IBM Point of View:
The Facilities Management Industry

Future of the Facilities Management Industry

Forces	Operational excellence	Productivity	Competition	End-Customer centricity

↓

Impact	Move from linear value chain to value clusters

↓

Strategic Responses	4 walls	Redesign FM value chain	Re-engineer value propositions

↓

Capabilities	Effective	Exploit data	Adapt/evolve

↓

Enablers	Technologies	Partner ecosystems	New methodologies
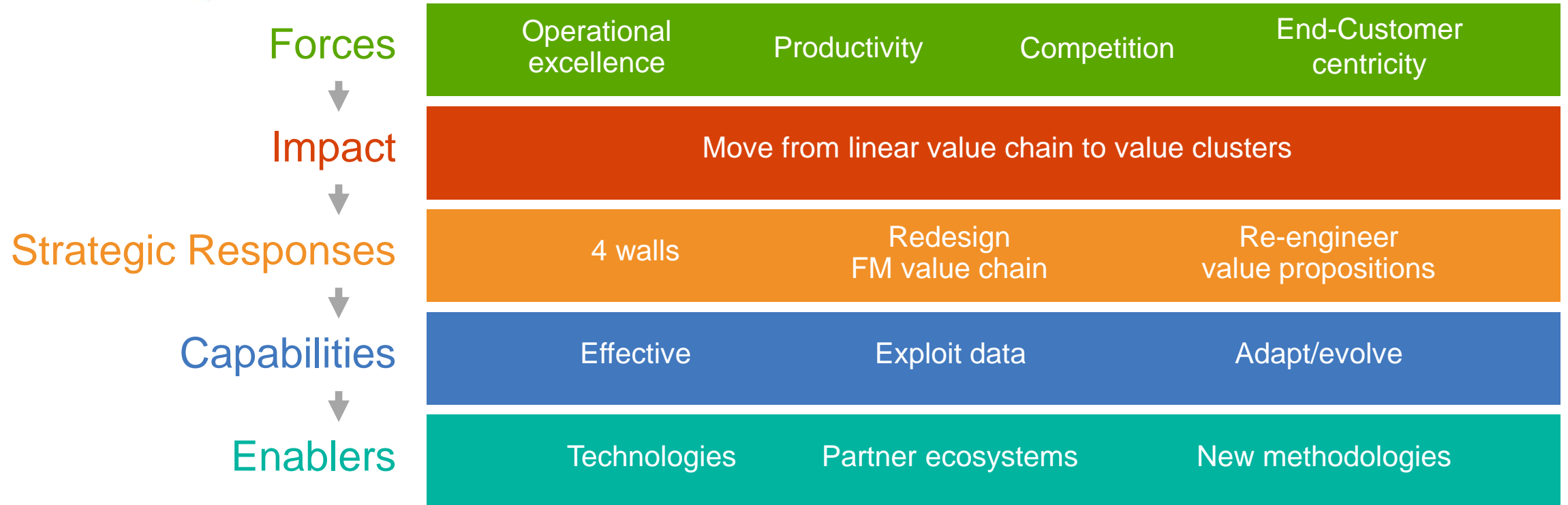
Substantial cost reduction and the creation of new value propositions within and without the current value chain are enabled by the adoption of platform-based business models

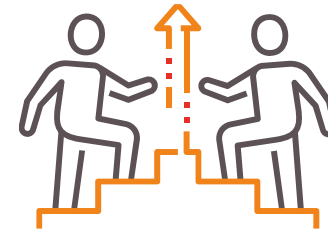# Forces in Facilities Management Industry

