

**Welcome**  
to  
**EstatesMaster**

*The totally unique* fully automated  
do-it-yourself

**Benchmarking and Cost Prediction Program**  
for  
**Facilities Services**

from



**INTERNATIONAL  
FACILITIES & PROPERTY  
INFORMATION LTD**

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## Licensees GO

# About *EstatesMaster*

***EstatesMaster*** is a universally applicable intelligent decision support system for **site-specific** benchmarking, estimating, planning and controlling the cost of facilities.

**It is a development of a single – building benchmarking program originally called Facilities Cost Monitor whose functionality it now embraces**

## **How does *EstatesMaster* work?**

It is a purpose-built model built around detailed analysis of a **massive first-hand-assembled data-base** of costs and performance – see below – which it interrogates in depth to draw down accurate and reliable comparables for any specific building type, specification and configuration.

For each facilities service it takes into account the **site-specific** variables affecting issues such as:

- the scope and quantity of work to be addressed,
- levels of performance,
- the design and specification of buildings and their contents,
- user activity,
- operational conditions,
- internal and external environmental conditions and
- micro/macro-economic market conditions

- at any date past, present or future.

## **Who is behind *EstatesMaster*?**

The original **Facilities Cost Monitor** was created by **Bernard Williams FRICS**, formerly senior partner of, and now an active consultant to, **Bernard Williams Associates (BWA)** a UK-based professional consultancy specialising in facilities economics. BWA are widely recognised as being leaders in the field of benchmarking facilities services; their unique and massive database forms the back-bone of the Facilities Cost Monitor model.

The program is developed and marketed by **International Facilities and Property Information Ltd. (IFPI)** which also publishes a wide range of books and electronic teaching aids in this specialist field.

### **What is so special about *EstatesMaster*?**

#### ***Size and accuracy of data-base***

The 2 million-plus data entries from which the base model is constructed is drawn from BWA's records, painstakingly compiled over 40 years experience of specialist facilities benchmarking consultancy. The data has been gathered and analysed at first hand by BWA's team of fully qualified Chartered Quantity Surveyors from the facilities cost records of some 500 users in over 10,000 buildings in the UK and internationally.

No second-hand data of any description is used in calibrating the ***EstatesMaster*** program

With ***EstatesMaster*** users are able to benchmark current performance against a modelled peer group for a wide range of facilities services from 'maintenance' to 'document distribution'.

#### ***Eliminates 'background noise'***

The program eliminates all the background noise normally associated with conventional high-level estimating and benchmarking processes i.e.: the resource drivers affecting service level requirements, cost of operations, and quality of performance, e.g

- age,
- labour rates and costs of employment,
- problems of access

- etc. etc.

which are taken into account when extracting the peer group comparisons from the database for estimating and benchmarking.

### *Uses all the key variables*

**EstatesMaster** has leap-frogged conventional benchmarking techniques by modeling all the key variables influencing cost and quality and producing a **realistic estimate** of what a service *should* cost in any normal range of circumstances if procured and managed efficiently.

Cost comparables offered by the program in each service are the result of a combination of all or most of the following **cost drivers** which impact upon the cost of each service:

- scope of the service
- user service level requirements
- site-generated problems/hazards
- building specification and design
- areas or volumes to be dealt with
- labour rates and employment on-costs
- consumables costs
- market forces
- location
- date
- productivity levels
- and many others

### *Cost drivers weighted and valued*

The weightings and values of each of these cost drivers have been evaluated by the authors using their vast first-hand-gathered database and practical experience of facilities economics; these weightings and values have been applied **not to the cost centre as a whole, but to each sub-element of each cost centre.**

So Cleaning for instance is analysed in respect of sub-elements such as:

- Walls
- Windows
- Occupiable areas
- Furniture and equipment
- ‘Special’ areas
- Waste management
- Pest control

The level of accuracy of the program is significantly enhanced by modelling the results at this level of detail and can only be achieved because of the robustness of the data-base and the thoroughness with which it has been modeled.

However **users do not need to have their own costs analysed to the same level of detail** – they merely need to know the scope of the service and some key facts affecting its delivery.

### *Accurate*

The level of accuracy of the program is significantly enhanced by modelling the results at this level of detail and can only be achieved because of the robustness of the data-base and the thoroughness with which it has been modeled.

