



CANON BUSINESS PROCESS SERVICES

## KEY FACILITY MANAGEMENT TRENDS IN 2018



Several industry trends are altering the business environment for facilities management. Learn about how these trends are driving many companies to consolidate space and/or relocate in order to realize important business benefits such as reducing operational costs while delivering high-quality service.





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## EXECUTIVE SUMMARY

**As we highlighted in a recent survey report, companies are migrating to more agile workplaces in order to recruit a new generation of talent, create a more collaborative workplace, reduce square footage and contain real estate costs. Achieving these results requires companies to provide their employees with high-level facilities management services—a more demanding task in an agile workplace than in a traditional business environment.**

In a presentation based on the survey report, Canon executives highlighted several key trends that are expected to alter the business landscape for facilities management during the next few years. Several of these trends, spotlighted in this whitepaper, are driving organizations to consider consolidating space and/or relocating in order to realize such advantages as lowering operational costs, attracting a new generation of employees and supporting these employees with the highest levels of facilities services.



# WORKING VIRTUALLY

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The first trend to consider is that fewer employees are traveling to an office location every day. Many workers today prefer to operate virtually, a practice that is increasingly becoming acceptable to enterprises across all major industries. Canon describes this new environment as an agile workplace in which seating and desk space are unassigned, provided as needed when employees are in the office. Many companies are encouraging this trend because, with fewer people coming to the office, there are business benefits to be gained. These include considerably reducing the amount of office space required to run the business and the ability to attract and retain top talent. In our experience based on working with many different clients, a company can potentially reduce office space by 30 to 60 percent by migrating from a traditional to agile work environment.

While there are potential benefits, there are also facility management challenges connected with overseeing an agile workplace. One is the basic but necessary task of accurately determining the amount of office space required for operations, based on how many people will be in a given office on any particular day. Facility managers also need to be able to determine where employees will be located and how they are going to bring work to them. Other important

questions that also must be addressed include: How does the company support a collaborative work environment while ensuring a level of privacy? How does the business address security in this kind of flexible work situation?

These and many other questions suggest that migrating to an agile workspace can be a massive change for a company. As such, in this whitepaper we will spotlight a few challenges at a high level. Our goal is to motivate FM professionals to consider in more depth the change management requirements and potential solutions that might apply to their situation.

As an example from the solution side, facility managers need systems that enable them to make sound decisions on how to measure and continually improve services when transitioning to an agile workspace. One way to meet this challenge is to establish service level agreements (SLAs) that track the performance of specific business activities. One SLA might stipulate an agreed-upon four-hour time span for processing accountable mail pieces once their receipt has been recorded. Another SLA might specify a two-hour target for pickup and delivery of items by courier. To track compliance with these kinds of SLAs, in working with clients Canon uses its BusinessInsights performance

management system. This enables our teams to partner with clients in effectively measuring, managing, benchmarking and driving continuous improvement in the facilities services we are providing.

Another potential solution concerns the role digitization might play in an enterprise moving to an agile workspace. Canon has helped clients evolve traditional mail, print and records centers into centralized “digital intake centers.” In these centers, documents are digitized as they are received and then integrated into business process workflows. This includes digitally converting paper-based mail and delivering it electronically to employees’ desktops or handheld devices. Additionally, cumbersome packages that can take an extensive amount of time to deliver within a large corporate facility can instead be integrated into an intelligent locker system. Agile workers who come in once or twice a week would get emails on their handheld device that a package has been delivered along with the location and passcode to retrieve the package. These and other applications of digital technology are just one way facility managers can better meet the expectations of today’s employees in an agile workplace.



# RECRUITING TALENT

**Today's employees work differently. One distinction is that they expect a higher level of service.**

This challenges organizations looking to recruit the best talent to offer an agile, attractive workspace supported by customized services and leading-edge digital technology. A reason for the latter is that increasingly, today's workers are true "digital natives," a term generally referring to individuals born after the widespread adoption of digital technology. These workers have grown up using technology like the Internet, computers and mobile devices. This exposure to technology in the early years is believed to give digital natives a greater familiarity with and understanding of technology than people who were born before it was widespread.

