

TECHNOLOGY AND FM: AN UNDERDEVELOPED RELATIONSHIP

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// Introduction

Today's world is brimming with data – so much so that even those who consider themselves tech savvy, may be unfamiliar with some of the overarching terminology.

Our global 'datasphere' is defined in zettabytes, and predictions from the International Data Corporation suggest that the digital universe surpassed 59 zettabytes in 2020. But what does this actually mean?

To boil it down into a fathomable context:

- A gigabyte is one billion bytes.
- And a zettabyte is the equivalent of a trillion gigabytes.

In other words, there are **50 times more bytes of data** than there are stars in the observable universe... and there are no signs of the datasphere relenting in its expansion.

In other words, there are 50 times more bytes of available data than there are stars in the observable universe... and there are no signs of the datasphere relenting in its expansion. It is expected that more data will be created, captured, copied and consumed in the next three years than the previous 30, with more than three times the amount of data being produced in the next five years than the previous five.

The information age has undoubtedly propelled the development of societies and industries in ways unimaginable just a generation ago.

The facilities management (FM) sector is no exception. Once seen primarily as a 'hard' bricks and mortar discipline, the industry has evolved over the years to become more dependent on the softer skills of organising and interacting with people. Equally, the industry has also recognised the dependency of having effective interfaces between people, property and technology.

Technology has not only become the key to unlocking a greater understanding of our physical spaces, but equally it has formed the crux of a never-before-seen ability to meticulously control these environments. Problems can be pre-emptively identified and resolved, and significant sustainability gains can be made due to data-informed energy efficiency techniques and processes.

Despite the devastating impact of the COVID-19 pandemic (to be explored in Part 3), the global FM market was valued at more than £886bn in 2020. Nonetheless, questions remain as to whether FM companies are leveraging the full potential that digitalisation can offer. To shed some light on this critical question, in spring 2021 DMA Group partnered with i-FM, an online source on facilities management, to conduct a detailed survey among FM professionals.

FM market was
valued at more than

\$1.23 tn

in 2020



The research probed several important topics, asking both in-house and outsourced FM professionals about their knowledge of and experience with smart technology. Respondents were also canvassed about the extent to which smart technology applications are understood and used within their organisations.

Specific questions included:

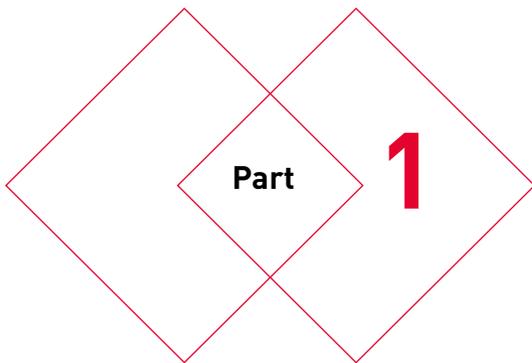
- Would you agree that FM, in general, is 'behind the curve' when it comes to adopting 'smart' technology?
- Is your organisation's FM or property team unlocking the full advantages of smart tech in business process automation?
- Do you feel confident knowing where smart tech could save money, save time and improve service delivery quality?

The survey results reveal some alarming contradictions within the FM industry's approach to technology adoption, some of which will be explored in more detail throughout this white paper, which is split into three broad chapters.

// **Part 1** looks at how FM professionals assess technology's potential to transform and enhance their organisation against what they see happening on the ground – is the perceived potential being exploited?

// **Part 2** considers whether employees in the sector are equipped with the skills needed to take full advantage of the sorts of technological solutions available.

// **Part 3** places the relationship between technology and FM within the context of the COVID-19 pandemic – have events since early 2020 exacerbated the need for the industry to embrace technology?



Untapped Potential

The ever-increasing volumes of available data is partly due to the advent of the Internet of Things (IoT), the rapid advancement of mobile connectivity and an explosion in the sophistication and availability of smart devices.

In an FM context, the use of IoT and smart devices is continuing to grow thanks to the declining costs of IoT sensors and improved access to the data gathered from them. Other upcoming technologies leveraged by modernised FM companies include building information modeling (BIM), which is more mainstream in the construction sector, and drones for more efficient high level inspections, such as roofs.



“FM service providers have a real opportunity to seize technology to drive transformational efficiency gains whilst also delivering great customer service. This is achieved through ‘digitalisation’ and leveraging data to re-engineer and automate their business processes.”