However **users do not need to have their own costs analysed to the same level of detail** – they merely need to know the scope of the service and some key facts affecting its delivery.

### *Drilling down*

A big feature of the EstatesMaster program is the way it helps you to get a good, reliable initial overview of your facilities’ performance with a very small time-input.

However, having made your first pass at the typical features of your buildings and the quality of their facilities services you can then begin to ‘drill down’ into the detail of the estate by answering the questions in respect of some of the more important buildings on an individual building basis.

Every time you evaluate the estate's facilities performance using **EstatesMaster** you can run a Report showing:

- the questions and your answers
- the overall results for the estate – predictions v actual
- the overall predictions for the group of buildings
- the predictions for individual buildings
- the reasons for any answers and reminders to go back and check out the data.

### ***Tests any service level or building option – against best performance***

**EstatesMaster** is much more than just a highly flexible estimating and benchmarking tool: the program can be a catalyst for creation of a best value facilities regime by facilitating **instant sophisticated sensitivity analysis** of the cost of facilities options.

The database extends across all major building types. Uniquely it is distilled down to include only the **best performance results** in respect of cost/quality achievement.

### ***User-friendly***

The screens require the user to answer straightforward questions about their costs, areas, headcount, building design/specification, performance achievement and other the other key resource drivers described above.

Provided users have a reasonable knowledge of their facilities (or access to others who do – like consultants or contractors) they should have no problem at all in completing the questionnaires which form the basis of the system.

Each screen is supported by a detailed written '**Helptext**' giving definitions of specialist terms and advice on how to complete the answers to the questions.

Drawing from the authors' extensive experience of working with Facilities Managers in the course of consultancy activities the whole model has been designed to overcome the worst of the problems which the authors **know** are likely to occur as a result of:



- mis-analysis of users' cost data
- inconsistency of classification of costs and measurement parameters
- lack of understanding of technical terms
- lack of formal records with regards to levels of quality and/or cost breakdowns

The program is fully automated being designed to provide reasonably accurate estimates and benchmarks without the need for any consultancy interface. However, there is also a **Help-line** for users to contact for expert guidance in the unlikely event that they have any problems in filling in the answers to the simple questions posed - or even if they don't like the results the programs generate!

### *Universal application*

**EstatesMaster** is calibrated to estimate and benchmark costs of facilities in the major regions of following countries :

- **UK**
- **USA**
- **Australia**
- **Canada**
- **France**
- **Italy**
- **Germany**
- **Nigeria**
- **Republic of Ireland**
- **Spain**

Other countries can be made available on request and Licensees will be informed of new options as they come on stream.

### *What does it cost?*

Licence fees are payable annually to IFPI Ltd on a set fee scale which varies according to the number of program users (seats) and number and size of buildings. Details of these fees can be made available against a specific proposal.

Fees for one-off applications can be pre-arranged with IFPI Ltd.

# CASE STUDIES

## CASE STUDY

### Facilities Policy and Budget Allocation – Local Authority

A major Local Authority was moving its administrative functions into a new building in the city centre. The newly formed strategic fm group (ICF) were tasked with setting the budgets for all the facilities services and justifying the figures by reference to:

- peer group performance
- alternative performance levels – higher and lower

Under the guidance of a facilitator the whole ICF team went through each cost centre using the Facilities Cost Monitor to show them the performances options and their budget implications.

The costs indicated were, of course, generated by the site-specific cost drivers identified by the questions asked in the program.

The ICF found the Helptext really useful when deciding on the appropriate standards of specification in the new building. Every now and then they asked to see the cost implications of the menu options – these were displayed instantly on the screen and enabled the team to make value judgements on the quality ranges in a fraction of the time it would have taken them without access to the program. In fact, the complete process was done and dusted in less than 3 hours.

The ICF's decisions were encapsulated in the FCM Report which recorded the decisions they had taken in respect of each of the questions in the program. It enabled complete buy-in of the whole team to the policy decided upon –with its cost implications - in every one of the facilities services they would be procuring.

The results of their deliberations using the FCM as a catalyst were as follows:

Service	Lower Level Alternative*	Medium Level*	Higher Level Alternative*
Cleaning	250,000	274,000	390,000
Services Maintenance	340,000	421,000	455,000
Fabric Maintenance	45,000	55,000	[55,000]
Security	150,000	171,000	251,000
Reprographics	518,000	783,000	1,013,000
Stationery	407,000	512,000	801,000
Document Distribution	1,417,000	1,800,000	2,052,000
Energy	414,000	601,000	613,000
[Archiving]	[TBC]	[TBC]	[TBC]
<b>Totals</b>	<b>3,541,000</b>	<b>4,617,000</b>	<b>5,630,000</b>

This information was incorporated in the officers' report to their Council requesting confirmation of the facilities policy for the new building and the budget implications.