For instance, workers in this demographic are attuned to solutions such as follow-me-print capability, which enhance mobility. An employee travelling from the company's Dallas office to New York headquarters for a meeting might not want to print and carry a large document on the trip. With follow-me-print technology, before leaving the employee can input the document into a network print queue set up on the company's print system. Upon arriving at the New York office, the employee can swipe an ID card at a page counter terminal attached to a MFD (copier) or public printer. The

print system recognizes the employee's Dallas location and moves the print job from database storage to a print queue that routes pages to the printer at the New York location.

In addition to using the latest technology, another approach to help attract and meet the needs of today's new breed of workers is to integrate what Canon refers to as a community management model into the company's range of facility support services. In our experience working with clients, workplace support services span such areas as mail, shipping and receiving; conference services; copy/print center support; and records management activities. Typically a number of employees are dedicated and possibly cross-trained to oversee these and other services. However, a relatively new, alternative approach is taking hold. Instead of teams of employee running the mail center or records department, for example, Canon is helping organizations transition to a more centralized, high-level community management structure.

In this model, "community managers" with cross-functional support responsibilities assume a role similar to a concierge. Such managers may support a floor or portion of a floor, or a business



group or segment of a business group. The key point is that these individuals not only coordinate the delivery of traditional services; they are also aware of and help cater to the unique needs of the employees they support.

For example, Canon community managers are adept at knowing particular items, such as snacks and beverages, that employees like to have available in vending machines. Our community managers are also capable of coordinating transportation and facilitating leisure activities including exercise classes for employees at client sites. The key point is that community managers are not typical support staff assigned specifically to mailroom or copy center activities. Instead, these are highly compensated individuals with the skills needed to meet the needs of a new generation of workers. Consequently enterprises today are challenged to find and recruit the right individuals who have the talent and temperament to effectively communicate with and service its workforce.

# REDUCING COSTS

**In addition to providing a superior workspace and top quality services in order to attract today's best workers, facility managers face the perennial challenge of meeting such objectives while containing costs. Another way to put it: FM professionals are constantly asked to do more with less.**

There is no easy solution to achieving this goal because so many dollars have already been squeezed out of budgets. For years facility executives have been renegotiating contracts in an effort to save money by reducing staff and lowering the cost of supplies. However, the strategy of cutting back can only go so far for a company that expects to achieve high levels of facility service and attract top talent. To attain these goals, as pointed out earlier, organizations increasingly are migrating to an agile work environment.

There is another perspective that complements the strategy of realizing quantifiable, "hard dollar" cost savings through FM initiatives such as reducing physical

space and lowering supply costs. The complementary viewpoint is to examine what is sometimes referred to as "soft dollar" savings. While soft dollars may be more difficult to quantify, they can be just as important as hard dollars in delivering value from an FM as well as an overall business standpoint. Along these lines, in order to more clearly gauge the impact of their investments in people, processes and technology, it is helpful for organizations to consider such critical questions as the following: What is value of improved employee productivity? What does increased turnover in support services staff really cost? How much are we paying in missed opportunities to recruit and retain the right knowledge workers?



# BRINGING THE CHALLENGES TO LIFE

A case history, illustrated in Figure 1, brings to life many of the issues highlighted above connected with lowering costs, recruiting talent and leveraging the latest technology. Facing a pending merger with another industry leader, the real estate and facilities management department of a global company needed to reduce staff across the enterprise.

Compounding this challenge for the FM operation was that it wanted to preserve its loyalty to the department's employees and maintain high service levels. FM executives saw outsourcing as the solution. The goal was to eliminate staff but keep the people employed with a managed services partner that could assume responsibility for critical FM services and deliver them at lower costs while maintaining service quality.

## How a Global Company Reduced Overall Headcount and Labor Expenses by Over 20 Percent

Customer Profile: One of the largest global companies, 4,000 employees at a central campus

### RESULTS

- Outsourced internally managed warehouse and print operations and combined with mail, S&R, production print
- Reduced overall headcount and labor expense by over 20%
- Consolidated workspace requirement & eliminated need for approximately 25% of workspace square footage

### CHALLENGE

- To support a pending merger
- To reduce facility spend, and reduce headcount while delivering improved services to existing and new residents
- To integrate a multitude of services categories and streamline supplier relationships while maintaining a safe workplace

### SOLUTION

To outsource & optimize synergies (people, space, technology and processes) of varied services