Steve McGregor, Managing Director, DMA Group

Solutions such as these are bringing efficiency, quality and safety benefits to FM operators, but not to their full extent according to the respondees who believe more potential exists.

The DMA Group and i-FM survey found that 68 percent of respondents felt confident that smart technologies could save time and money, and unlock service delivery improvements. However, fewer than 3 in 10 FM professionals (27 percent) felt that their organisation's FM and property teams were fully exploiting the advantages available from smart tech and business process automation.

This represents a marked contradiction in what those working in FM say they need compared to what they are actually receiving. Furthermore, three-quarters (77 percent) agreed with the statement that the FM industry was 'behind the curve' when it comes to smart technology adoption.

“The challenges in our industry are as complex as they have ever been, but digital transformation can connect the dots between the vast quantities of data across the built environment. Leveraging the full value of that knowledge, digitalisation will provide customers with real-time performance management, from simple dashboards and key performance indicator reporting, to the potentially more complex initiation of automated remedial responses.”



Andrew Cook, Chief Technology Officer, DMA Group

A variety of factors could help to explain these contradictory survey findings:

Upfront tech costs can be prohibitive for organisations with limited financial resources.



Many firms may still feel the human touch is the most important aspect of their offering.



Despite the obvious eventual gains, A-to-Z business process automation can be hard work and initially very time consuming.



Not knowing how best to use available technology could be a major hinderance.



Achieving leadership support to prioritise smart tech investment.

Getting affordable access to suitably skilled IT professionals.

Part

2

Developing the talent

Skills shortages, a well documented problem facing many sectors and industries, are now exacerbated in the UK by the combination of Covid-19 and Brexit.

In 2018, the World Economic Forum (WEF) predicted that at least 133 million new roles would be generated by 2022 due to the increasing influence of machines and algorithms within labour markets.

This poses a critical question – are workforces ready to make the shift?

According to statistics compiled from WEF's analysis around a year before the pandemic struck, along with several other recent studies, there is still significant work to be done:

54%

More than half (54 percent) of all employees will require significant reskilling by 2022 (WEF)

37%

Around 37 percent of workers in Europe lack basic digital skills (European Commission)

2/3

Two thirds of UK business leaders surveyed said their organisation was facing a digital skills gap (Microsoft)

4.9

4.9 million low-wage US workers may need to transition into higher-wage roles and develop new skills to remain employed in the new digital economy (McKinsey)



About DMA Group

DMA Group is a property services specialist supporting customers with the complexities of managing and maintaining buildings. Founded in 1803, the company has a proven track record of supporting building owners, occupiers, and managers.

The company offers a complete 'life of building' solution including design, energy services, refurbishment, installations, engineering, and maintenance, including a 24/7 emergency callout and repair service. Its unique BiO® technology platform saves time and money whilst providing full transparency throughout the entire supply chain providing assurances for all its cherished customers.

DMA's key industry sectors include super-prime residences and developments, hotels & hospitality, schools & universities, public sector, commercial offices, industrial, health & social care, and retail.

95%

said that tech proficiency should extend beyond the IT department.

Arrowing back in on the FM space, the DMA Group and i-FM study revealed similar trends when it comes to digital skills.

Once again, the respondents paint a mixed picture.

Although most said their organisations are behind the curve, some 73 percent described themselves as being tech savvy individuals, suggesting that there is a sizeable amount of untapped potential ready to be harvested by FM employers.



“Access to skilled workers is already a key factor that sets successful companies apart from failing ones.”

Miguel Milano, President, Salesforce

However, while more than 7 in 10 survey respondents claim to be tech savvy, 6 in 10 reported that they still require additional knowledge and experience to know where and how to incorporate smart solutions into their roles and business processes.

This gap is compounded by challenges with internal training. Fewer than half of those surveyed (46 percent) said that, if they were a team leader, they would be confident training their team on how smart technology could be utilised within their day-to-day roles.

Interestingly, 95 percent also said that tech proficiency should extend beyond the IT department.

This finding suggests that employees across multiple departments of organisations, including those in FM roles, have a desire to improve their digital skills – something which should be noted by business leaders as a major opportunity.

“An organisation must decide on the scope of its own digital transformation. The most difficult aspect thereafter is finding the right technology expertise. There are many different skill sets required to cover the entire spectrum of hardware and software. One person can rarely deliver on all fronts, but it comes down to finding and affording the right technology expert. In organisations where budgets are more tightly constrained, this person must have the experience and intellectual capability to do most things themselves and know where to go to fill the gaps. A very rare breed!”