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## CASE STUDY

### Re-tender or re-negotiate services contract?

A Central Government Department was deliberating over whether to re-tender a major service contract covering 5 buildings or to re-negotiate with the incumbent provider.

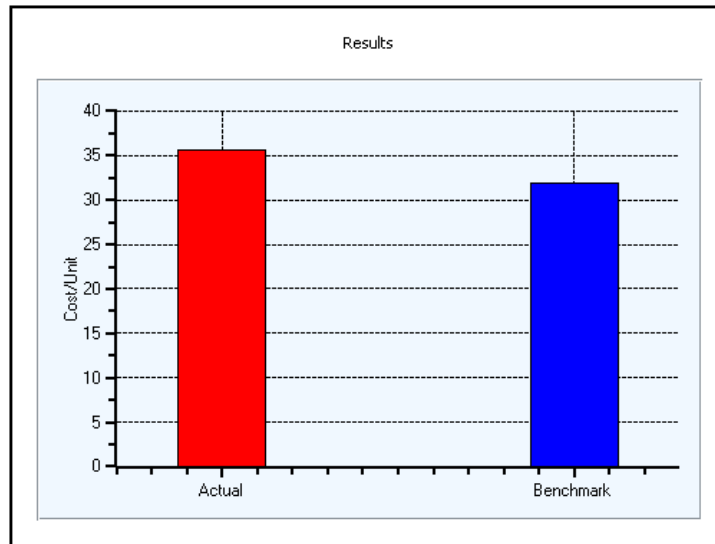
Using the FCM EstatesMaster program they found that the price they were paying was close to best performance for the scope and quality being provided.

They therefore re-negotiated the contract continuing a good partnership without unnecessary costs and disruptions on either side.

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**Results**

Actual total cost for year	1,546,488.00
Benchmarked total cost for year	1,385,444.69
Actual cost for year per square metre	35.66
Benchmarked cost for year per square metre	31.94



## CASE STUDY

### Global cost management

A major international engineering enterprise used the FCM EstatesMaster program to set up a cost control mechanism for its global estate of 1.2m sq.m.

They appointed a 'champion' from among their ICF team to work with a facilitator to set the program up for all their 10 sites - 7 in UK and 3 overseas.

The results identified a good performance in most areas when set against the peer group in the program's data-base. However, one or two sites were significantly above the program's benchmark for some of the services.

An extract from a typical Summary Report is as follows:

OVERALL ACTUALS			OVERALL BENCHMARKS		
Cost per m <sup>2</sup>	£ / m <sup>2</sup> GIA p.a.	4.46	Number of buildings		238.00
<b>Total Cost</b>	<b>£</b>	<b>2,422,272.00</b>	GIA	m <sup>2</sup>	542,664.45
			Benchmark	£ / m <sup>2</sup> GIA p.a.	4.70
			<b>Projected Total Cost</b>	<b>£</b>	<b>2,549,423.21</b>
Common Support Buildings			Laboratory - General Purpose		
Number of buildings		67.00	Number of buildings		3.00
GIA	m <sup>2</sup>	13,880.16	GIA	m <sup>2</sup>	3,570.23
Benchmark	£ / m <sup>2</sup> GIA p.a.	1.22	Benchmark	£ / m <sup>2</sup> GIA p.a.	4.51
<b>Projected Total Cost</b>	<b>£</b>	<b>16,998.13</b>	<b>Projected Total Cost</b>	<b>£</b>	<b>16,117.24</b>
Laboratory - Special Purpose			Office Attached to Industrial Buildings		
Number of buildings		6.00	Number of buildings		12.00
GIA	m <sup>2</sup>	9,359.11	GIA	m <sup>2</sup>	6,551.53

Notice that even with over 200 buildings and 1/2 million sq.m of Gross Floor Area the benchmark is still within 5% of the actual cost for this particular facilities service cost centre. Nevertheless when individual buildings were checked there were some poor as well as excellent outcomes. The company has used these and the other results to identify best performance on its estate and has made changes which have affected substantial improvements in value for money. Use of the program is now being extended to other parts of the organisation in other countries; EstatesMaster will now be updated on a continual basis as a total estate cost control mechanism.

