

CoreNet Global Knowledge Center Report

The Evolving Role of Facilities Management

*FM Professionals Tackle Complex
Issues in the Post-Pandemic Market*

by Beth Mattson-Teig



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Facilities management (FM) has been on an evolutionary path since long before the outbreak of the COVID-19 pandemic. FM professionals have been stepping up to play an important role in corporate real estate, managing operating costs and maintaining assets, and the pandemic thrust FM even more into the forefront of organizations.

Traditionally, FM has sat in the background of corporate real estate (CRE) teams, while big transactional deals tended to draw a lot of attention from the C-Suite, notes Emma Forster Mitrovski, CEO of Australia & New Zealand for Unispace.

“However, the whole FM industry really proved itself during the pandemic with its ability to respond quickly and flex up and down in terms of capacity and capability,” she says. In some cases, FMs were the only professionals on site during lockdowns, tasked with maintaining assets and working hard to reduce operating costs. At the other end of the spectrum, essential facilities, such as data centers, life sciences, labs and manufacturing plants, increased their capacity creating additional pressure and risk around work health safety & environment (WHSE) and critical failures. “The profile of the FM has changed, certainly over the last two years, and there is more respect and appreciation for the important work that they do, particularly in times of crisis,” says Forster Mitrovski.

At its core, the fundamental job for FM remains keenly focused on maintaining assets within the portfolio, and FM professionals need to be diligent in conducting facility condition assessments. “We’ve been away from facilities for quite a while, and a lot of the inspection functions around FM have probably stalled out. There’s a real need to do those now as we’re getting back into the space and continuing to do those assessments in the future on a regular basis with rigor around inspecting facilities to



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ensure that we're meeting health and safety and sanitizing requirements, as well as extending the life of assets and key infrastructure within those facilities," says Greg Gratsch, Managing Director, Strategy and Transactions | Corporate Real Estate at Ernst & Young LLP.

Going forward, there are several pressing issues that will continue to give FM a seat at the table with corporate leadership. For many FM professionals, the list of priorities includes:

- Managing the health and safety of workers and accommodating changes in operations related to the pandemic;
- Adapting to hybrid work that is impacting both the way space is configured and what workers want and need from their workplace experience;
- Helping to move corporate environmental social governance (ESG) strategies and goals forward;
- Incorporating new technology solutions to improve efficiencies; and
- Controlling costs.

The pandemic has sparked a variety of changes in the future workplace that are impacting both the physical workplace and the services and experience connected to that space. Organizations are looking more holistically at the workplace experience to cultivate a sense of community, belonging and culture that brings remote workers back to the workplace and helps to attract and retain talent. How does FM readjust the space to meet the needs of the business unit, meet the needs of any health & safety requirements and meet the needs of a hybrid work environment?

FM needs to work with leadership to develop fresh ideas on what is going to make the workplace interesting and unique so that people will want to return, notes Gratsch. FM also will be tasked with helping to develop, implement and maintain those amenities, he adds. A big challenge



facing FM is being able to deliver all of these new and unique programs, while still controlling costs. “That’s where facilities management teams and leadership are going to have to be innovative around controlling costs, while still providing expanded, unique and new services,” he says.

Another priority for corporations is developing and advancing ESG strategies and goals and decarbonizing real estate portfolios. This is especially top-of-mind for U.S. corporations following a new reporting rule by the Securities and Exchange Commission¹ that aims to create new standard reporting requirements for certain climate-related disclosures. If finalized, it would become the first rule requiring all companies registered with the SEC to report, measure and quantify material risks related to climate change in their registration statements and periodic filings. Specifically, the rule addresses reporting on Scope 1, Scope 2 and Scope 3 emissions, as well as physical risk of facilities and operations related to climate-related events and transition risk related to compliance of federal, state and local climate laws.

Given the role that facilities play in consumption, FM is on the front lines of sustainability and the “E” in those corporate ESG strategies. The operation and construction of buildings globally is widely credited with accounting for an estimated 40 percent of global greenhouse gas (GHG) emissions. The task is not only to reduce carbon and greenhouse gasses but also to measure and benchmark consumption to show how companies are making progress towards ESG goals and identify opportunities for improvement.

Supporting Hybrid Working

One of the biggest issues FM professionals are dealing with right now is return-to-office and moving people back into the workplace – but in a new way. “There is this tension that exists between workers who desire and enjoy flexibility and hybrid work, and companies that recognize that the workplace is important in how they drive culture, collaboration and creativity,” says Bryan Jacobs, President, Head of Global Facilities Management at Cushman & Wakefield. More than two years after the outbreak of the pandemic, people are experiencing a certain amount of “Zoom fatigue” and eagerness to get back to face-to-face interaction. “We have fallen into work patterns that are not natural with 30-minute segments of video conference after video conference. But there are still a majority of employees that enjoy this hybrid work environment,” he says.



There is a huge opportunity for FM around reconfiguring space, space management and adjusting workspace so that it is more viable for the hybrid work environment. How does that return-to-office process work? What are the new considerations around workspace and floorplans? How well does workspace align with the new needs of a hybrid workforce? What are the new workplace policies? “It’s not only the workspace that they’re in, but I think facilities management also will be drawn into how we interact with the hybrid workforce that is working from home and integrating with HR to assist there,” says Gratsch.