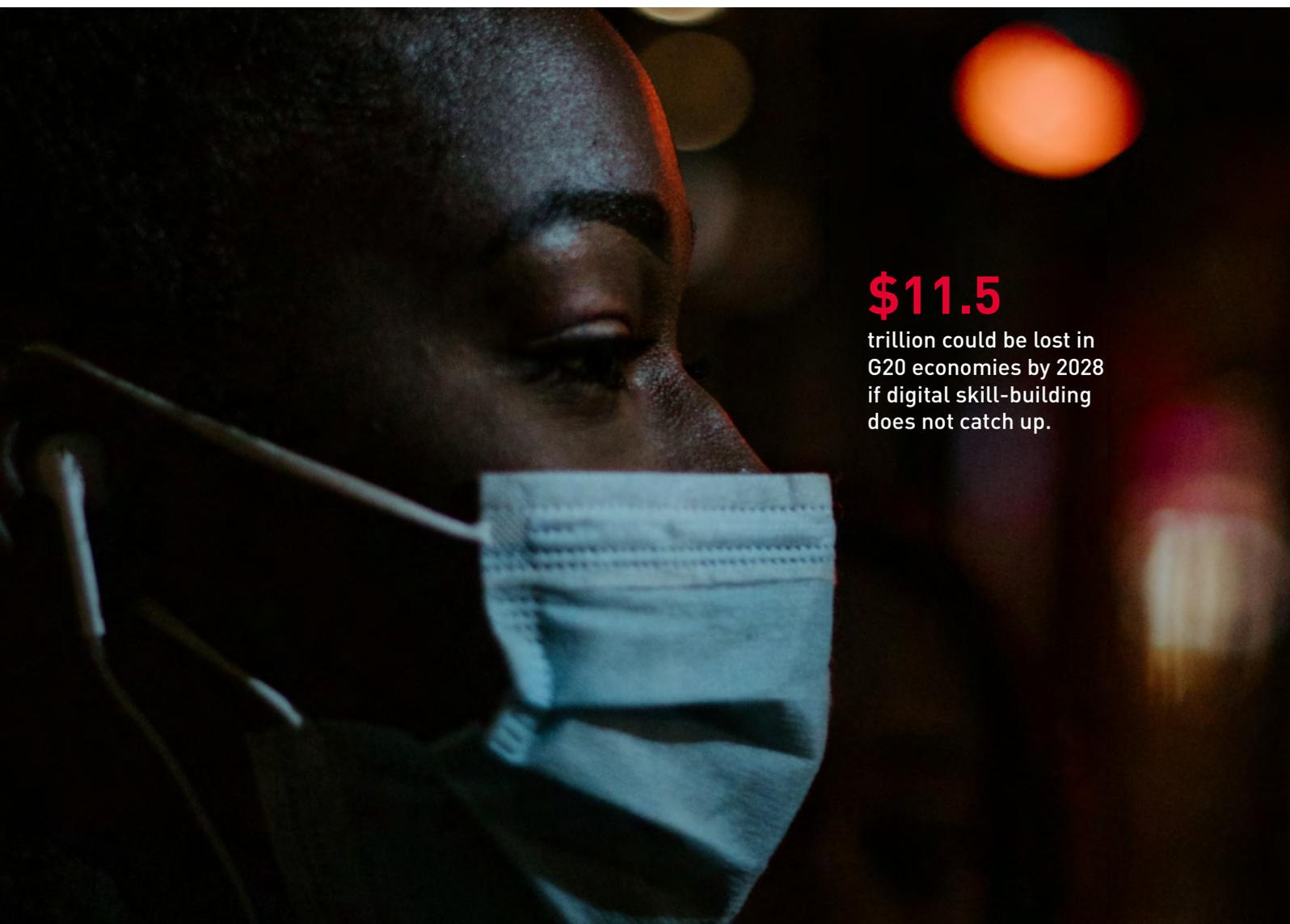


Andrew Wood, Chief Executive, DMA Group

A failure to act could be costly, as is the case across almost all sectors of the global economy.

