Key Performance Indicators
What to Measure for Success

Meet Our Presenter: Robert Blakey
FMP, SFP, CFM, etc.

CBRE, Sr. Manager, Operations — Responsible for engineering services, energy efficiency, sustainability and operational best practices for Group Health Cooperative, a 3,100,000-square-foot Health Maintenance Organization (HMO) operating 60 facilities throughout Washington State.

IFMA Accredited Instructor — FMP, SFP, FM Learning System

CBRE Group, Inc. (NYSE:CBG) — a Fortune 500 and S&P 500 company, is the world’s largest commercial real estate services and investment firm.

CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting.
Review Session Learning
Objectives

• Explain where our goals come from
• Discuss how our goals roll up into larger goals
• Discuss tools for success in KPI Implementation
• Explain alignment between Performance and Management

Measuring What We Manage

• Facilities are complex and getting more so
• As managers we need to make progress in many areas at the same time
• We often confuse staff by asking them to manage performance for too many goals at the same time
• Staff need to keep their goals in mind all day, every day
• A handful of KPI’s that you need to do several things right to impact can achieve this
Performance

Understand where our goals come from

• Corporate goals drive Departmental goals

<table>
<thead>
<tr>
<th>Service Delivery</th>
<th>PM for Life Safety and Compliance</th>
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<tbody>
<tr>
<td></td>
<td>PM for All Equipment</td>
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<td>Accurate Completion of Work Orders</td>
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<td>Emergency Call Response</td>
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<td>Non-Emergency Repairs</td>
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<td>Safety</td>
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<td>Relationship Management</td>
<td>Critical Interruptions</td>
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<tr>
<td>Customer Service</td>
<td>Reporting</td>
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<td>Financial</td>
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<td>Continuous Improvement</td>
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<td>Project Management</td>
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</tbody>
</table>

Performance

Understand where our goals come from

• Departmental goals drive Team goals

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<td>Service Reliability</td>
<td>Critical Interruptions</td>
</tr>
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<td></td>
<td>Reporting</td>
</tr>
</tbody>
</table>
Performance

Understand how our performance “rolls up” into larger goals

Service Delivery

Emergency Call Response

Average Emergency Call Response Time

PM For All Equipment

Average Emergency Call Completion Time

% PM Completed on Time

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Performance

Choose wisely to Accomplish “Roll-Up”

- Can’t Measure (and Manage) Everything
- What Matters Most?
- Pareto Principle
  - 80/20
  - “80% of our problems occur in 20% of our buildings, systems, etc.”
Performance Management is different than Benchmarking

<table>
<thead>
<tr>
<th>Performance Management</th>
<th>Benchmarking</th>
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</thead>
<tbody>
<tr>
<td>Goal Driven</td>
<td>Standards Based</td>
</tr>
<tr>
<td>Improvement Over Time</td>
<td>Peer to Peer Comparison</td>
</tr>
<tr>
<td>“Key” Indicators</td>
<td>Often a Comprehensive List</td>
</tr>
<tr>
<td>Continuous Monitoring</td>
<td>Usually an Annual Process</td>
</tr>
<tr>
<td>Corporate Process</td>
<td>Public Reference Databases</td>
</tr>
<tr>
<td>Usually</td>
<td>May Justify Process Change</td>
</tr>
<tr>
<td>May Directly Impact</td>
<td></td>
</tr>
<tr>
<td>Individual Rewards</td>
<td></td>
</tr>
</tbody>
</table>

Management

How do we Lead the Team to Success?

- What Internal Team Data Points must we impact for our “Performance” KPIs to improve?
  - If we reduce the number of customer created work orders it should improve “Customer Satisfaction”
  - If we can reduce the time to completion for work orders and eliminate “stale” ones it should improve “Customer Satisfaction”
  - If customers are contacted by our staff and given a realistic estimate of when the work order in their area will be completed it should improve “Customer Satisfaction”

These are four easily measured data points for our Team!

Question: Would any 1 of these require success in all 4 areas?
Management Tools for Success in KPI Implementation

- Gain Buy-in through Collaboration during Development
- Consistent Application. No “Different Drummers”
- Provide “Mid-Course” estimated values before the Actual Reporting Period ends
- Make Outcomes Visible
- Allow Teams and Individuals to Compete
- Reward Individual & Team Successes

