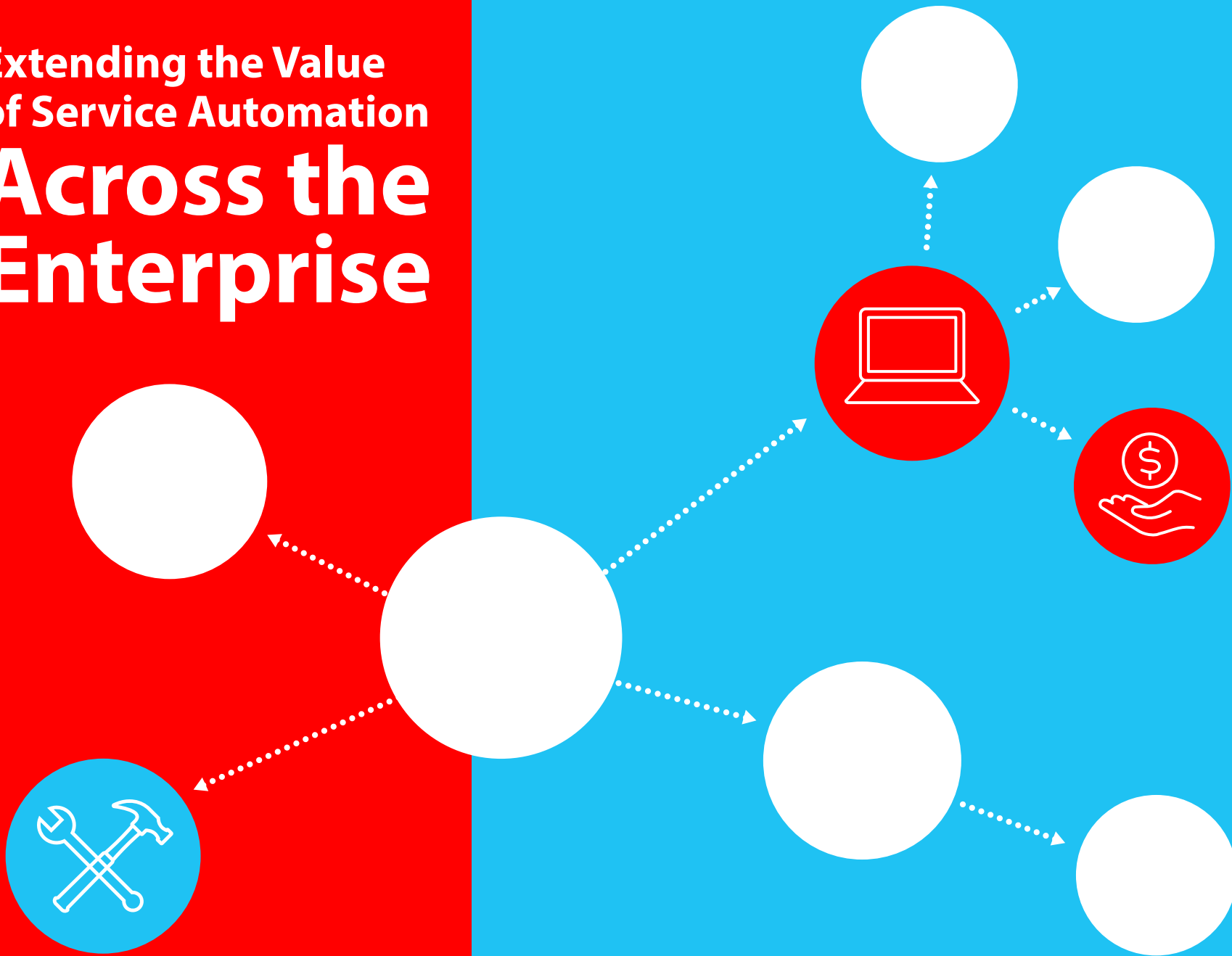# Extending the Value of Service Automation
Across the Enterprise

Importance of Getting a "Seat" at the Corporate Table

A constant challenge for Facilities Management (FM) is to demonstrate its value as a strategic function capable of driving shareholder value. An IFMA research report on this topic revealed that most C-suite (CEO, CFO, CIO, CMO, etc.) executives still view their FM departments as delivering "minimal" strategic value as well as being a cost center.