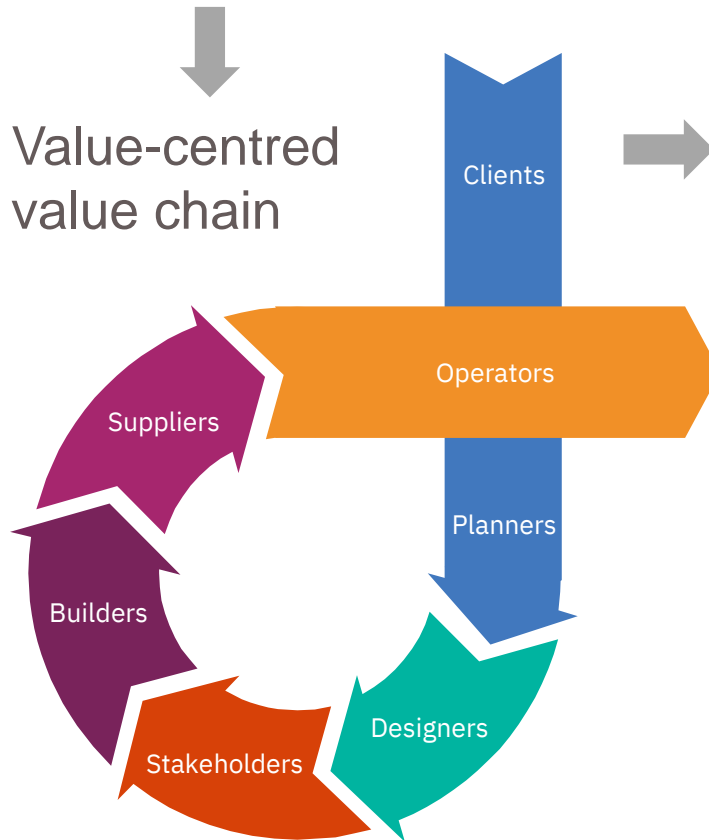## Operational excellence

Productivity

Competition

End-customer centricity

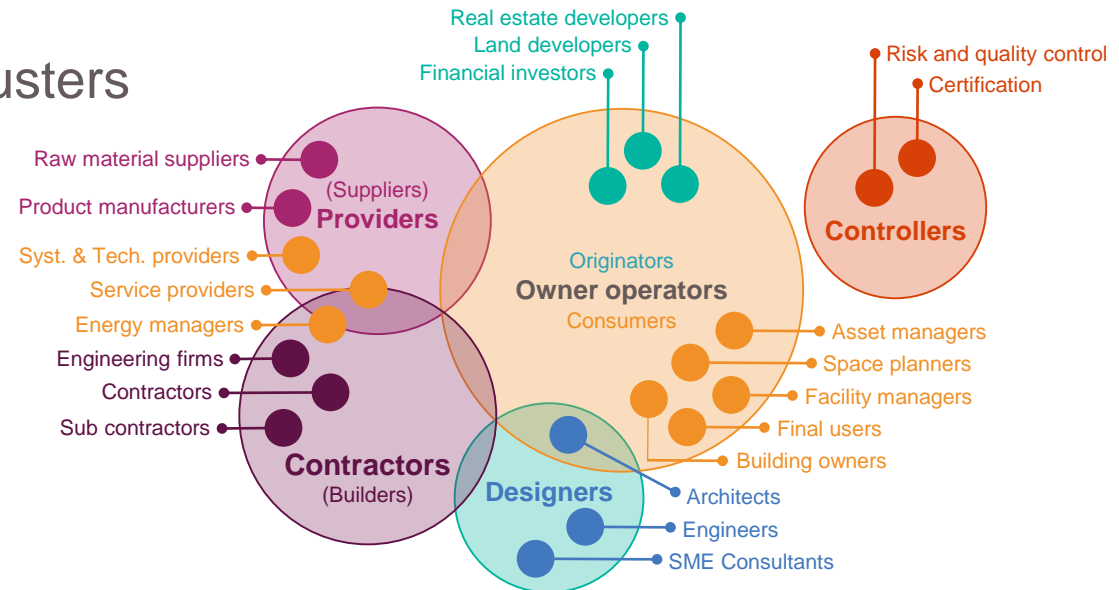# Impact: Engineering, Construction and Facilities Management: from linear value chain to value clusters

Linear value chain

Clients	Planners	Designers	Stakeholders	Builders	Suppliers	Operators

Value-centred value chain

Clients — Operators — Planners — Designers — Stakeholders — Builders — Suppliers

Value Clusters

(Suppliers) Providers
- Raw material suppliers
- Product manufacturers
- Syst. & Tech. providers
- Service providers
- Energy managers

Contractors (Builders)
- Engineering firms
- Contractors
- Sub contractors

Owner operators
- Originators
- Consumers
- Real estate developers
- Land developers
- Financial investors
- Asset managers
- Space planners
- Facility managers
- Final users
- Building owners

Designers
- Architects
- Engineers
- SME Consultants

Controllers
- Risk and quality control
- Certification

Although many players still operate within a linear value chain, some already moved towards a value-centred value chain. But the future lays in value clusters!