## CASE STUDY

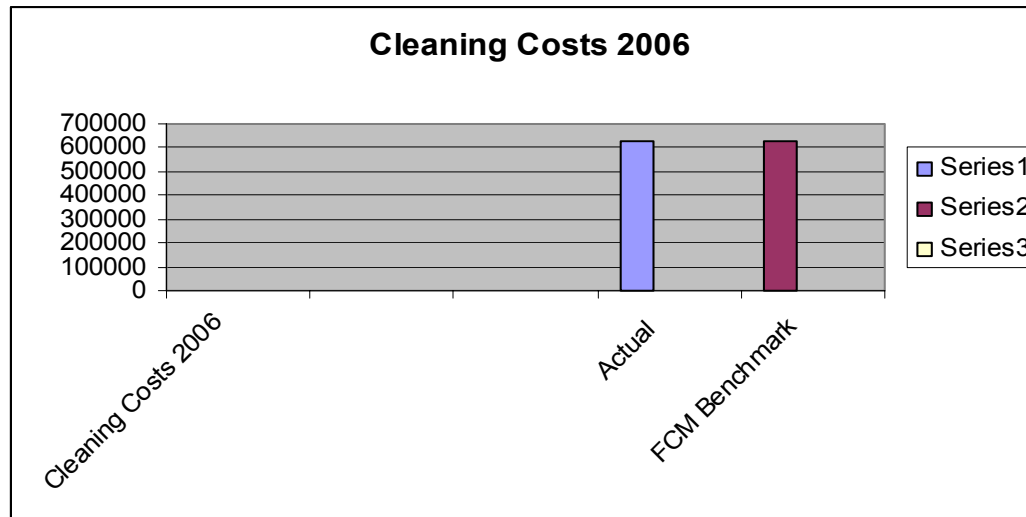
### Facilities Cost Monitor – Negotiation of contract extension

A large London financial services organisation had a very good partnership going with their cleaning contractor but the contract period was nearly up – so how could they avoid losing this excellent service provider in a re-tender scenario?

The answer was to use the Facilities Cost Monitor cleaning module to benchmark the contractor's proposals for an extension of the contract for a further 2 years.

The program was populated and run by an independent surveyor – neither party had any influence on the way the questions were answered other than to provide factual information. The Report from the FCM program showing all the questions as answered was appended to the benchmark result.

Actually the bid was within 1% of the FCM benchmark so there was no contest.



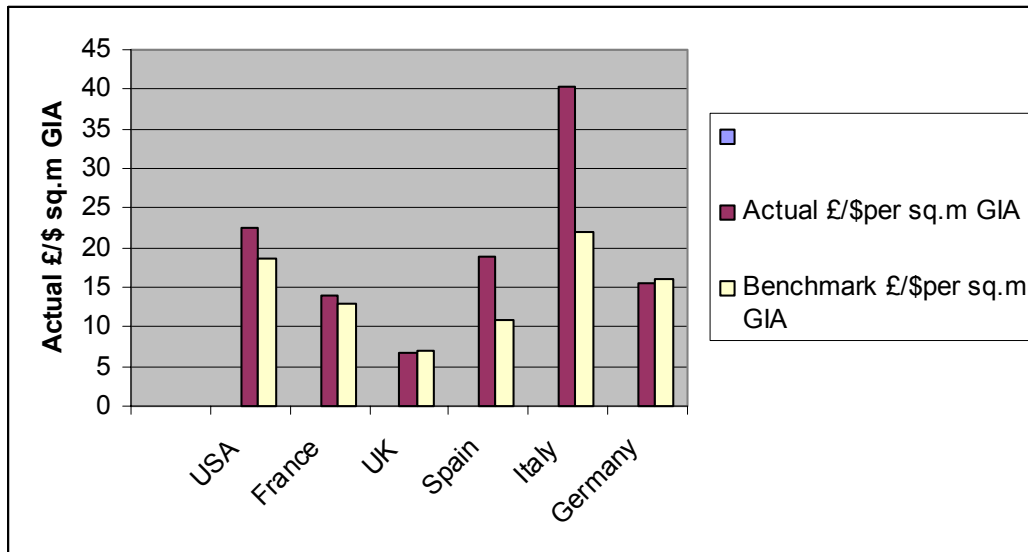
## CASE STUDY

### FCM EstatesMaster – International benchmarking

An internationally-based dugs company wanted to get a handle on how their costs and performance compared across their portfolio of offices and laboratories in USA, UK and mainland Europe.

