KPMG
cutting through complexity

Facilities Management Association

Debate
FMA End-user session

Supply chain & the FM Market

23rd May 2013

Why did we establish FMA End User Group?

- No trade body for customers
- Everyone benefits if suppliers and customers understand respective issues, concerns and pressures
- FM Industry not as developed as others in terms of customer management

Who are we??

Guy Stallard

Andy Christophi

Fiona Bowman

Gary Youngs

Louise Rushmer

Wendy Cuthbert

- **We work in a variety of environments with different FM models and varying responsibilities**
- **We all want to work with suppliers to deliver successful FM Operations for our customers**
- **Understand mature relationships have tensions but relationship must be sustainable**
- **No one benefits when one party thinks they are the winner**

FMA User Group

Facilities Operations

Facilities at KPMG

3 Functions

Business Continuity, Safety & Security	Property	Workplace Services

- 22 locations around UK ranging from over 5000 people in 15 Canada Square to offices of less then 50 individuals
- Mix of in house and single service outsourced arrangements
- Cost budget of circa £100m

Facilities at Shelter

Facilities at Lloyd’s Register

Facilities at Norton Rose

Facilities at RSA

Facilities at Barclays

What we debated

Questions

- What are the areas which we perceive to be improving?
- Where we feel the supply base is letting itself down?
- What are the main things we think suppliers could change to improve how they interact with customers?
- How effective do we find the supply base in proactively bringing innovation to us?
- How do we feel procurement methods will change over the next five years?

What are the areas which we perceive to be improving?

Suppliers are recognising tough economic climate! Generally holding contract prices flat

Suppliers empowering local accountability

Continual improvement through contract period

Looking forward not back

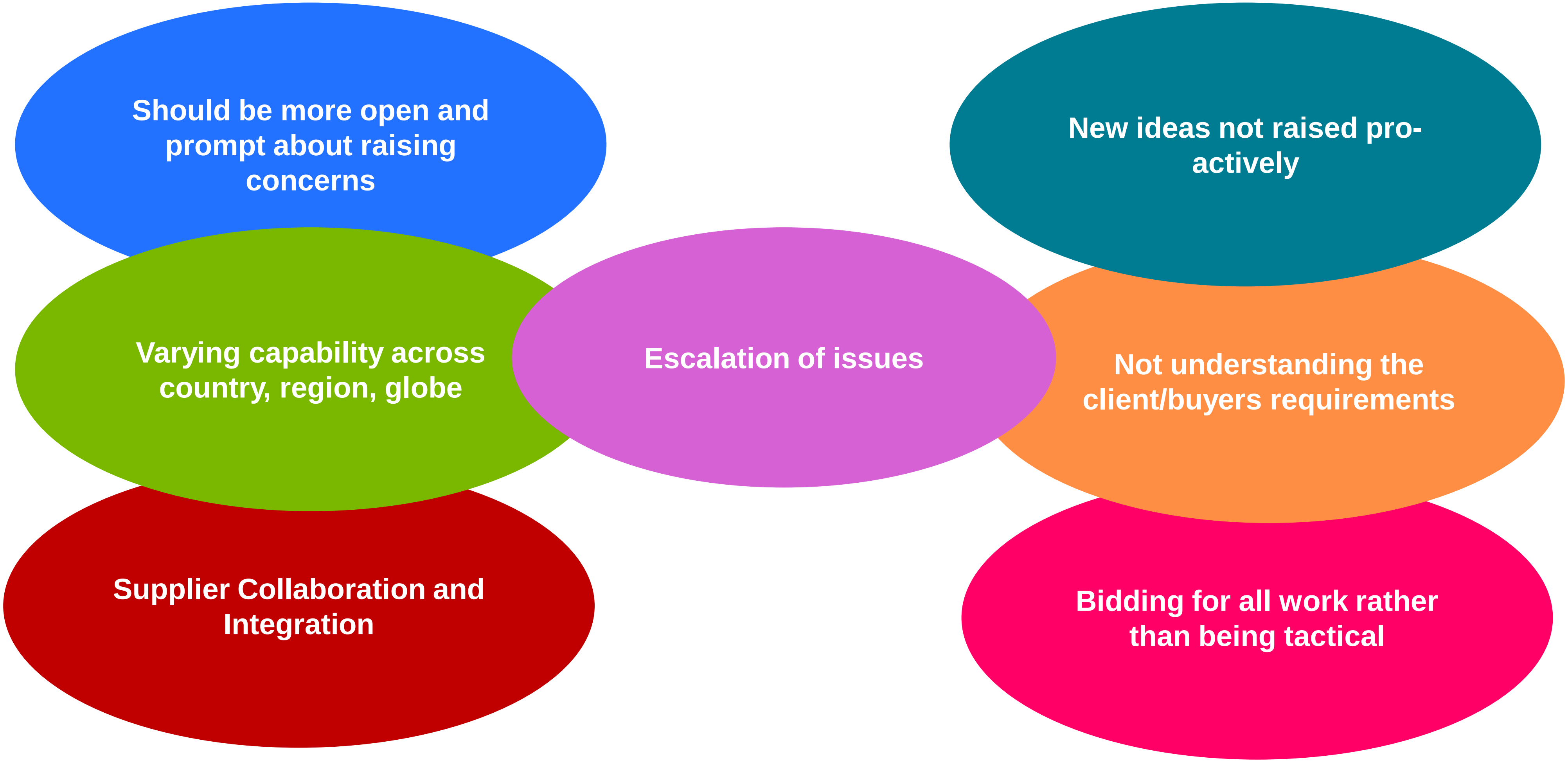
Sharing knowledge/best practice

Move to ‘open book’ relationship which leads to trust on both sides.

Suppliers are becoming more strategic about which sectors they want to expand in

Career progression/training

Where do we feel the supply base is letting itself down?



What are the main things we think suppliers could change to improve how they interact with customers?

Demonstrating knowledge, sharing best practise and future trends adds great value for the client

Demobilisation process

Continuous improvement and development of delivery model

Ensure no conflict between internal structure and client requirements

By professionalising staff and contract management

Getting even better at saying NO!

Treat Client like a partner

Suppliers should have the self confidence to recognise that they are the expert

How effective do we find the supply base in proactively bringing innovation to us?

Innovation – to make changes in something established, especially by introducing new methods, ideas, or products (Oxford Dictionary)

Incumbents only bring innovative ideas at tenders but not during the contract?

Do clients really get innovation or continual improvement & development?

Workshops for blue sky thinking held too infrequently

How well do suppliers know what FM need to do for 2025?

What does innovation mean? Different Perceptions?

Is the supplier paid enough to be innovative? Supplier should challenge Clients.

How do we feel procurement methods will change over the next five years?

Different views regarding the success of TFM models. Seen some new starts as well as some winding down

Quality and capability of suppliers will be key

Potentially longer contracts with lower margins

Contract performance to drive decision rather than 'inflexible' rules

Closer working FM and Procurement

Market will diverge e.g. Global/region/national/office contracts

The Debate

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