Strategic responses:
Where is change happening? How to respond?

① Value Chain Component

"4 walls" – protect and grow current business

Customer centricity
Safety, security, reliability
Ruthless efficiency/ automation
HR, IT, Procurement efficiency
Workforce deployment

② End to End Value Chain

"Redesign FM Value Chain"

Business networks
Collaboration
Ecosystem plays within industry
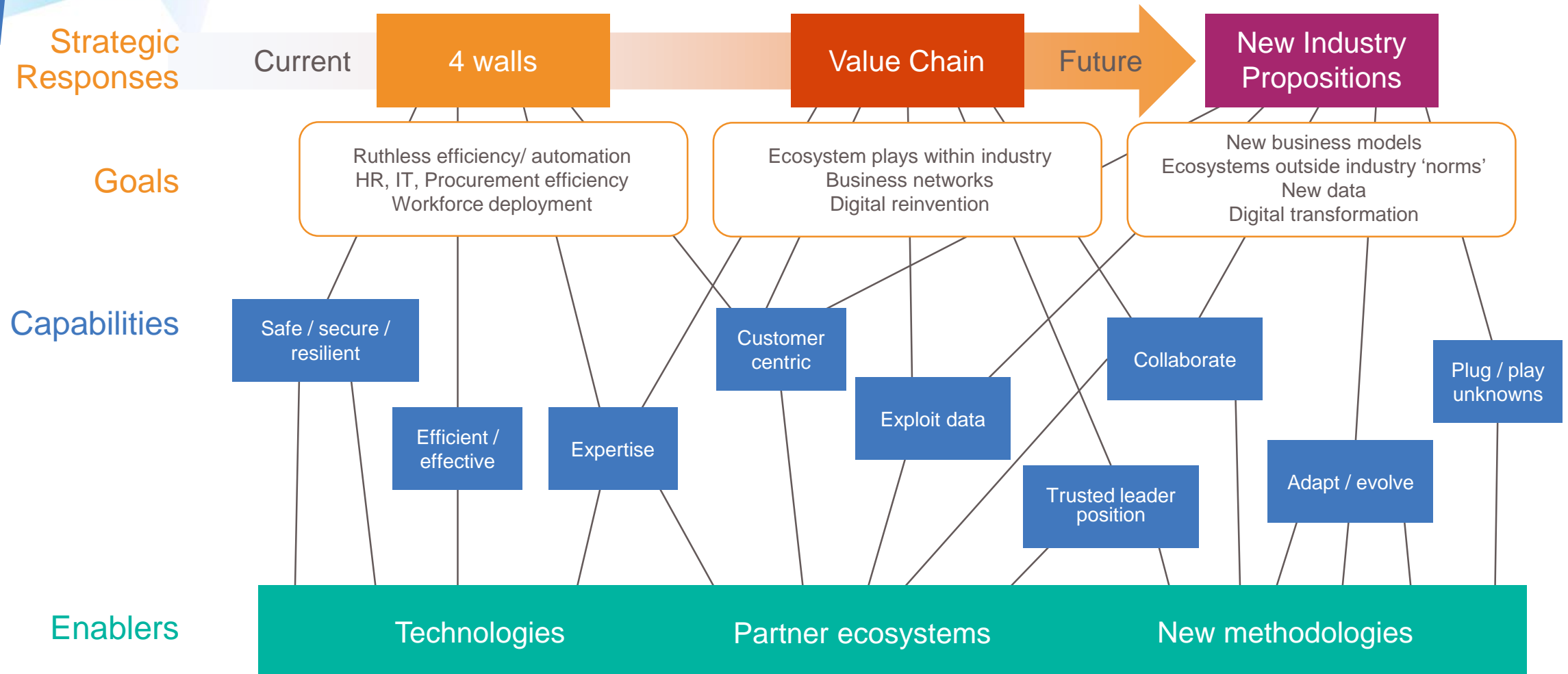Exploiting owned data
Using expertise
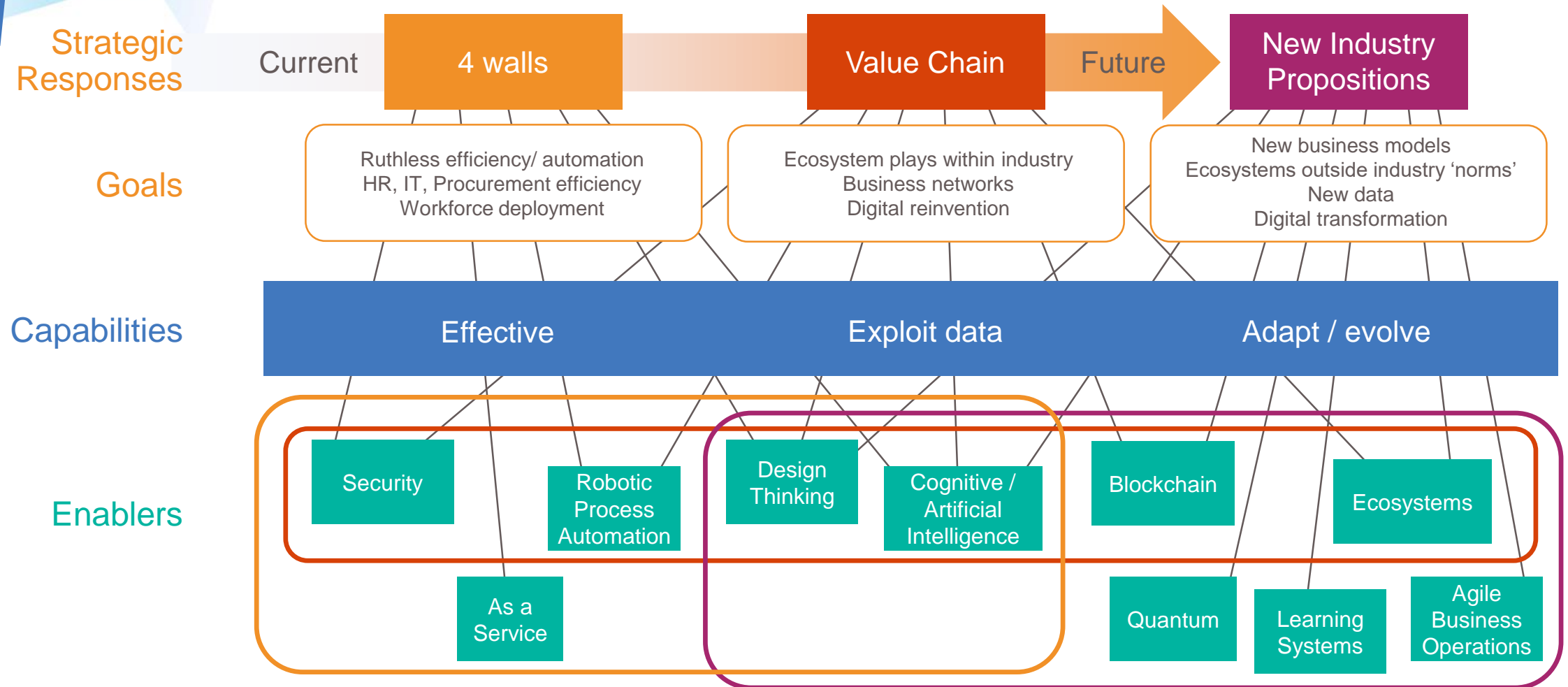Digital reinvention

