

# A Tale Of Two Facilities

What a global investment bank learned from a local borough – and vice versa A whitepaper by **Andrew Smart**

It can often feel like the world of business is split clean in half between the public and private sectors with the differences between them marking an unbridgeable gulf. The traditional perception would be that while the public sector is risk averse, dependable and traditional with a focus on budgets and complex stakeholders with limited commerciality, the private sector is made up of highly commercial, simple executive organisations that are focused on profit, manage a certain level of risk and have the ability to be both dynamic and challenging.



**N**ow is the time to question the relevance and validity of these views. After all, are the two worlds really so different? In the world of facilities management the answer would be: “not so much.” When it comes to facilities, the public and private sectors have much to learn from one another and particularly now as everyone is feeling the impact of the recession. Although the objectives and complexities of facilities strategy differ, the end goal is the same – to drive efficiencies while improving effectiveness.

At the moment all our clients share concerns about savings, whether they are driven by the much documented public sector spending cuts or corporate challenges on costs. Public or private, all our clients currently have

more work but less resource, which they are dealing with amid increasing expectations, demand for information and reductions in staff numbers. Whether they are global banking organisations or local authorities, they all exist in a culture that mandates it is not enough just to manage; they must also demonstrate their value and commitment to efficiency.

Property occupation, facilities management and support services make up a significant portion of many business’ overhead costs. They also pose a significant risk to business effectiveness and staff health and safety if not managed well. Our clients are aware of this and all have a common goal we hear time and again: “I want the right service at the lowest cost.” This is a simple aim that can

be very difficult both to deliver and to measure due to service scope and standards, “management and delivery models,” the type, condition and the geographic spread of portfolios, not to mention governance and approvals. We know there is no “magic bullet” or single solution to our customers’ facilities management issues and finding one often requires a sustained programme of activity. Successful programmes are derived from a number of factors such as effective sourcing and procurement; creativity in operations; always ensuring you are listening to the market; utilising experience and knowledge from other businesses, sectors and disciplines; the appropriate use of technology; and embedding best practice whilst maximising quality and cost efficiency.

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# A tale of two clients

At Mace we realise the challenges of getting the right service at the right cost are not sector defined. This was particularly clear to us as we saw our work develop with two clients. Our team worked closely with both over the same period of time, highlighting the similarities and demonstrating the opportunities for cross learning.



## Invesco

One of the world's leading independent global investment managers, Invesco initially engaged Mace to provide local FM support services. Over time, Mace evolved into a strategic partner, and its contract expanded incrementally into the management of sub-contractors and additional services. Mace's model has proven successful for Invesco and supports their corporate objectives of client service and high quality work environments. Today, Mace provides highly integrated cross-border services for 1.9 million square feet of Invesco's global office portfolio, from the UK and Europe to Canada and the United States.

Since the start of the relationship, Mace has brought significant benefits to Invesco, including the reduction and management of the supply chain; flexibility in operation due to Mace's unique delivery model; significant cost reductions; centralised finance and the introduction of a less people-reliant financial system; and health, and safety and environment improvement. Perhaps most importantly, Mace has helped Invesco to achieve a global standardisation of process and service, motivating staff through shared objectives and processes, and bringing a common level of service to every Invesco location.

## London Borough of Lewisham

Lewisham is a progressive local authority and so was a prime candidate for applying lessons learnt from successes of the private sector. The council's property portfolio and facilities management requirements are extraordinarily diverse including civic buildings and offices, housing, education, libraries and ancillary support. This challenge allowed the team to create new innovative ways of delivery which could in turn be taken to the private sector.

In addition to spending on capital works, ICT equipment and facilities management for the estate, the council was committed to generating project and lifecycle savings of £25m. Mace provided a genuinely multi-disciplinary service to the client from programme and project management to procurement, as well as technical, commercial and facilities management advice. The client acknowledged the value of the service provided: "Mace has been vital in helping the council close the deal and get the programme underway. From the very outset, the whole Mace team has shown incredible professionalism and commitment to achieving a successful partnership."

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### Shared experience: shared benefit

By summarising our experience with these clients it would appear at first look that they were pretty disparate. With Lewisham we provided flexible, broad-range support to a long programme of strategic change and improvement. At Invesco our experience took the form of an organically growing relationship involving a range of services and a wide breadth of geography. Utilising the experience gained from both these companies we were able to give our clients the full benefit of a shared, sector indifferent approach.

It has been stated that collaboration is the future for FM service delivery efficiency. Our ability to create an efficient and successful partnership was learnt through our work with client Invesco, we were then able to take this lesson and apply it to all our subsequent clients private and public alike, most notably with the London Borough of Lewisham. Engaging the right partner can bring focus and introduce experience from other organisations. It can also add momentum and validate decisions through impartiality and improve stakeholder engagement. This showed us the power of shared experience bringing shared benefits to our clients regardless of sector, service or discipline. We were also able to share with Lewisham our experience of the true “intelligent client” role.

The benefits of shared experience did not all flow from private to public. The diverse portfolio and multi stakeholder culture at Lewisham enabled us to improve our stakeholder engagement skills with Invesco and other private sector clients, so effectively taking one of the greatest strengths of the public sector over into a private company. Public sector organisations must always be answerable to their stakeholders and demonstrate value so using our experience at Lewisham we were also able to make our processes more auditable at Invesco and apply the true value of data there.

### In the world of facilities management the answer would be: “not so much.”

Both public and private sectors can, and do, learn from each other in creating effective facilities management solutions. Despite traditional perceptions of the difference between the public and private sector and the obvious differences in finances, structure and stakeholders, in the end these private and public sector clients share more common features than they lack in terms of FM. Many of the old preconceptions are no longer relevant. Their similarities stretch from their visions for robust, open and challenging programmes to their objectives for step change, strong governance, security of supply, consistent standards and reduced

## TALKING POINTS

Is now the time to question the perceived differences between public and private sector and to explore how the one can help the other?

How do both sectors plan to reach their end goal to drive efficiencies while improving effectiveness despite public sector spending cuts or corporate challenges on costs?

How does a company, regardless of sector, demonstrate their value and commitment to efficiency?

What lessons can be learnt from this “shared experience, shared benefit” ethos?

costs, regardless of sector. Both clients were concerned with client, stakeholder and staff engagement and a transparent approach to information exchange and were looking for respectful and understanding partnerships.

Our experience also tells us that the challenges faced by these different organisations and indeed sectors are startlingly similar, there is also far more similarity in the solutions and relationships than we had expected when we began the exercise.



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