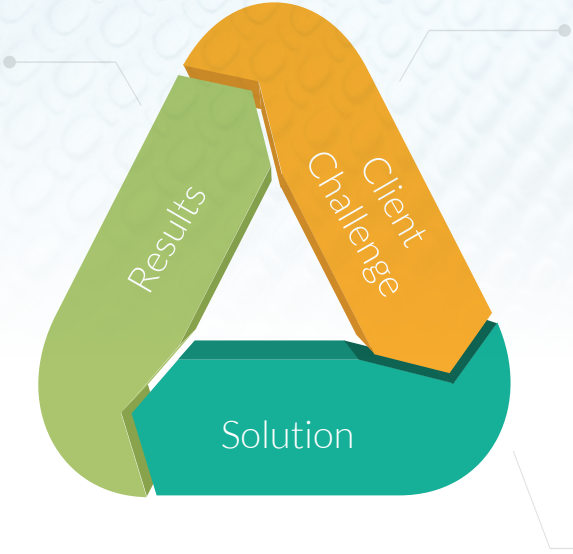


Figure 1

## BRINGING THE CHALLENGES TO LIFE (CONT.)

The company engaged Canon, which moved ahead by assuming management of the company's FM staff and implementing changes to advance the operation. One example is warehouse management, which spans the receipt, storage, inventory control and distribution of virtually everything that moves throughout the company's main campus, including hazardous materials. Canon helped improve the efficiency of many of these activities by installing a sophisticated asset tracking and management system. The system offers many benefits, particularly better accountability in the form of a chain of custody for tracking the flow of mail, parcels, property, files, print jobs, services, people and more—as they enter and move around the campus.

For the company's print center operation, Canon created a state-of-the-art electronic print operation, upgraded equipment and introduced more efficient processes and solutions. The latter includes an electronic print job submission and tracking system. This enables the company's employees to use web-based portals to submit and track the status of print job requests. One system covers internal print jobs; the other is used for commercial print services (e.g., creating

brochures, marketing and training materials and annual reports). These changes in the company's overall print management strategy also provide more advanced chargeback capabilities and cover the company's full range of print needs, from high-volume black-and-white and color printing to producing oversized documents with full finishing capabilities.

Canon went even further to achieve business benefits within the commercial print function by providing a professional print buyer. This executive uses a third-party online procurement system to purchase millions of dollars of commercial print services annually. With the procedure, an employee electronically submits a commercial print job request. The print buyer posts the request on the online procurement system and selects the top two or three bids. These are discussed with the employee managing the project and final decisions are made based on price and turnaround time.

Canon's new approaches are getting results. Introducing more efficient workflows, particularly in the shipping and receiving and print center location, has freed up a significant amount of office space previously devoted to FM activities.

This space is now being used for other core business functions.

By integrating FM functions and implementing new technologies and approaches, Canon has helped the company save thousands of dollars annually. Canon and its client are also examining ways to ensure continuous process improvement by leveraging Canon's quality management capabilities. This includes Canon's expertise in Six Sigma-based methodologies and BusinessInsights, Canon's analytics and reporting tool designed for clients needing business performance metrics that can help them benchmark and continuously improve document-intensive processes.

With these achievements, the company has not only met the demands of change posed by the merger; it is better prepared to fulfill its mission. This includes using innovative science to promote health and safety around the world. Canon's vision is to continue helping similar clients meet such important goals, today and in the future.



# THE PATH AHEAD

**It is important to remember that FM executives have alternatives in choosing to both meet the challenges outlined in this whitepaper and contain costs and improve service quality.**

These alternatives include obtaining as much data as possible that can support smart facilities management decisions. Also critical to success are maximizing technology, putting in place carefully defined service level agreements and understanding the role digitization can play in improving how services are delivered.

Finally, if taking advantage of these and other opportunities is beyond the reach of internal resources, teaming with a qualified outsourcing provider is a strategy that can pay rich dividends. Whatever approach has the potential to work best for your organization, putting it into action is the key to successfully navigating the path ahead.

## About Canon Business Process Services

Canon helps clients enable business agility, digital transformation and lead an increasingly evolving workforce. We solve these challenges by leveraging our experienced team backed by Six Sigma expertise and best-in-class technology. With professionals across the U.S. and in the Philippines, we have been named a Global Outsourcing 100 Leader in 2018 by IAOP for the twelfth straight year. Canon Business Process Services is a wholly owned subsidiary of Canon U.S.A., Inc. Learn more at [cbps.canon.com](https://cbps.canon.com) and follow us on Twitter @CanonBPO.