Management Tools for Success in KPI Implementation

- Are these data points items that individual staff or teams can directly impact?
- Can these KPI’s be managed to on a daily basis or are they only visible on a monthly data run?
- Can their importance be explained to line staff?
- Will line staff consider them relevant?
<table>
<thead>
<tr>
<th>Creation &amp; Data Sources</th>
<th>CMMS System, Customer Surveys, etc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy for staff to check progress</td>
<td></td>
</tr>
<tr>
<td>May align with Industry Standards</td>
<td></td>
</tr>
<tr>
<td>Departmental alignment not guaranteed</td>
<td></td>
</tr>
<tr>
<td>May be difficult to “tweek”</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Creation &amp; Data Sources</th>
<th>Excel &amp; Pivot Tables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow greater flexibility</td>
<td></td>
</tr>
<tr>
<td>Departmental alignment better</td>
<td></td>
</tr>
<tr>
<td>Ability to adapt if business units change</td>
<td></td>
</tr>
<tr>
<td>Not as easy for staff to check on though</td>
<td></td>
</tr>
<tr>
<td>“Drill Down” may be an issue</td>
<td></td>
</tr>
<tr>
<td>“Text” versus “Numeric” data import</td>
<td></td>
</tr>
<tr>
<td>Should probably write a “User Guide” to explain creation and update process</td>
<td></td>
</tr>
</tbody>
</table>
Creation & Data Sources

- Rolling 12 (13) Month
- Year over Year (Budget Cycle)
- Moving Averages
- Business Units vs Department as a whole
- Items/10,000 SF versus Items/Building
  - (Different size issues)
  - “Apples to apples”

Data Cycles & Trending

Creation & Data Sources

- Ability of Staff to get data sample during month instead of afterwards
  - Impact before score is final
- Data readily available
- Standard Tools (Excel add-ins available, etc.)
- Consistent application

We need Data while we can still change it!
### EMERGENCY SERVICE REQUESTS COMPLETED ON TIME

**Priority 1 Work Orders by Month for 2012/2013 (Rolling)**

<table>
<thead>
<tr>
<th>Priority Response</th>
<th>SRVC_DEPT_DESC (Multiple Items)</th>
<th>Count of WO_NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>(All)</td>
<td>Old Mgmt data</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Mgmt data</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Row Labels</th>
<th>01-Jan</th>
<th>02-Feb</th>
<th>03-Mar</th>
<th>04-Apr</th>
<th>05-May</th>
<th>06-June</th>
<th>07-July</th>
<th>08-Aug</th>
<th>09-Sept</th>
<th>10-Oct</th>
<th>11-Nov</th>
<th>12-Dec</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR</td>
<td>74</td>
<td>21</td>
<td>37</td>
<td>56</td>
<td>32</td>
<td>70</td>
<td>361</td>
<td>206</td>
<td>72</td>
<td>46</td>
<td>69</td>
<td>89</td>
<td>1133</td>
</tr>
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<td>46</td>
<td>69</td>
<td>89</td>
<td>1133</td>
</tr>
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Notification of Non-Conformance on Response Time:

| 01-Jan | 02-Feb | 03-Mar | 04-Apr | 05-May | 06-June | 07-July | 08-Aug | 09-Sept | 10-Oct | 11-Nov | 12-Dec | Grand Total |
|--------|--------|--------|--------|--------|---------|---------|--------|---------|--------|--------|--------|--------|-------------|
| 0      | 0      | 0      | 0      | 0      | 0       | 0       | 0      | 0       | 0      | 0      | 0      | 0      | 0           |
Specific Topics

- Customer Satisfaction & work requests
- Find it first!
- Know your most common Tenant Request types
- Tracking Reactive & Proactive
  - Sharpshooter vs. Shotgun

Example

Reactive Requests
Business Unit vs. Department

Total WO per 10K Sq Ft (Non-proactive)
(August 2012 to August 2013)

*Note: Request types that did not apply have been included in these numbers.*
Example
Most Common Request Types

Specific Topics
Craft Utilization (Craft and Individual Charts)

- Craft and Individual Charts
- Roll up from individual (not vice versa)
- Fire-fighting (unreported effort is unmanageable)
- Scheduling/Planning key to improvement
- What are our true time constraints (Travel, Rounds, Projects)?
- Great tool for justifying staff additions when well managed
Example Craft Utilization - Individual

Craft Utilization by Engineer
August 2019

Example Craft Utilization - Team

Craft Utilization % by Team
August 2019
Specific Topics

- Priority/Emergency Work (Often High Level Goal)
- Regulatory Compliance
- General within schedule
- PM% on time

On Time Performance

Example

On Time Performance
Rolling 12
Workload Factored

Graph showing 2012-2013 % SRs Completed 10 Days (Non Emergency)
Specific Topics

- Overall & by areas, building types
- Root Cause Analysis
- Access, Parts, Contractors, Approval, Budget
- Deferred Maintenance tracking between budget cycles
- Facility Condition Index (FCI)
  - May be in “Planning” instead of “Operations”

Example

Backlog/BackOrders

Average Time to Completion - Hours (TR)
(August 2013 to August 2015)

*Note: Repairs some that did not complete have been removed from these numbers. 
Alignment between Performance and Management is crucial

- Staff needs to align daily effort with Overall Facility Goals
- Proper selection of a handful of KPI’s
- As a Manager, you need to “Roll Down” Departmental Goals
- Choose wisely and focus on a few key things.

Questions?

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Thank You!

For attending this IFMA On Demand Session. For questions, please contact IFMA's Online Educational Manager, Vicky Acosta at Vicky.Acosta@IFMA.org