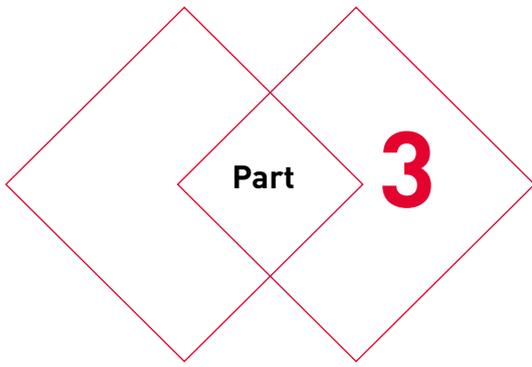
A recent Accenture report put a blunt but striking perspective on the digital skills gap issue – it claimed that up to \$11.5 trillion could be lost in G20 economies by 2028 if skill-building does not catch up with the rate of technological progress.

For FM leaders, such progress presents enormous challenges and significant opportunities in equal measure, and this can only be fully exploited with serious commitments to digital skills development, a necessity which has become even more apparent in light of the COVID-19 pandemic.



\$11.5

trillion could be lost in G20 economies by 2028 if digital skill-building does not catch up.



COVID-19: A wake-up call

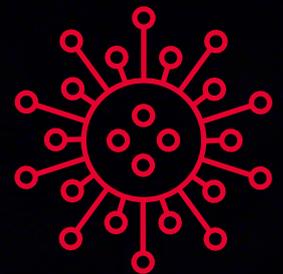
Unsurprisingly, the FM sector has struggled in the face of national lockdowns and social distancing requirements.

While some industries such as ecommerce and video conferencing have flourished in a contactless world, FM – an industry ultimately reliant upon the physical presence of people – has been plagued by social limitations and a drastic reduction in the use of buildings such as offices and events venues.

Market estimates from Fortune Business Insights suggest that the industry contracted by

0.2%

in 2020.



“The impact of Covid was both swift and severe. It seriously tested the resilience of most businesses and magnified their dependency upon, and the fragility of their competitively acquired supply chains. Studies revealed that 85 percent of global supply chains faced reductions in operation during the pandemic, while six percent shut down all together.”

Steve McGregor, Managing Director, DMA Group

Yet this is not to say that FM is an industry that will lack potential in the new normal. The very same report states that the sector is projected to expand from \$1.249 trillion in 2021 to \$1.759 trillion by 2028, with a compound annual growth rate (CAGR) of 5.0% projected for this period.

Technology will be a vital ingredient in realising these forecasts.

Simply put, the events that unfolded from early 2020 have transformed human interaction, in many ways permanently, and innovation will be required in the FM industry to successfully and

profitably navigate this new normal. Business continuity will depend upon FM companies building greater agility to withstand future traumatic events like the pandemic. In addition, successfully attracting and retaining talent, remaining relevant and responsive to customer needs, and improving the resilience of the supply chain are all critical success factors. What's clear is that smart technology has a material relevance across all of those structural objectives.

Part of the DMA Group and i-FM study involved understanding FM professionals' attitudes towards technology being used to protect the FM supply chain.

The findings revealed some promising results, such as the fact that most FM service providers are embracing technology in some capacity. Of those organisations surveyed, 93% have a data protection policy and 91% a GDPR policy, fuelling the notion that organisations are pulling out all the stops to ensure business continuity in the face of potential, further crises.

However, the results largely show that tech adoption is currently somewhat conservative.

○ **77%** agreed that FM is 'behind the curve' when it comes to adopting 'smart' technology

○ **22%** reported that their organisation's FM/property teams are unlocking the full advantages of smart technology in business process automation

Such statistics highlight the need for the industry to collectively catch up with the curve, and those FM enterprises that do will be well placed to reap the rewards of their digitally enabled transformations. Not only will they be better positioned to navigate exceptional events in the future, they will also secure invaluable competitive advantage in a saturated marketplace:

- All stakeholders will be connected via common interactive platforms, in real time with transparent shared data.
- Smart tech enables greater customer self-help with more efficient online interactions.
- Business process automation will:
 - provide access to data anytime, anywhere, on any device at no extra cost;
 - connect the end-user customer with the operator on-site, in real-time.
 - provide real-time data for quicker, better decision making;
 - drive more consistent service standards through process conformance;
 - will enable scalability without diluting service standards;
 - deliver greater customer satisfaction;
 - deliver disruptive levels of efficiency with better service quality;
 - automatically populate real-time performance, status and compliance dashboards;
 - improve service resilience and certainty;
 - will optimise regular service management reviews with customers
 - service partners will be managed as if inhouse staff;
 - customers will be able to rate service staff individually;
 - enable Uber-style visibility.