③ Value Clusters

"Reengineer Industry Propositions"

New business models
New capabilities
Ecosystems outside industry 'norms'
New data
Digital transformation

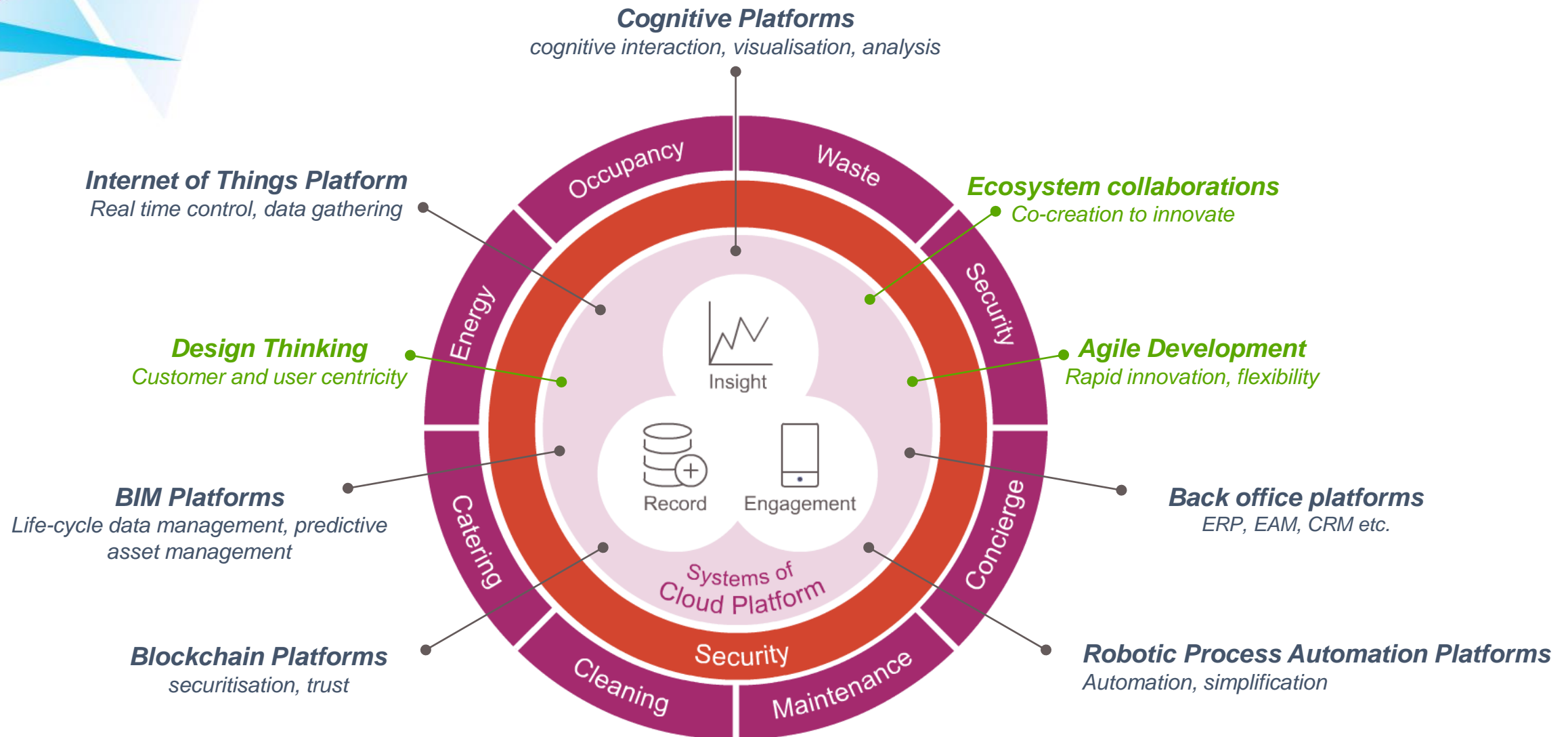# Capabilities – exploit current ones, create new ones

Strategic Responses	Current → **4 walls** ··· **Value Chain** ··· Future → **New Industry Propositions**	

Goals

- Ruthless efficiency/ automation
- HR, IT, Procurement efficiency
- Workforce deployment

- Ecosystem plays within industry
- Business networks
- Digital reinvention

- New business models
- Ecosystems outside industry 'norms'
- New data
- Digital transformation

Capabilities

- Safe / secure / resilient
- Efficient / effective
- Expertise
- Customer centric
- Exploit data
- Collaborate
- Plug / play unknowns
- Trusted leader position
- Adapt / evolve

Enablers

- Technologies
- Partner ecosystems
- New methodologies

IBM

The future: platform-based Facilities Management enterprise

Strategic Responses

Current | 4 walls | | Value Chain | Future | New Industry Propositions

Goals

| Ruthless efficiency/ automation
HR, IT, Procurement efficiency
Workforce deployment | Ecosystem plays within industry
Business networks
Digital reinvention | New business models
Ecosystems outside industry 'norms'
New data
Digital transformation |