The process highlighted some very big differences in costs on some sites between the Benchmarks and Actuals in several of the Services tested using EstatesMaster.

Note that the benchmarks and actuals shown below are given in the local currency – the program does not dabble in currency conversion which is a benchmarking minefield. However the diagram below when converted to a common currency does show a wide disparity of costs as between the sites as well as between the actuals and benchmarks on each site. Sometimes this was justifiable and sometimes it wasn't – time for a thorough review in a couple of situations



The same company also benchmarked all of the **Service Charges** on its tenanted properties. This facility is unique to the FCM program and opened up some interesting lines of enquiry



# Frequently Asked Questions

**Q How do we know the data-base is accurate?**

A. The data has been selected and processed by Bernard Williams Associates (BWA) who are recognised as leading specialists in the field.

The data is collected at first hand by BWA's team of Chartered Quantity Surveyors in the course of carrying out facilities cost benchmarking studies for major national and international users.

**Q Is the program kept up to date?**

A The program is updated continually. Licensees automatically access the most up-to date calibrations having been notified of the nature, extent and reasons for the modifications.

**Q Which building types does it cover?**

A The program is not user-type-specific - it can be used for offices, retail outlets, schools, hospitals and so on; it asks questions about the building and how it is used, the answers to which generate best performance cost levels appropriate to the job that has to be done in each case. It does of course reflect the physical characteristics of each building and particular specification details

**Q How well qualified are the authors of the program?**

A The program has been developed from first principles by Bernard Williams FRICS. Bernard is widely regarded as an authority on facilities cost and performance benchmarking having been chosen by Eurofm to validate their facilities benchmarking initiative. He has recently completed a commission from the EC to benchmark the cost of construction in the 15 EU countries.

He is a Visiting Professor at the **Centre for Facilities Management and Development at Sheffield Hallam University** and was recently voted one of the 'TopTwenty Pioneers of Facilities Management' by the BIFM's Facilities Management Journal.

Bernard is author of the best selling reference works 'An Introduction to Benchmarking Facilities', 'Facilities Economics' and 'Whole-life Economics of Building Services'

**Q Does the program take into account regional variations?**

A The data is separately indexed to all major economic regions in each country in the database.

**Q Does it take into account premium rates that must be paid in certain areas at certain times?**

A The program has the facility to take on board any abnormal local premium rates of pay.

**Q What happens if our costs include work not envisaged in the scope of the program?**

A If your costs include work outside of the scope of the program (e.g. maintenance of special equipment) there is a facility to exclude such costs from the calculations.

**Q Can we use our own data-base in place of the one in the program?**

A The data-base the program uses is specially selected as representing 'best performance' cost targets from a much wider selection of cost data covering over 500 top-drawer users in the public and private sectors.

However, if you would prefer to substitute comparative costs from your own data-base this can be arranged at an extra cost negotiated directly with the Licensor.

**Q What sort of companies are in the data-base?**

A The data-base contains 'best performance' cost data drawn from the records of over 500 organisations managing facilities in over 10,000 buildings.

Among the 500+ national and international organisations represented in the core database are:

- Bank of England
- Financial Services Authority
- NATS
- Dti
- DHSS
- BAT
- MoD
- Zurich
- WH Smith
- Kodak
- Superdrug
- Rolls Royce

All the data in the program has been specifically selected as representing best performance in management of facilities costs.

**Q. Does anyone else have access to our data and benchmarking surveys?**

A. Definitely not - apart from the Licensor and the authors who need to be able to monitor input to the site for purposes of quality control and due diligence - see Licence Agreement. The Licence Agreement contains a Confidentiality clause. If required (but really quite unnecessary) your organisation can be entered into the program under a pseudonym and even your buildings can be made anonymous using code numbers.

# Facilities Cost Monitor EstatesMaster Version

## WHAT IS ESTATESMASTER?

EstatesMaster (EM) provides all the benefits of Facilities Cost Monitor (FCM), to organisations with multiple buildings.

