Integrated Facility Services

Top 3 Ways Integrated Facility Services Improve Cost Control



Integrated facility services (IFS) – bundling multiple services directly from one provider – are growing in popularity. In a recent survey by KPMG, nearly two-thirds of respondents said that cost was a primary driver for outsourcing, and many expressed increasing interest in using IFS to achieve that objective.

Companies that aren't exploring IFS are missing out on benefits that other models don't deliver. It allows organizations to better control costs while improving outcomes. The IFS approach directs more facility services dollars to actual service costs; streamlines labor management, and gives you a holistic view into facility operations.

1. Reduced Overhead and Fees

The more providers you have to manage, the more you spend on administrative and various other soft costs. The IFS model funnels more of your spend towards labor and reduces the margin that's spent on fees, management, and overhead costs. For example, a global logistics company with 68 locations found that a large portion of its facility spend was going to overhead costs and administrative fees. By consolidating HVAC and mechanical, electrical, janitorial, landscaping, and other building services with one company, it reduced its costs by 7.5% in one year.



2. Smart Labor Utilization

Labor accounts for 55-65% of the cost of delivering facility services. With an IFS model, team members are cross-utilized to fulfill staffing needs efficiently. A day porter may be trained to assist with mailroom duties. Or in the event of an emergency, all service workers respond, making the response more efficient and cohesive. Staff can be cross-utilized from the service worker to supervisor level, ultimately allowing for greater flexibility and scalability.

Cross-utilization also reduces the need for subcontracted labor that often charges hourly, truckbased rates. It eliminates the costs that come from trip charges, minimum show-up fees, travel time, etc.



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3. A Holistic View

Another benefit of IFS is integrated reporting. A fully integrated reporting plan can encompass the entire scope of your facilities services program, which reduces errors and improves efficiency.

IFS gives you a holistic view into key metrics:

- Adherence to service level agreements
- Lifecycle asset management
- Number and status of work orders
- Accurate cost data across your entire spend

These insights allow you to determine which areas need improvement. Are work orders being submitted for tasks that are actually in scope? Are certain aspects of your maintenance program taking attention away from others? An integrated approach allows you to leverage these insights across multiple services, enhancing the cost control benefits.

With all of your costs rolled into one contract, a holistic set of KPIs for safety, occupant satisfaction, financial performance, etc. simplifies oversight with a comprehensive and integrated set of KPIs.

Integrated facility services are growing in popularity because they allow companies to maximize the benefits of outsourcing. And while cost is a key benefit, it's not the only one. Relying on one provider offers you better consistency, stricter adherence to service level agreements, and improved governance. These outcomes lead to improved occupant satisfaction and employee engagement.



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