Capabilities

| Effective | Exploit data | Adapt / evolve |

Enablers

Security

Robotic Process Automation

Design Thinking

Cognitive / Artificial Intelligence

Blockchain

Ecosystems

As a Service

Quantum

Learning Systems

Agile Business Operations

Enablers: End-to-end integration of platforms

Cognitive Platforms
cognitive interaction, visualisation, analysis

Internet of Things Platform
Real time control, data gathering

Ecosystem collaborations
Co-creation to innovate

Design Thinking
Customer and user centricity

Agile Development
Rapid innovation, flexibility

BIM Platforms
Life-cycle data management, predictive asset management

Back office platforms
ERP, EAM, CRM etc.

Blockchain Platforms
securitisation, trust

Robotic Process Automation Platforms
Automation, simplification

Insight

Record   *Engagement*

Systems of Cloud Platform

Occupancy · Waste · Security · Concierge · Maintenance · Security · Cleaning · Catering · Energy

Responses from other industries (1/2)

wood. | IBM

Delivering engineering solutions and services based on advanced digital technology

Bentley strikes deal with gas elves to get tanks filled wherever owners park

Bentley and Filld have teamed up to give owners the luxury of freedom from gas station stops, and I've tried out their new service.

Responses from other industries (2/2)

Supply Chain and Logistics

MAERSK

Connected Product in Aftermarket

KONE

- Blockchain - trusted and secure data

- Smart Contracts

- Hyperledger Platform for full supply chain

- Joint Venture backing

- KONE owned Data

- New services – API Ecosystem (e.g. cab hailing)

Enablers: technology
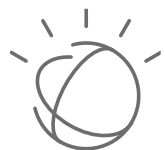
Analytics
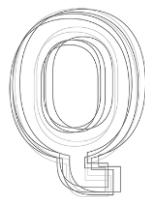
Quantum Computing

