

**/ 95%**

of respondents said maintaining customer satisfaction was highly important

# Achieving Service Excellence

## Facilities Management Challenges and Opportunities in 2016

---



## ACHIEVING SERVICE EXCELLENCE: Facilities Management Trends 2016

Table of Contents	3	Introduction and Survey Profile
	4	Summary of Major Findings
	5	Tools, Techniques and Methods Having the Greatest Impact on Improving Services
	6	The Most Important Responsibilities
	7	The Most Challenging Responsibilities
	8	Difficult Positions to Staff
	9	Difficult Activities to Manage
	10	Corporate Services in Greatest Need of Improvement
	11	Most Measured KPIs
	12	Conclusion

# Introduction

Every day facilities management (FM) executives and their teams are charged with a complex task: deliver vital services that support their organization's employees and site operations. In this report, Canon Business Process Services (Canon) asked FM executives to share insights about the challenges and opportunities they encounter while trying to maintain, and improve, support services at facilities spanning medium- to large-size companies. The majority of respondents (97%) work at organizations with more than 1,000 employees. The latter point is relevant because successfully delivering support services at large, multi-building corporate campuses with thousands of employees is a special focus of this report. One reason is that there is little available data on this topic. Second, due to the scale, complexity and special skills required to manage campus logistics services, outsourcing is often a key ingredient to success. New approaches to outsourcing are now available, a trend we address in the Conclusion section.

One thing is clear: As we approach the year ahead, now is the time for FM executives to reset expectations as well as identify gaps

and new opportunities for filling them in order to succeed. As an example, an overwhelming majority of executives said that maintaining high customer satisfaction is both their most important (94%) as well as their most challenging (91%) responsibility when it comes to delivering high-quality support services. Yet only 78% of respondents indicate that they measure customer satisfaction for their site operations. Whatever the reason—lack of measurement skills, resources, tools or other challenges—this finding indicates that measuring such key performance indicators may be a significant opportunity for some organizations. Indeed, for others it may create a mandate for action.

The goal of “Achieving Service Excellence” is to help FM professionals better clarify these kinds of opportunities as well as give executives a chance to share their most urgent priorities and uncover what tools, techniques, technologies and approaches might provide an edge in the never-ending mission to achieve excellence in facilities support services.

## SURVEY PROFILE

During August 2015 and September 2015, a total of 104 online surveys were completed by executives responsible for FM. These include C-level officer as well as senior and middle management executives. Survey respondents have 500 employees or more that work at the sites for which they are responsible. The vast majority of executives surveyed (82%) describe their job role as FM; other roles include real estate management, warehouse management and procurement.

# Summary of Major Findings

Facilities executives offered their feedback on several key topics, including what they consider to be their most important and challenging management responsibilities. Among other significant data, “Achieving Service Excellence” has yielded five key findings, which are spotlighted below.

## 1. The tools, techniques and methods having the greatest impact

Among the tools, techniques and methods available to them, executives specify that facilities management applications have the greatest impact on their ability to improve support services. However, tools for tracking the delivery of supplies or services as well as Six Sigma improvement projects represent opportunities for some companies that may want to take action in these areas.

## 2. The managerial responsibility considered most “highly important”

The managerial responsibility considered most “highly important” to the vast majority of facilities management executives is maintaining high customer satisfaction. As pointed out in the Introduction, a significant number of organizations that do not measure this critical key performance indicator (KPI) might consider implementing a measurement strategy.

## 3. The most difficult activity to manage

The most difficult activity to manage when compared with other managerial responsibilities within corporate support services is maintaining the right staffing level. Related to this finding, the most difficult jobs to staff are in the area of office support: reception, mail, copy, scanning, records and conference room.

## 4. The top key performance indicator

The top key performance indicator that facilities executives measure is service requests completed on time. Once again, measuring customer satisfaction may represent a solid opportunity for some companies that do not assess this most highly important and highly challenging responsibility.

## 5. The corporate support service most in need of improvement

The corporate support service most in need of improvement is shipping and receiving. Others include the security of mail/package handling and dispatch and ticketing.

As spotlighted in the Introduction, a special focus of this paper is on how these findings affect enterprises across the country that are driving the growth of large corporate campuses. These companies are motivated by a desire to create a more collaborative, collegial atmosphere, improve operational efficiency and establish a solid plan for the future.