¹ Fact Sheet: Enhancement and Standardization of Climate-Related Disclosures, U.S. Securities and Exchange Commission. <https://www.sec.gov/files/33-11042-fact-sheet.pdf>

FM has had to fundamentally shift the way they are operating buildings to match this new hybrid approach and operate buildings differently, while still providing amenities and services at a higher level. “You can’t just throw amenities at people. You have to rightsize your spend because you have different occupancy patterns. When you have a more hybrid work environment, it changes the way you deliver the actual services,” says Jacobs. For example, cleaning schedules change, security protocols are different and maintenance windows shift because people are using the office space at different times and in different ways, he says.

Organizations also have a greater appetite to create collaborative, community-oriented space in the post-pandemic market. FM will need to focus on programming the space and creating engagement that makes it easier for people to collaborate and connect. One of the challenges is that there is no standard formula. The amenities people want and need are going to be different depending on the company culture, as well as age and where individuals are at in their life. Someone that is young and single might want a lot of after-work events, whereas someone who has a young family may want amenities that help them to maximize their time and facilitate engagement when they are on-site, such as easy access to the right type of work or conference space.



For years, there has been a convergence of hospitality and the workplace and the need to bring more hospitality-like skills into facilities management. “That has become an industry standard deliverable that most of the big facilities management companies and operators have leaned into,” says Jacobs. The starting point is creating the mindset that you are running a hospitality-oriented organization where you have to deliver an experience and amenities to help people be more productive in the workspace, and also do that in a way that incentivizes occupants to want to come back to the office, he says.

Cushman & Wakefield recently partnered with Cornell University’s hospitality graduate school to create a leadership certificate for both clients and people within its facilities management organization to get them that needed training. “Most senior leaders in FM come from either a finance or an engineering background. So, retraining the workforce to get a new mindset is something that is at the forefront and is being driven more by the return-to-work,” says Jacobs.

Redefining Workplace Experience

The pandemic disrupted key “future of work” trends related to enhancing the workplace experience and using the workplace to cultivate a sense of belonging. “The mindset is shifting away from fears of contagion and catching COVID-19, towards how we move forward to reinvent brands and rebuild culture through experiential workspaces” says Forster Mitrovski. CEOs recognize the criticality of their portfolios in supporting “Reconnection with Purpose,” which means that FMs need to think less exclusively about the bricks-and-mortar of an asset and more holistically on how to create experiences that help to attract and retain talent, especially those experiences that go beyond what someone can have when they are working remotely, notes Forster Mitrovski.

Obviously, FMs need to focus on keeping assets functioning at the appropriate standard, but they also need to put their thinking caps on around how they can create really special experiences, says Forster Mitrovski. “FMs also need to start thinking more about the emotional connection that people have with their peers, clients, brand and the culture of the business,” she adds. As people return to the office, there is more focus on connecting with people’s values and purpose that didn’t seem to be at the forefront in the past. “Companies want their people to feel something in that workplace, and feel something that is unique to that brand,” she says. “Providing that experience is not just about filling a fridge with free soft drinks, it’s about something new and different.”



For example, Unispace acquired the global experiential design firm Downstream in fall of 2021². Downstream provides integrated digital and physical experiences for a variety of clients and facilities, such as tech hubs, major sports venues, and flagship retailers. Unispace is designing spaces that include “experiential centers,” which use Downstream’s digital overlay technology that can shift depending on who is using the space.

As an example, a university that is competing to attract a student athlete could change that digital overlay within a space or experiential center to show that athlete in uniform or on the basketball court with the team. “It’s a very personal way of showing belonging and projecting feelings of inclusion,” says Forster Mitrovski. “People have been saying that in order to attract people back to the office, you need to have social events. I think it’s more than that. People can have social events in their private life. To bring them back to the workplace they need to understand what it is to belong and be a part of something greater than just themselves.”

² Press Release: Unispace Acquires Global Experiential Design Firm Downstream. [Open or download PDF.](#)

Leveraging Tech and Data Analytics

A big part of the evolutionary journey within FM has centered around implementing technology to improve operating efficiencies, enhance occupant experience and gather insights from data and analytics. FM professionals continue to sift through a variety of innovative tech that runs the gamut from workplace apps, proptech and advances in equipment to building automation systems and Internet of Things (IoT).

Technology is critical to creating a frictionless workplace where people can come in, use the workspace and get the services they need, notes Jacobs. Everyone's mobile device became more important for them during the pandemic. People were ordering food and shopping from their phone, and people are bringing that expectation back to the office. When people return-to-office they want to be able to reserve their conference room, order catering or connect people working remotely into an on-site meeting via Zoom or Microsoft Teams. "That was something that wasn't traditionally a very big deliverable in FM that is now a very large part of the office experience," he says.

FM professionals also need to be more proficient in data and analytics, including the ability to collect, understand and then use insights gleaned from data to drive strategy and decision-making. As we return to the office, FM often is tasked with tracking occupancy within the space to better understand who's in the building, when people are in the building, where people are sitting or congregating when they are in the building, and where is there vacant space. FM professionals are using various means to collect that data, such as sensor technology and security badge data, all of which contributes to understanding space utilization, as well as managing cleaning. "FM really needs to be smart about the data and use analytics to help determine what that data is telling you about people that are entering and exiting the building," says Gratsch.

FM has done a good job of collecting enormous amounts of data, but it is not always great at analyzing data to find insights. Predictive data analytics is increasingly important going forward, especially as it relates to understanding workforce movement and space utilization within portfolios, notes Forster Mitrovski. Reduced utilization may mean that assets do not need to be maintained the same way that they were in the past, which also may help to reduce operating costs. "Rather than being reactive, we need to be able to harness that data and be smarter about how we are maintaining assets for our customers," she says.

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