Estatesmaster was conceived, built and developed in response to a real life requirement of a major engineering company with a massive UK and international estate. They originally were impressed by the basic Facilities Cost Monitor program but because it was geared to individual buildings it was obviously impractical for application to each of the 500 + buildings in the portfolio.

IFPI's consultant team therefore worked out an ingenious way of adapting the FCM single building program so that the questions could be answered for groups of buildings with similar cost drivers.

The authors and system champions within the client organisation then collaborated closely on building identification and data gathering, ensuring that the benchmarks reflected the most accurate and relevant information available in the real world; this made the database thereby derived, when added to BWA's already massive set of data, a unique resource from which to benchmark other complex estate structures.

Users can monitor, plan and control the costs of providing facilities services across estates which include a diverse range of buildings, each with their own individual physical characteristics and performance requirements .

## HOW DOES ESTATESMASTER WORK?

As with the FCM single building version, EstatesMaster is built around a mathematical model, enabling users to accurately predict the 'best performance' cost of providing facilities services to all the buildings on each site. This entails breaking the site down into buildings of a similar category of use (offices, warehouses, lecture theatres, ward blocks etc.) and then, within each category, using a simple percentage split between the menus of possible answers to the program's questions .

Just as in the basic FCM program it takes into account the variables associated with different types of buildings on a site - offices, retail, factories, warehouses, schools, universities, hospitals, police stations, laboratories, engineering and industrial plants, etc.etc. These variables (the Cost Drivers) include the quantity of work involved, the design and specification of buildings and the assets they contain, user activity and operational conditions, internal and external environmental conditions , micro/macro-economic market conditions and so on.

Using these variables, EstatesMaster predicts the cost of providing a full range of services across the estate - cleaning, service and buildings maintenance, security, energy, compressed air, drainage, lifting equipments etc.etc. as well as the traditional office services applications covered by FCM, regardless of the complexity of the requirement.

Furthermore it shows how the benchmark or cost estimate is divided between the different categories of buildings and also between the buildings themselves. Many organizations do not have their actual costs broken down to this level so EstatesMaster can show them - maybe for the first time - where the money is most likely being spent by building or building category.

You can still work out the benchmark for individual buildings if you want to, while at the same time dealing with the others at the estate prediction level. The usual process of operation is to run the whole program at estate prediction level and then gradually delve down into the bigger or higher profile buildings on an individual basis.

This whole process is described in graphic detail in the Instructions section of this web-site

## **WHY YOU SHOULD USE ESTATESMASTER?**

EstatesMaster allows organisations to benchmark the financial performance of facilities services accurately across their entire estate. Yet, with the original FCM at its core, it is still possible to benchmark key buildings individually.

It is usually considered impractical to try to gather detailed information from multi-building sites, which will often be performing at different levels, and set it against a 'real world' benchmark. By contrast, EstatesMaster gives multi-building organisations the ability to work in tranches of the estate, gathering data and setting building benchmarks as samples which can ultimately be used to accurately predict facilities services costs for groups of buildings within the estate - or for individual buildings themselves.

EstatesMaster is capable of handling as many different building use categories as you want, and the user can create as many groups as desired within its portfolio. Each building is simply given its own unique reference and classified in such a way that its use and special features are instantly identifiable.

EstatesMaster can determine the implications of alternative service levels across the entire estate or according to building type. Users can instantly view whether or not their buildings policies are delivering value for money.

Comparative cost levels are the result of a combination of resource drivers such as : user service level requirements; site-generated problems and hazards; areas or volumes to be dealt with; labour costs; and consumables costs. EstatesMaster takes all of these into account before allocating a **challenging yet demonstrably achievable** benchmark to each site, category and building.

EstatesMaster allocates the benchmarks for the shared site services like District Heating and Compressed air to individual buildings according to the extent of their use of the service

Organisations using a CAFM system can set up EstatesMaster to draw information directly from the CAFM database.

Facilities service providers and managers find EstatesMaster invaluable for carrying out preliminary budget costing or due diligence on their detailed estimates for multiple-building bids such as in the PFI type of contracts.