“Post-Covid, it is the agile well-run suppliers with a strong technology strategy and an unrelenting focus upon technology-enabled change for the benefit of their customers that will prosper. However, an organisation must decide on the scope of its own digital transformation.”

Andrew Cook, Chief Technology Officer, DMA Group

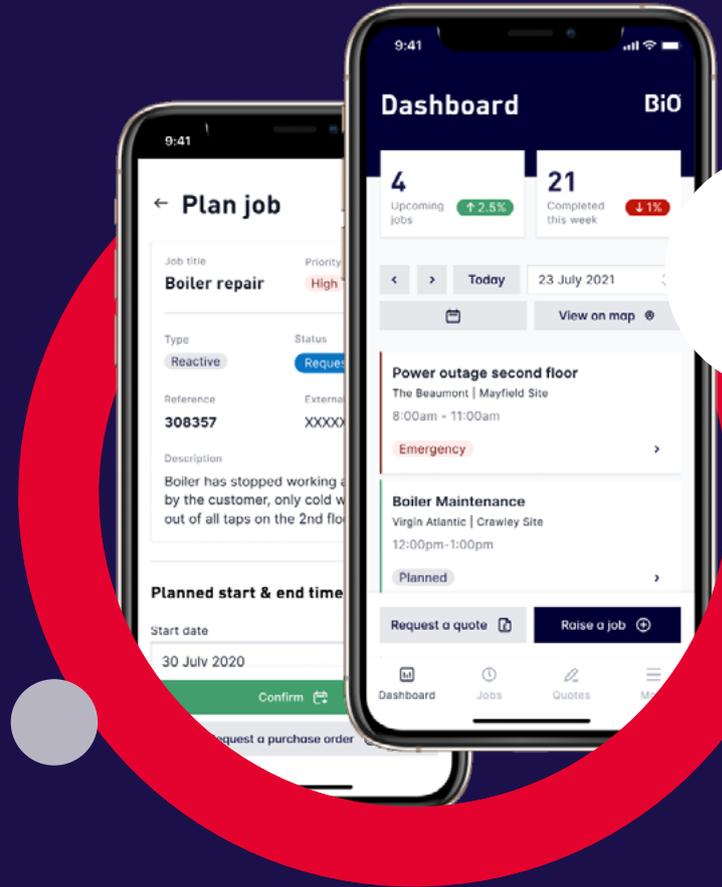
DMA's BiO® (Building Information Online) platform

DMA's own proprietary BiO® platform is the prime example of a cloud-based, service-backed technology solution capable of helping businesses tap into the FM industry's technological potential in a post-pandemic world.

As the first enterprise-wide service management system in the property maintenance space to automate all of their business processes, DMA's BiO® platform will disrupt and change the maintenance industry for good. It will:

- Has been designed to cut out the middleman by directly connecting the end customer with the operator turning the spanner on-site, in real-time;
- Will 'uberise' delivery of property services across the UK by mobilising the entire mechanical and engineering (M&E) supply chain as a disruptive new cloud technology;
- Will create the operating environment for this revolution by eradicating the concept of 'contractor' and replacing it with 'Partner'.

The BiO® smartphone app combines three interdependent elements – software, process automation and supply chain integration – at no added cost as part of DMA's service.



