/CRE executive to periodically examine whether the status quo effectively aligns as the rest of the business grows or changes with the marketplace and global forces. The prudent FM/CRE will take the initiative to present the business case for reorganization in business terms, otherwise, the organization will be misaligned or forced to change.

Miciunas (2002) points out that the conventional wisdom is that FM is more tactical because it involves day to day operations, while CRE is more strategic because it involves long term asset management of property portfolios. He notes, however, that both CRE and FM possess aspects of strategic and operational management, and the combination of the two staffs that is strategically focused, with external service providers that are operationally focused, could offer significant competitive advantages. The author observed that organizations that were closely linked or part of the C-Suite were typically consolidated FM and CRE organizations.

- Rebranding

The FM profession may be at the point where it should rebrand itself to move from the margins of the enterprise to a higher profile. Bill Rodgers, 2nd Vice Chair of the IFMA Board of Directors, believes the profession is at a cross-roads – either it can continue as a commodity support or service function, or it can remake itself to impact the strategy of the business. As with several other executives interviewed, he believes IFMA needs a new naming convention as ‘facility’ or ‘facilities’ imply commodities such as janitorial, food, mail, security, etc., whereas ‘infrastructure’ of the business is more impactful, and who better understands infrastructure than the FM/CRE?

Rebranding requires visioning, methodical planning, and cultural change management to execute across a profession. Grimshaw (2003) notes ‘the difficult balance between developing the recognized characteristics of a traditional profession while pioneering a professional ethos that responds to the new environment of business.’ Other elements to consider in rebranding include:

- Vernacular of the profession – The buzz words support, service, transactions, and operations all carry some baggage related to perceptions of FM/CRE as more tactical than strategic, more commodity oriented rather than core business.
 - Reorganize to support the new brand, including job titles and functions.
 - Credential competencies – Do they align with the enterprise and are they scalable with the global markets?
 - Trade profession identity and brand – Undertake focus group initiative to rebrand, and ensure effort reaches all elements of the ‘federation,’ e.g., end users, service providers, academia, consultancies.
 - Stronger alliance between CoreNet and IFMA – If it is necessary to merge FM and CRE within the enterprise, then the respective trade associations should continue to strengthen their alliance in creative ways.
- Enlighten the CEO and Executive Committee

Sullivan (2005) surveyed FM executives on their view of FM’s value to the organization, asking why do FM executives need a new place in the corporate hierarchy? The simple answer is to show how FM/CRE adds value to the organization, but that presumes an understanding of the EC’s view of value. Sullivan urges the FM/CRE to develop empathy for the CEO, i.e., imagine trading places with the CEO who is dealing with a plethora of issues that distracts them from thinking about facilities, or worse, viewing facilities as a burden, hence the cost-cutting stereotype.

There is also the situation in which the FM/CRE who focuses on transactions, capital projects, and facility operations only occasionally gets to develop and execute a major core business project such as a relocation or redesign of the corporate headquarters. If performed well or even flawlessly, the FM/CRE is viewed with high esteem, yet returns to a tactical focus with perhaps only name recognition at the EC level. On the other hand, a CBRE/Knoll survey of CEOs revealed that they did not perceive such projects effectively contributed to strategy execution, probably due to mixed results and/or lack of data to demonstrate or communicate the value of the change, hence reinforcing that these are risky investments (Allard and Barber 2003). FM/CRE name recognition may be a satisfactory compromise within organizations that will not accept a change to the traditional composition of the EC. For more progressive organizations, the case for change should be presented to the CEO and EC persistently (with discretion) and opportunistically.

APPENDIX 1 – REFERENCES

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APPENDIX 2 – INTERVIEWS (all conducted during June and July 2009)

Telephone or In Person

Agnello, Bill – Former SVP of Workplace Resources, Executive Officer, and member of Executive Management Group, Sun Microsystems

Anderson, William – SVP, Rise Group and Former Chief Facilities Officer, MIT

Claar, Charles – Director, Academic Affairs, IFMA Foundation

Conley, William – Member of IFMA Board of Directors, and Managing Director, LEED/Sustainability Development Group, Pacific Building Care

Ficke, Bruce – Member of CoreNet Board of Directors, and EVP, Global Client Solutions, Cushman & Wakefield

Mitchell, Thomas – Chair, IFMA Board of Directors and Director of Facilities Management Consulting, Booz Allen Hamilton

Morris, Trex – Americas Director, Real Estate Services, Ernst & Young

Papageorge, Anne – VP, Facilities & Real Estate Services, University of Pennsylvania

Rodgers, William – Second Vice Chair, IFMA Board of Directors, and President and CEO of GoodCents

Sorich, John – Director, Office Services, Fluor

Zimmerman, Greg – Editor, *Building Operating Management* magazine.

Email

Bertasi, Richard – Member of CoreNet Board of Directors, and VP of Global Workplace Solutions EMEA, Johnson Controls Inc.

Casey, John PE – Former Director of Engineering, University of Georgia

Daily, Bernie – President, Daily Operations Inc.

Ellzey, Karen – Member of CoreNet Board of Directors, and Executive Managing Director, CB Richard Ellis

Fisher, Buck – Member of IFMA Board of Directors, and Senior Manager of Facilities Services, SAS

Harris, David – SVP, Work Environments and member of Executive Management Group, Sun Microsystems

Kuhn, Francis – First Vice Chair, IFMA Board of Directors, and VP of Facilities and Administration, Western Corporate Federal Credit Union

Liciardello, Marc – Member of IFMA Board of Directors, and VP Corporate Services, ARAMARK

Livingston, Mert – VP, Global Site Operations, Johnson & Johnson

Mack, Joseph – Facility Manager, Norristown State Hospital

Ruble, Doug – VP, Facilities, Hannibal Regional Healthcare System

Steele, Fritz – Consultant and author, workplace design.

Tafel, Jeff – Director of Councils, IFMA

Utke, Lee – Chairman-Elect, CoreNet Board of Directors, and Director, Global Corporate Real Estate, Whirlpool Corporation

Venable, Tim – Editor, CoreNet *The Leader* magazine

Westfall, Steve – President, Tradeline Inc.

Online Communities consulted

APPA (colleges and universities)

FacilitiesNet

IFMA Corporate Facilities Council

IFMA Corporate Real Estate Council

LinkedIn – IFMA Group

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Robert Barnes - Director, Corporate Services & Global Facility Operations for CIBA VISION, a Novartis company. Graduate student in the Building Construction program of Georgia Institute of Technology



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