These negative perceptions can lead to severe consequences in economic downturns when corporations have to make cuts including downsizing employees.

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This reality mandates that FMs find ways to get a "seat" in the corporate-decision making processes by demonstrating that they are **not only strategic but essential to the business**. This requires FMs to take a forward-thinking approach to how they perform their jobs especially in terms of how they **collaborate with internal peers and external partners**. The goal is to tie FM operations tightly into a company's larger, broader-based business strategies.

Value of Service Automation for FMs

The good news for FMs is that the emergence and wide adoption of computerized maintenance management systems (CMMS) including service automation has made their jobs easier by delivering higher levels of efficiency, visibility and transparency.

These technology solutions have armed FMs with **comprehensive command-and-control** of all aspects of their operations including tracking contractors, staff, assets, work orders, service requests, locations, environmental conditions, service level requirements and much more.

Further, service automation systems today can provide a wealth of **FM-specific analytics** to help users make more data-driven adjustments through true, real-time actionable insights. Analyzing information such as work order and spending data at granular levels is critical for strategic operations that can lead to better forecasting, budgeting & planning, and identifying outliers/anomalies vs. industry benchmarks. This level of business intelligence will not only make the FMs smarter, it can turn into a competitive advantage for their companies across all industries.

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Benefits of Extending Service Automation Value to Other Stakeholders

There is no question that adopting service automation can make FMs the models of efficiency and intelligence within their profession. However, the true value of using this technology may lie in **extending its use to other corporate departments to drive better interdepartmental collaboration and communications**. This extension can take several forms:

1. Accessibility:

At its most basic level, FMs should make sure that their **data and analytics are accessible to other departments** so that anyone can understand the facilities operations impact on the rest of their business and vice versa.

2. Integration:

FMs can take accessibility of data to the next level by **integrating their service automation systems with other corporate systems** such as accounting, enterprise resource planning (ERP) and supply chain management software. This is easily achieved today through widely available application platform interfaces (APIs) that ensure system-to-system communications and data sharing.

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3. Unification:

The most advanced use case of extending service automation is for the FMs and other departments to **unify their operations on a common platform.** Doing so can greatly simplify business processes and data analysis (and reporting), while possibly reducing capital and operational expenses.

Whatever steps a company may choose to take, the goals for extending the value of service automation should be the same between FMs and other corporate departments. These include:

- Reducing costs
- Boosting operational efficiency
- Increasing staff productivity
- Improving customer satisfaction
- Enforcing vendor service level agreements and compliance
- Enabling supplier diversity

This ebook will explain **how and why service automation should be extended across the enterprise** beyond FMs. The departments examined are: IT, Accounts Payable, Loss Prevention, Operations, Construction, Real Estate and Sourcing & Procurement.

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Value for IT

IT organizations want to ensure that any technology solution that is being used within the company is **sanctioned and governed** in order to meet requirements such as system reliability, information security and proper data archiving.

This includes the use of cloud computing systems and services (e.g., Software as a Service), which can proliferate into a phenomenon known as "Shadow IT" when it is not properly sanctioned and governed by IT. This phenomenon can not only increase security risks for a company but can also increase operational complexity for IT.

In order to truly extend the value of service automation for IT, there are benefits that a solution can deliver including:

- System reliability through built-in high availability and security, especially for cloud platforms
- Ability to initiate simple integration between the service automation platform and other corporate systems such as ERP
- Low to no-touch operations for IT in terms such as automated but secure platform upgrades

Value for Accounts Payable

Accounts Payable (A/P) departments want to ensure that a company's suppliers and vendors are **paid quickly and cost effectively** as these can impact the quality of services delivered. A/P departments know that there is a **high correlation between invoices and payments being processed quickly and the responsiveness** of vendors and suppliers.