**The Authors**  
**[www.bwa.uk.net](http://www.bwa.uk.net)**



# Let the record speak for itself

## **BWA Facilities Consultancy**

*Benchmarking costs and performance*

Bank of England  
St Bartholomew's Hospital  
Financial Services Authority  
Kodak  
BP  
British Airways  
National Air Traffic Services  
Capital One  
Department of Trade & Industry  
Bank of America  
British Council  
Oxford University Press  
Powergen  
Hutchison 3G  
Zurich Financial Services  
Shell UK/Italia/International  
Department of Education & Skills  
WH Smith

## **BWA Project Services**

*Project management and cost control*

St. Martin's Property Corp  
Hull Royal Infirmary  
Department of Trade & Industry  
Financial Services Authority  
Financial Services Ombudsman  
GAP Stores  
Bradfield College  
DZ Bank  
Aspen Healthcare  
Eversheds  
PPP Columbia Healthcare  
Building Research Establishment  
HCA Healthcare  
Royal Star & Garter

## **BWA Facilities Consultancy**

*Management Consultancy*

Orange  
Royal Bank of Scotland  
British American Tobacco  
Kodak  
Kent County Council  
Edinburgh Council  
Department of Trade & Industry  
Oxford University Press  
British Aerospace  
UKAEA  
Salomon Smith Barney  
Office for National Statistics  
Lloyds TSB  
Schroders  
Bath College of H.E.  
Lovells  
British Airways  
Direct Line Insurance  
Electricity Supply Board (Eire)  
HM Prison Service

## **BWA Programs**

Frisqué – Facilities Risk and Quality Evaluation Program  
PremCON – Condition Scoring System  
FacQUAL – User Satisfaction Surveys  
BQA – Building Quality Assessment  
BWA Life-Cycle Costing Models  
Facilities Cost Monitor

## **PFI/PPP Projects**

MoD Whitehall  
STEPS - Inland Revenue  
Home Office – HQ  
The Treasury – HQ  
Edinburgh Schools PPP2  
Oxford John Radcliffe Hospital  
Kings College Medical School  
Dartford and Gravesham Hospital  
Glasgow/Haringey Schools  
Stafford Two Schools  
GCHQ  
Bradford Asset Management  
Chelsea Barracks  
Middlesex Hospital  
St Davids Community Hospital  
Radiological Unit, New Cross Hospital, Wolverhampton  
Queen Alexandra Hospital, Portsmouth  
Meteorological Office Relocation

**BWA**

BERNARD WILLIAMS ASSOCIATES

# Consultancy

## DO YOU NEED HELP FILLING IN THE ANSWERS?

Whether or not you will need any help using the program and interpreting the results depends very largely on your level of experience and familiarity with the many technical terms used in describing building and services specifications.

**Fully experienced users** should be able to answer all the questions in all of the modules especially as there is a comprehensive *Helptext* for every question. In the event of any difficulties in meaning or interpretation there is a contact address on each *Helptext* page through which users can put their queries direct to the authors.

**Other less experienced users** are advised that facilities benchmarking is a process requiring considerable skill and knowledge and that to attempt to answer the questions on their own without the help of well qualified experts may risk getting an unreliable outcome from a survey. Technical operations like building services and fabric maintenance are particularly difficult for lay people; if possible they should try to enlist the help of specialists – maybe consultants to the organization – to answer some of the more detailed technical questions the answers to which are critical to the accuracy and reliability of the results.

It is probably *not* a very good idea to enlist the help of contractors or in-house service providers whose work may be under scrutiny as a result of the output of the program!

## INTERPRETING THE RESULTS

It is quite common for the *initial* result of a benchmarking survey to show a wide discrepancy between the Actual Cost and the Benchmark. A COMPLETELY NATURAL AND DEFENSIBLE REACTION IS TO PRESUME THAT THE PROGRAM IS WRONG!

However, you have to understand that the due diligence on the program is sufficiently thorough to ensure that the program will almost always give a valid benchmark based on the building details provided and the answers given to the questions. Unless there is something fundamentally wrong with the way the service is being procured the discrepancy will probably be caused by one or other of :

- Incorrect answers to the questions
- Incorrect Actual Cost calculation
- Incorrect building areas an/or details

- possibly all of them!

-

*Very,very* occasionally some special features of a building or service may distort the result; if in any doubt about the validity of the result users are invited to contact the licensor's team of experts who will take a look at the survey as completed and advise on the reliability of the result based on any further information users may be asked to provide.

IFPI's experts are fully conversant with benchmarking the costs of facilities and will have a good instinctive knowledge of the appropriate benchmark based on the information provided; they can then advise you as to whether or not to accept the result as calculated.