Facilities executives know that this trend is not without its managerial challenges, such as maintaining the right staffing levels and high customer satisfaction. Additionally, the logistics of moving employees without disrupting vital services, installing new business processes and effectively managing the flow of technology, office supplies, records, mail and other resources within a large campus is a significant, complex task. The following pages, particularly the Conclusion section, highlight some of these challenges along with opportunities and other important issues in more detail.

# Tools, Techniques and Methods Having the Greatest Impact on Improving Services

When it comes to leveraging tools, techniques or methods for improving corporate support services, a strong majority of survey respondents indicate that tools offering the most impact include:

1. Facilities management applications;
2. Tools used to communicate, coordinate and schedule the daily orders for services and supplies.

An overwhelming majority of survey respondents (92%) agreed that facilities management applications had moderate (31%) to high (61%) impact on improving their corporate support services. A close second, 90% of executives surveyed agreed that using tools to communicate, coordinate and schedule daily orders for services/supplies had a moderate (43%) to high (47%) impact. Also ranking relatively high in having a moderate to high impact is deploying tools for tracking the delivery of supplies or services (75%) as well as implementing Six Sigma improvement projects (72%). These numbers (a 48% moderate impact ranking for both categories) suggest that executives are having some notable success in leveraging delivery tracking tools and Six Sigma projects to help improve campus logistics services. Rounding out the findings for this question, 68% of respondents indicated that warehouse management systems have a moderate to high impact when it comes to enhancing support services.

Please rank the following tools, techniques or methods that you think have the greatest impact on improving support services?

Tools for improving support services:	High Impact	Moderate Impact	Low Impact
<b>Facilities management applications</b>	<b>61%</b>	<b>31%</b>	<b>8%</b>
Tools to communicate; coordinate and schedule the daily orders for services and supplies	47%	43%	10%
Tools for tracking the delivery of supplies or services	27%	48%	25%
Six Sigma quality improvement projects	24%	48%	28%
Warehouse management systems	29%	39%	32%

# The Most Important Responsibilities

Maintaining high customer satisfaction is ranked most important to providing superior corporate support services.

There are several managerial responsibilities that are seen as highly important to providing superior corporate support services. Top among these responsibilities is maintaining high customer satisfaction (94%), closely followed by compliance with safety and security procedures (91%) and maintaining the right staff levels (90%). Other responsibilities that a high number of respondents (more than 80%) deemed as highly important include on-time delivery, staff retention and reducing response time (e.g., responding to employee requests for corporate support-related services).

Please rate the following on their level of importance to providing superior services\*:

Importance to providing superior services:	Highly Important	Low Importance
<b>Maintaining high customer satisfaction</b>	<b>94%</b>	<b>5%</b>
Compliance with safety and security procedures	91%	6%
Maintaining the right staff levels	90%	6%
On-time delivery	83%	12%
Staff retention	82%	15%
Reducing response time	81%	16%
Maintaining the right inventory levels	76%	18%
Reporting & analysis	71%	25%
Tracking materials/supplies (receipt to end user)	59%	36%
Office equipment mgmt. (printers, copiers, etc.)	56%	35%
Warehouse/storeroom and inventory management	54%	36%
Security for mail and package handling	53%	33%
Implementing/maintaining technology systems to control the flow of supplies and distribution	48%	45%
Shipping and receiving	48%	40%
Mail, concierge, reception, conf. room/hoteling support	38%	41%

\*N/A responses are excluded from the chart.

# The Most Challenging Responsibilities

Maintaining high customer satisfaction is the greatest challenge to providing superior corporate support services.

In the previous question we had asked executives to rate 15 management responsibilities on their level of importance to providing superior corporate support services. With this question, we asked executives to rate the degree of challenge these same 15 management responsibilities present to delivering high quality corporate support services. In the previous question maintaining high customer satisfaction ranked tops in importance; it also ranked tops as being a challenging to very challenging (91%) part of delivering quality services. Maintaining staffing levels (85%), reducing response time (81%) and staff retention (79%) also ranked high as being challenging.