Service automation has paved the way for A/P departments to accelerate their transition from paper checks to electronic payment for **more streamlined and less costly payment processing** for FM-related vendors and suppliers. For A/P, specific benefits of service automation can include:

- Seamless interoperability/integration between service automation to corporate payment systems
- Increasing first-time match rates (FTMR) in terms of invoicing, payment and pricing
- Decreasing the number of disputes from vendors and suppliers
- Capturing more available discounts such as early-payment incentives

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Value for Loss Prevention

Loss Prevention (LP) has evolved as a function from basic security of a given space or location, to a set of sophisticated business processes that can encompass data protection, safety & risk management, and corporate & regulatory compliance.

While limiting "shrinkage" is still a top concern, LP departments today have broadened their purview into **critical asset protection** and **increasing overall profitability**.

Service automation can add significant value for LP by making site, asset and inventory auditing simpler and more efficient. These audits can inform the overall lifecycle management of buildings and equipment, and enable users to make **better replace-or-repair decisions** for maximum profitability.

Some specific service automation benefits for LP include:

- Ability to streamline LP processes, e.g. more efficient auditing
- Enforcing common processes and best practices across all locations such as retail stores
- Providing integrated data and view of key performance indicators (KPIs)

Value for Operations

Operations is a strategic function whose KPIs include efficiency, profits and losses (P&L) and return on investment (ROI). Operations teams are ultimately held accountable by how a company can convert material and goods into revenue-producing products and services in the most cost-efficient ways possible.

Service automation adds value to Operations by helping ensure that FM teams resolve facilities issues as quickly as possible while **limiting cost overruns and unnecessary spending**. Analytics and reporting designed for managing multi-site locations are critical for **tracking operational data** such as inventory levels, lease information, utility/waste/water management and equipment/asset aging. The key benefits that a service automation solution should deliver for Operations include:

- Easy-to-use for all users, e.g., store managers, including over mobile devices
- Maximizing location "uptime" – more selling, less fixing
- On-demand analysis and reporting of historic and real-time data

Value for Construction

There are many aspects of FM operations that can influence a company's Construction department in terms of how they design and build new sites. For example, by factoring in data such as frequently recurring repair and maintenance (R&M) issues in existing locations (e.g., problems with particular parts or equipment), Construction departments can **implement redesign ideas in future sites to prevent problems**.

Service automation technology plays an integral role as the centralized database for data and reports that is easily accessible by architects, construction managers and other department personnel. The key criteria for service automation to maximize value include:

- Integration with disparate construction systems such as construction management software
- Migration to true cradle-to-grave cycle from design to build

Value for Real Estate

The corporate Real Estate department is typically responsible for managing a highly distributed portfolio of properties including the corporate headquarters building (or campus) as well as branch locations all over the world. This department requires **regular status updates from every location**, which can be highly time-consuming and complicated when performed on a manual basis.

Service automation can expedite this process by providing **comprehensive status updates** with input from the FM department and/or other personnel on-site. This ensures that the Real Estate department has the latest information in order to **negotiate the most favorable lease terms** or to **mitigate disputes over property management issues**. Other benefits include:

- Integration with real estate management technologies such as integrated workplace management systems (IWMS)
- Ability to track leaseholder responsibilities and other location notes
- Simplified site audits and inspections

Value for Sourcing & Procurement

Optimizing the supply chain and sourcing the best service providers across multiple-locations can prove challenging for any Sourcing & Procurement department. For example, with thousands of essential parts and equipment across hundreds of locations, local staff can end up buying parts that can jeopardize warranties and/or at costs well outside of favorable corporate-negotiated rates.

A comprehensive service automation platform can serve as an **extensive, customized online catalog for employees** to purchase company-approved contracted materials, equipment, parts and supplies.