FIND OUT MORE

Part **4**

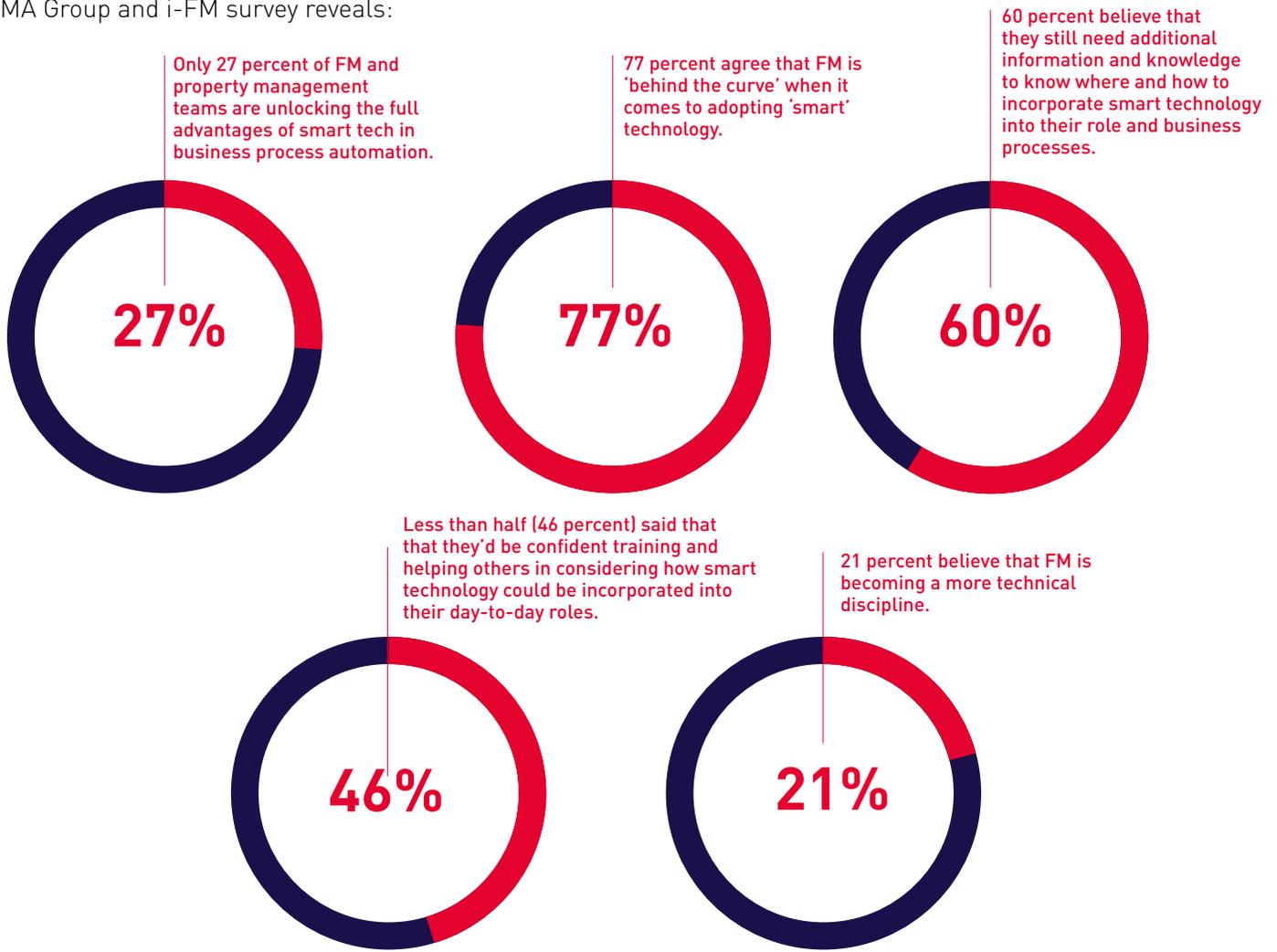
Conclusion

In summary, it is clear that technology has a vital role to play in the long term success of FM services.

Wider technological adoption and integration is something of an inevitability – through digitalisation, FM suppliers have the opportunity to drive transformational efficiency gains, vastly improve customer service and ensure business continuity. For those who consider doing nothing, the inevitability of their future is equally clear. History is littered with long forgotten companies who failed to adapt and adopt.

Yet the question as to how quickly the sector will evolve continues to be debated.

The DMA Group and i-FM survey reveals:



The latter of these statistics leaves us with a somewhat open-ended question: where 79 percent of FM professionals who don't believe the industry is becoming more technical, do they truly value tech or simply see its growth as 'part of the landscape'? If the latter is representative of the broader industry mindset, technology adoption may continue to progress at a slower pace.

This brings us to another pressing concern: the significant lack of year-on-year improvement within the Building Services Research and Information Association M&E maintenance KPI survey. For more than 15 years, this survey has been measured against 10 KPIs including reactive response, relationships, communication, and site management. The industry has an opportunity to shine, yet very little has improved since the first survey. Just 20% of customers in the most recent study stated that innovation was satisfactory or above. That is an eye-opening statistic and one that suggests too many are still relying on outdated ways of working.

As i-FM survey findings show, the FM workforce acknowledges that smart technologies can save them money and time, improve quality of service and deliver a multitude of other benefits. Yet many organisations are showing a lack of proactivity in taking advantage of these benefits. As a result, training and investments in FM may disproportionately continue to focus on softer elements of the role such as people skills moving forward.

However, it is those organisations that shift against this curve and place a greater emphasis on digitalising their operations and upskilling their employees that are likely to be more resilient and sustainable than the rest.