Please rate the following on the degree of challenge they present to delivering high-quality services\*:

Challenge to delivering high-quality services:	Challenging to Very Challenging	Not Challenging
<b>Maintaining high customer satisfaction</b>	<b>91%</b>	<b>9%</b>
Maintaining the right staffing levels	85%	15%
Reducing response time	81%	17%
Staff retention	79%	21%
Compliance with safety & security procedures	74%	24%
Maintaining the right inventory levels	70%	28%
On-time delivery	68%	25%
Reporting & analysis	68%	33%
Implementing/maintaining technology systems to control the flow of supplies and distribution	66%	27%
Office equipment mgmt. (printers, copiers, etc.)	66%	36%
Warehouse/storeroom mgmt.	60%	33%
Tracking materials/supplies (receipt to end user)	58%	38%
Shipping and receiving	55%	37%
Security for mail and package handling	48%	45%
Mail, concierge, reception, conf. room/hoteling support	47%	40%

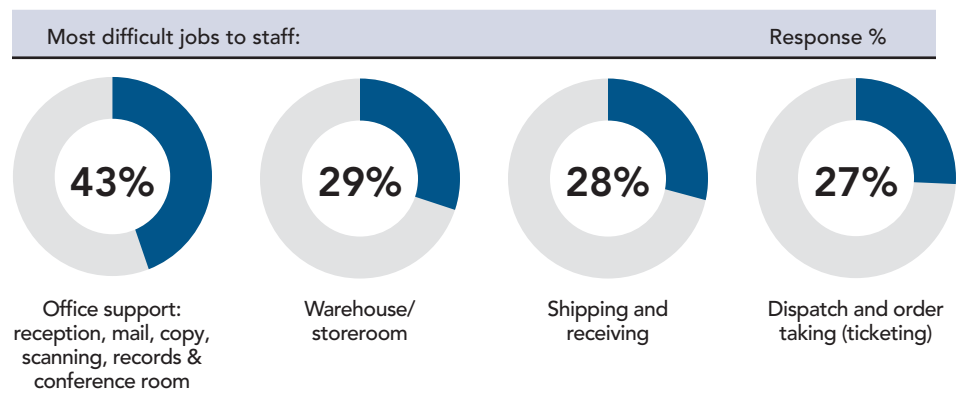
\*N/A responses are excluded from the chart.

# Difficult Positions to Staff

Office support positions—spanning reception, mail, records, conference room and other responsibilities—are the most difficult jobs to staff.

When asked to select which jobs are the most difficult to staff within corporate support services, the highest percentage of respondents (43%) indicated that office support positions are the most challenging to fill. These jobs include reception; mail, copy and scanning activities; as well as records and conference room duties. Three other job areas were ranked about the same in difficult to staff: warehouse/storeroom (29%), shipping and receiving (28%) and dispatch and order taking/ticketing (27%).

Which jobs are the most difficult to staff? (Check all that apply.)













# Difficult Activities to Manage

Maintaining staff levels is considered the most difficult activity to manage when compared with other managerial responsibilities within corporate support services.

For facilities executives, maintaining staff levels ranks most highly (45%) over other activities that include managing response times (34%), inventory levels (26%), dispatch and order taking/ticketing (24%) and delivery, moves and distribution (22%). Activities less difficult to manage include office support (16%), warehouse/storeroom (14%) and shipping and receiving (8%).

Which activities are the most difficult to manage? (Check all that apply.)

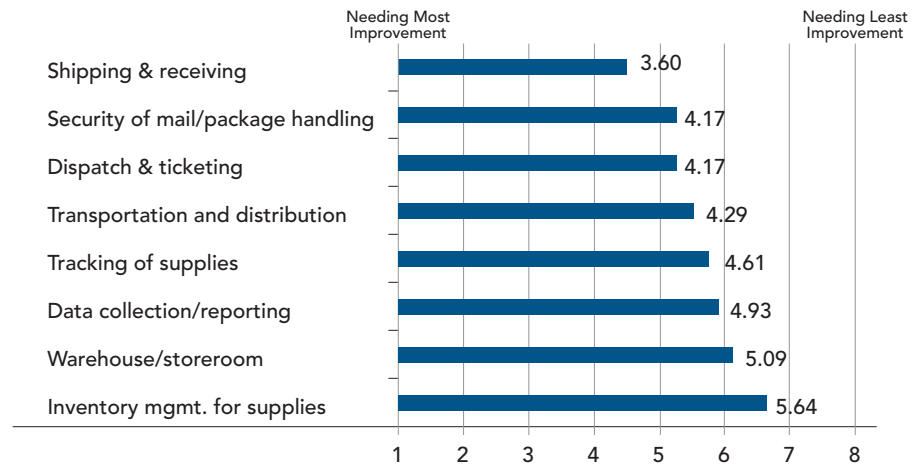
 <b>Staff levels</b>	<b>45%</b>
 Response times (service level agreements)	34%
 Inventory levels	26%
 Dispatch and order taking (ticketing)	24%
 Delivery, moves and distribution	22%
 Office support: reception, mail, copy, scanning, records & conference room	16%
 Warehouse/storeroom	14%
 Shipping and receiving	8%

# Corporate Services in Greatest Need of Improvement

Organizations see shipping and receiving as the corporate support service in most need of improvement while inventory management for supplies and materials is considered the area in least need of improvement.