Asset Buy Back

Blockchain

AI / Cognitive

IoT

Mobility
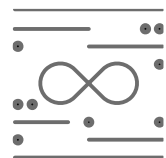
Design Thinking

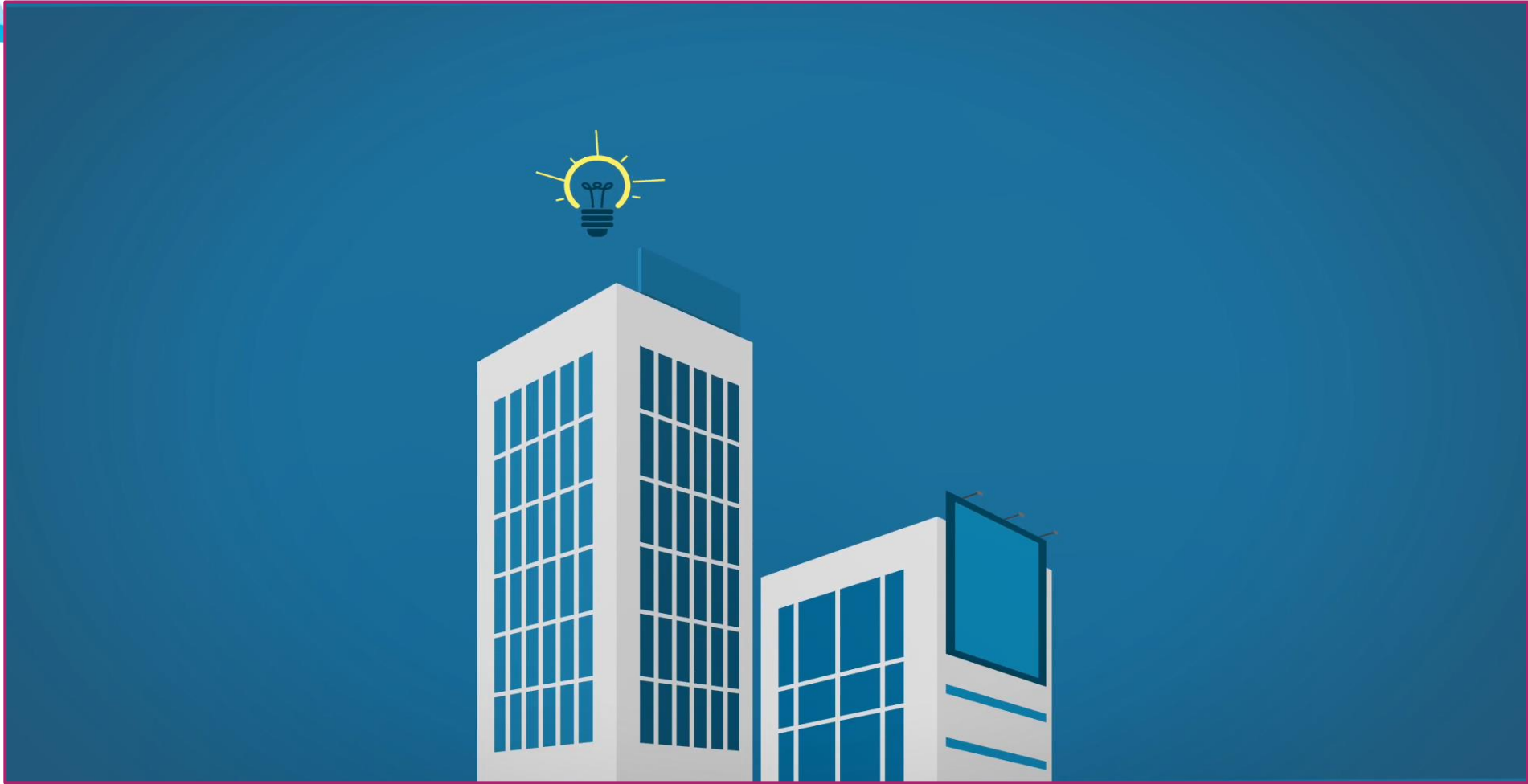Partnerships
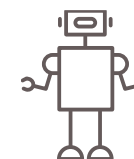
Robotics
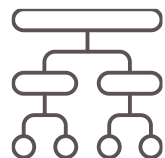
Discovery
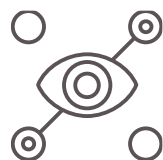
Visual Recognition

Cloud
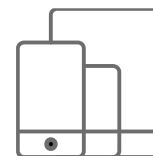
Digital

Security

The Future of Facilities Management

What this means for you and why now?

What does this mean for you?

- Owning the end-to-end experience is the key

- The confluence of technologies on platforms enables the end-to-end experience

- Focusing on experience allows the creation of new value propositions

Why now?

- There are day to day challenges, ongoing projects and budget constraints but…

- A few first steps now can enable multiple possible futures:

  - ✓ **Define your current state**
  - ✓ **Identify priorities and business cases**
  - ✓ **Gather and "clean" data**
  - ✓ **Integrate IoT in your business**
  - ✓ **Engage your workforce**
  - ✓ **Create learning platforms**

Point-to-point solutions get easily outdated, IBM can move past that creating your unique ecosystem of platforms to enable whatever future you choose.
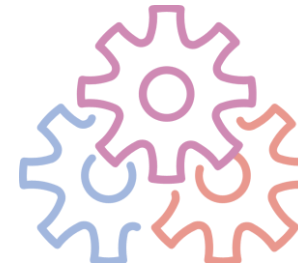
Why IBM?

Industry insight and understanding

Continuous Innovation

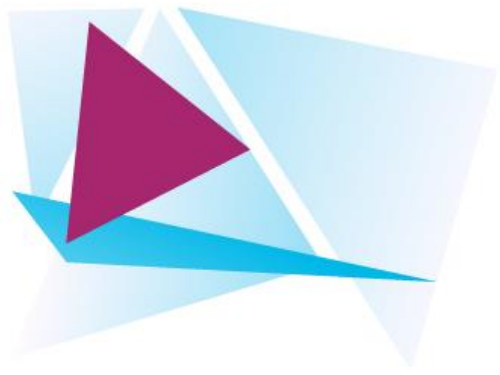**Technology**

Value chain business partnerships

Financing

Risk Sharing in your endeavours

Thank you.