Another useful application of service automation can be in **managing an enterprise-wide directory of approved service providers in any given location**. These are vendors who have demonstrated a track record of success such as high quality of work as well as the ability to complete work orders that meet pre-negotiated pricing. Service automation enables FMs to **measure the performance of these vendors objectively and regularly** using dynamic, **quantitative scorecards based on KPIs**.

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Sourcing & Procurement can also benefit from:

- Automating the procurement process from source-to-settle through integration of service automation with procurement software systems, e.g. SAP (Ariba)
- Enforcing compliance to corporate procurement policies to maximize cost savings
- Readily accessible data to make strategic supply chain and service provider sourcing decisions

How to Champion Service Automation Internally

FMs can play a significant role in promoting the wider adoption of service automation technology internally by emphasizing the value criteria relevant for the different departments.

To help 'sell' this technology across the enterprise, FMs should **highlight the specific benefits each department can gain** from service automation.

By specifically targeting the value gained by each function, FMs can **enhance the collaboration between themselves and their peers** in these departments, driving substantial benefit for all.

Function-specific benefits include:

IT
- Easy and open system-to-system integration
- Simple operations and system maintenance

Accounts Payable
- Cost savings, including discounts
- Vendor and supplier satisfaction

Loss Prevention
- Simplified inventory controls
- Real-time asset management & protection

Operations
- Simplified workflow across departments
- Enterprise mobility for flexible operations

Construction
- Easily accessible database of facilities & equipment trends
- Analytics-driven design & decision making
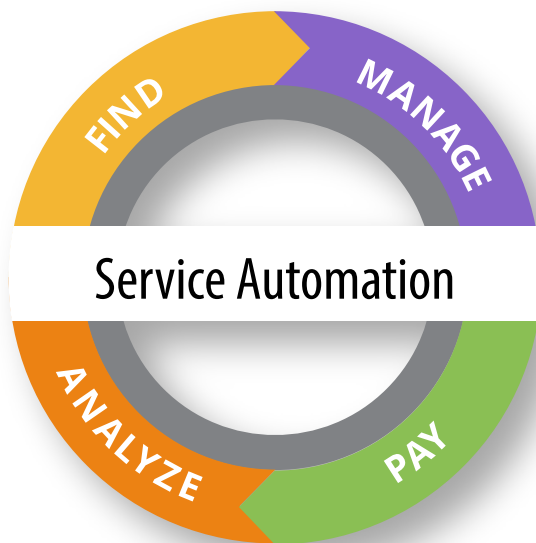
Real Estate
- Dynamic site notes and location-specific info
- Data-driven negotiations and facilities decisions

Sourcing & Procurement
- Simplified supplier diversity
- Effective process and policy enforcement

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Enterprise-Wide Benefits from Service Automation

The relationship between FMs and important corporate stakeholders can be complex, fragmented and inefficient without the right operational and workflow processes in place. This can lead to siloes of operations between the different departments as well as a breakdown in communications. This will inevitability lead to higher costs and less-than-optimal results in the value that FMs can deliver for their companies.

The adoption of service automation technologies is starting to break down these operational siloes as the **value of using this technology extends beyond FMs to other corporate departments**. This is especially important for companies managing multi-locations, which can increase operational complexity dramatically.

By leading the initiative to boost the adoption of service automation throughout their enterprise, FMs can **increase their perceived strategic value** and gain that all-important "seat at the table."

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About ServiceChannel

ServiceChannel provides facilities managers with a single platform to source, procure, manage and pay for repair and maintenance services from commercial contractors across their enterprise. By delivering unprecedented transparency and data-driven analytics of service quality, across all trades, locations and contractors, facilities managers drive significant brand equity and ROI for their organizations without outsourcing or investing in new infrastructure.

The world's leading global brands use ServiceChannel and Big Sky solutions daily to help optimize millions of transactions and billions of dollars of spend annually.

ServiceChannel was named a GAP Inc. Strategic Partner in 2013, awarded two Nike Vendor Excellence Awards in 2010 and 2012, and named Vendor of the Year in 2011 by The Professional Retail Store Maintenance Association (PRSM).

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