Respondents ranked several services relatively high in terms of needing improvement: shipping and receiving, security of mail/package handling, dispatch and ticketing and transportation and distribution. The areas in least need of improvement were inventory management for supplies and materials, warehouse/storeroom operations and data collection/reporting.

Please rank the following areas of corporate support services in order of the greatest need of improvement at your site(s), where 1 is the service most in need of improvement and 8 is the area least in need of improvement.

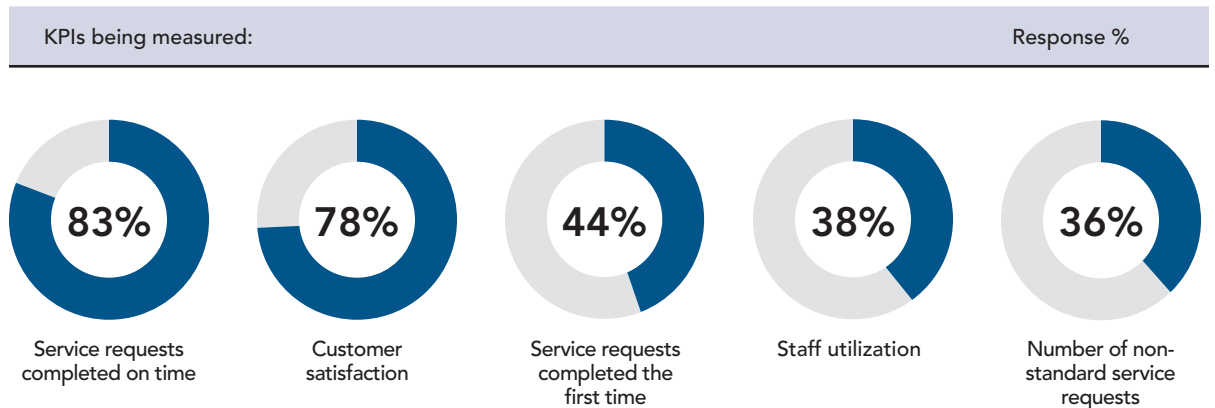


# Most Measured KPIs

Service requests completed on time and customer satisfaction are the two key performance indicators organizations are measuring for their site operations.

According to this finding, two KPIs that many organizations are measuring include the percentage of service requests completed on time and customer satisfaction. Other KPIs including service requests completed the first time, staff utilization and the number of non-standard service requests are not yet a major priority for KPI measurement according to survey respondents. As such, measuring these KPIs may offer an opportunity for some facilities management operations to improve their ability to drive continuous improvement.

What KPIs (key performance indicators) do you measure for your site operations? (Check all that apply.)





## Conclusion

We implemented the survey in order to gain several important insights. One is how managerial concerns compare—in terms of importance and challenge—with the services that FM executives deliver every day.

### IMPORTANT AND CHALLENGING ACTIVITIES

The survey ranks 15 managerial and services-related activities in terms of their importance and the degree of challenge they present to delivering high-quality corporate support services. Maintaining high customer satisfaction tops the list as the most important and the most challenging activity to oversee.
















The six activities falling in the top quartile (75%-100%) are all managerial and rank the most highly in terms of being both important and challenging to manage. These activities include maintaining high customer satisfaction, maintaining the right staffing levels, compliance with safety and security procedures, reducing response time, staff retention and on-time delivery. Additionally, virtually all of the strategic/managerial responsibilities ranked higher in importance and challenge compared to the tactical/services-related activities.

However, it is significant to note that several services-related activities scored above or near 50% in being important and, to varying degrees, challenging to manage. These activities include office equipment management, tracking materials and supplies, warehouse/storeroom and inventory management and security for mail and package handling, closely followed by implementing/maintaining technology systems and shipping and receiving.

These findings suggest that some FM executives could benefit from assistance in the form of people, processes and technology to solve these services-related challenges. One strategy to obtain this assistance is to engage with an external services provider, particularly one that offers proven expertise in managing both strategic and tactical activities as many of these are seen as highly important and somewhat challenging to oversee. The right service provider is particularly important for supervising corporate campus logistics services, which present a high level of logistical complexity requiring the appropriate strategic skills, analytical systems and reporting capabilities to manage effectively.



Table 1: Activities ranked both highly important and challenging/very challenging to manage in delivering superior corporate support services.

Activity	Rank	Type	Highly Important	Challenging to Very Challenging
<b>Maintaining high customer satisfaction</b>	1		94%	91%
Maintaining the right staff levels	2		90%	85%
Compliance with safety and security procedures	3		91%	74%
Reducing response time	4		81%	81%
Staff retention	5		82%	79%
On-time delivery	6		83%	68%
Maintaining the right inventory levels	7		76%	70%
Reporting and analysis	8		71%	66%
Office equipment mgmt. (printers, copiers, etc.)	9		56%	60%
Tracking materials/supplies (receipt to end user)	10		59%	55%
Implementing/maintaining technology systems to control the flow of supplies and distribution	11		48%	66%
Warehouse/storeroom and inventory management	12		54%	58%
Shipping and receiving	13		48%	55%
Security for mail and package handling	14		53%	48%
Mail, concierge, reception, conference room/hoteling support	15		38%	47%

 Managerial  
 Service

# The Campus Logistics Challenge

As mentioned earlier, this report includes corporate support services delivered at large, multi-building corporate campuses with thousands of employees. Canon defines these services as corporate campus logistics management services. They comprise a more sophisticated discipline compared with traditional corporate support services and span site supply and demand planning, warehouse operations, inventory and materials handling and transportation and delivery. Coordinating all of these elements daily on a massive scale is a complex challenge.

To meet this challenge, FM executives need to implement the right mix of in-house and outsourced services. For the latter, ideally companies would like to partner with one service provider that can manage diverse campus logistics services across sites, elevate performance metrics to reduce costs and improve service, and implement technology such as cloud-based warehouse management systems to advance operational efficiency. Until recently, there has been a gap in the market for managed services providers that offer the experience and resources to meet these and other campus logistics needs.

This scenario has changed. Now select vendors have the capability to bundle disparate logistics services and effectively manage them under one contract. This makes possible an outsourcing partnership that consistently provides the high-quality support services that large, well-run campuses require. Following is a case history that illustrates the potential of such a partnership in solving some of the facilities management activities identified in this survey as highly important and challenging.



# Tools for Improving Services

Another element of the story emerging from survey results is that several tools offer solid opportunities for improving corporate support services. Executives ranked FM applications as the number one tool out of a select list of tools that has the highest impact on improving support services.

Interestingly, the second highest percentage of survey respondents (48%) report that both tools for tracking the delivery of supplies and services and Six Sigma quality improvement projects have a moderate impact on improving services. This finding indicates that facilities executives have had some experience and some success to date with these tools; their impact is noticeable though not yet seen as high. Therefore, in terms of future improvements, better leveraging these tools might represent an opportunity for companies looking to achieve such gains as maintaining high customer satisfaction, a highly important and challenging responsibility that, as pointed out earlier, is not measured by a significant number of companies.

This is particularly the case with Lean and Six Sigma project management. Facilities teams are under extreme pressure to reduce response time, reduce inventory and they are continually expected to do more with less. Lean and Six Sigma project management methodologies focus on how to achieve these kinds of improvements by allowing meaningful data to drive better management decisions. The fact that FM executives rate such activities as reducing response time to be challenging suggests that some organizations are not optimally leveraging Lean and Six Sigma approaches or perhaps not even using them at all. For these organizations, Lean and Six Sigma projects represent a solid opportunity to realize significant business gain .

**“Facilities teams are under extreme pressure to reduce response time, reduce inventory and they are continually expected to do more with less. Lean and Six Sigma project management methodologies focus on how to achieve these kinds of improvements by allowing meaningful data to drive better management decisions.”**

# Case History



An energy company is completing the migration of thousands of employees to a new corporate environment. The company partnered with Canon to help it ensure a smooth implementation of vital corporate campus logistics services at the new location. These logistics services include the receipt, warehousing, inventory management and distribution of virtually everything that moves within the new campus.

## SAFE, FAST AND ON TIME

Executives participating in this study identified safety compliance and fast, on-time delivery of goods and services as highly important and challenging to their organizations. These imperatives of safe, efficient and timely delivery were also among the top priorities for Canon's client.

Canon is helping to meet these goals by efficiently managing the flow of most of the materials that move within the company's campus and its buildings. This movement is facilitated by underground tunnels and pathways built to enable the successful, well-organized receipt, inventory and distribution of materials, office equipment, supplies, mail and packages,

all of which Canon records, warehouses and distributes to locations throughout the campus. To ensure the efficient movement of supplies and materials through the tunnel network, Canon deploys a fleet of electric vehicles that are used for transporting material and personnel through the campus; a few are used for cleaning and one vehicle is deployed as an ambulance for emergencies.

To help ensure safety, Canon implemented best practices that are clearly visible all through the entire underground network. Traffic devices are used at intersections. Canon staff members are outfitted with appropriate personal protective equipment (PPE) while in construction areas and traversing the tunnels. Additionally, all workers are trained and certified for the vehicles and equipment they are operating.

## MAXIMIZING WAREHOUSE OPERATIONS AND INVENTORY

Survey respondents also specified that maintaining the right inventory levels is a highly important as well as challenging activity. Again, this is also a priority for Canon's client. To maximize warehouse operations and inventory levels, Canon implemented a cloud-based warehouse management system (WMS). The system is scalable; it can be rapidly expanded from tracking inventory for a small to a large number of warehouses and storage locations. Canon uses the WMS to track the lifecycle of a considerable number of items including office supplies, paper

and building stock items such as floor and ceiling tiles, light fixtures and furniture. With the WMS, the Canon team can manage warehoused items at par level. This means that stocked items, such as paper, are automatically replenished when they fall below a certain level. For example, if the par level for paper is 50 cases and a storage site in one building falls below that level, an order is automatically triggered to bring that storage site back up to 50 cases.

## QUALITY MANAGEMENT INITIATIVES

Based on survey responses highlighted earlier, Lean and Six Sigma project management approaches represent an opportunity for many organizations. For its energy company client, Canon is leveraging its expertise in quality and performance management. These skills will soon come into play for the energy company as Canon launches quality control and quality assurance programs that will track the performance of specific business processes according to SLAs. An example of one specific SLA is an agreed-upon timespan for processing accountable mail pieces once their receipt has been recorded.

Together, Canon and its client have been meeting many of the challenges spotlighted in this survey in order to transition vital campus logistics services and safely support thousands of employees who now work at the energy company's campus.



# Looking Ahead



Like the energy company, FM executives at large corporate campuses face a range of highly important and challenging responsibilities. As this research paper points out, these responsibilities are both strategic and tactical and include partnering with the right service provider to help ensure the highest quality support services.

The importance of a well-run facilities and logistics management is critical for multi-building corporate environments to function at an optimal financial, cultural and operational level. The energy company case history in particular suggests that the effective storage, movement and management of business and facilities materials, as well as people, around these sites involve the right mix of in-house and outsourced services.

To deliver the right mix of service providers and achieve higher corporate service support levels, FM executives face an array of demands. These include streamlining services under fewer suppliers and standardizing services across sites while maintaining customer satisfaction, ensuring compliance with safety and security procedures, providing meaningful reporting and analysis and more. FM executives who are focused on meeting the challenges and leveraging the opportunities presented by these demands are in an excellent position to help their companies succeed in the days ahead.



CANON BUSINESS PROCESS SERVICES, INC.

## Advancing Business Performance to a Higher Level

---

Canon Business Process Services, Inc. offers a comprehensive portfolio of managed services and technology for information and document management, business process outsourcing and specialty workforce services. Combining singular experience and domain knowledge, Canon Business Process Services enables organizations to improve operational performance while reducing costs and risks. Named a Global Outsourcing 100 Leader by IAOP for the tenth year, the company is a wholly owned subsidiary of Canon U.S.A., Inc.

460 West 34th Street  
New York, NY 10001-2320  
1-888-623-2668

[Learn more at www.cbps.canon.com.](http://www.cbps.canon.com)

Canon is a registered trademark of Canon Inc. in the United States and may also be a registered trademark in other countries. MAXBASIC® and MAXADVANCED® are registered trademarks of Canon Business Process Services, Inc. All other referenced product, company or service names and marks are trademarks or service marks of their respective owners and are hereby acknowledged.

© 2016 Canon Business Process Services, Inc. All rights reserved.

Canon Business Process Services, Inc. | Logistics and Facilities Management | Survey Report | 11.2015.v1