This assistance does not extend to investigating the causes of any discrepancies between benchmark and actual costs; one of the main purposes of this program is to identify the existence of such discrepancies so that users can commission *their own* in-depth studies into the reasons therefore.

If required IFPI's team of professional benchmarking consultants will be pleased to offer services in this connection for a reasonable fee.

# ABOUT BENCHMARKING

## DEFINITION

According to the principal author of this program, Bernard Williams, benchmarking is defined as:

*'a process of comparing a product, service, process – indeed any activity or object – with other samples from a peer group, with a view to identifying 'best buy' or 'best practice' and targeting oneself to emulate or improve upon it'*

(‘Facilities Economics’ IFPI Ltd. 2003).

## APPROACHES TO BENCHMARKING

Within the above definition there are a number of different approaches both in terms of the level of detail used and the result sought.

**Process benchmarking** is, as the name implies, attempting to explore how services or products are best delivered/produced. Sometimes this is pursued following anomalies appearing during the benchmarking of costs and/or service levels.

**Performance benchmarking** is used when you want to compare the levels of performance of your facilities with those of a peer group. You cannot do so using cost as a parameter; you have to investigate the service levels in place, the reasons they have been adopted and the output delivered, which is best done in a formal or informal Benchmarking Group or Club.

**Cost benchmarking** should only be used to find out whether you are getting what you are paying for in terms of quality; many people mistakenly try to use cost benchmarking as a means of comparing performance with their peer group. However, as the FCM program demonstrates so dramatically, *costs of a similar service can vary enormously between different buildings* for all the reasons identified in the questions posed in the model so direct comparison by cost is meaningless.

**Facilities Cost Monitor** is a tool for carrying out Cost Benchmarking. It does however take fully into account the levels of service in place and the output being delivered as well as the site-specific factors which will impact significantly on the cost of the latter.

FCM is programmed to ask the same questions that an experienced cost benchmarking consultant would ask if commissioned to benchmark costs of facilities and the answers are calibrated within the model to reflect the costs of each component of the service and its individual cost drivers.

## PUBLISHED DATA

Many Facilities Managers and their superiors try to use published statistics either to justify or set targets for their facilities services. As users of this program will quickly realise (if they did not know it already) such attempts are doomed to failure. This is not a reflection on the efforts of the researchers of these published figures although they are usually reliant upon data submitted by subscribers which cannot be edited or verified at first-hand.

The plain fact is that no two facilities are alike and the scope of services varies wildly between similarly named services in different organisations, even when the latter are in the peer grouping.

Indeed, not only will the results almost certainly be useless as a comparable - they will also be misleading to the point of damaging the organization through leading to unrealistic cost targets being set.

## **LEVEL OF DETAIL**

Benchmarking can be carried out at 3 levels of detail:

- High level screening
- 'First Strike'
- Detailed study

***High level screening*** is used by consultants and some data analysts to make sure that cost data submitted for benchmarking is not totally erroneous. FCM has been used for this purpose on a number of occasions, using the program in a severely modified form cutting out most of the more detailed questions and setting them all to 'average'. In certain circumstances published cost data may also be used for this purpose.

***'First Strike'*** benchmarking is used when it is considered important to isolate services where the costs are significantly outside of the normal deviations from the norm; this process can often identify mis-analyses and also obviously badly performing services (or,exceptionally, process breakthroughs) in particular buildings.

Facilities Cost Monitor is an ideal vehicle for this process as it is relatively inexpensive, very quick and also capable of achieving a much greater level of accuracy than is really necessary for the process.

## ***Detailed studies***

Once you have isolated the 'sore thumbs' sticking out from the 'First Strike' benchmarking study detailed investigations can be carried out to see how and why (even whether) the distinctive members in the sample are significantly worse or better than the benchmark.

It is highly unlikely that any of the services analysed will be delivered at a significantly better cost than the benchmark assessed by the FCM program; such outputs should be treated with scepticism and the input thoroughly reviewed before using them to set targets for the future.

# CONTACT US

For further details about the program or any of the other products we produce please contact :

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**INTERNATIONAL  
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# REGISTRATION

## BECOMING A LICENSEE TO USE THE PROGRAM

Once you have decided to register for a licence to operate the program you should contact us at [bernardw@int-fpi.com](mailto:bernardw@int-fpi.com) stating the services you would like to benchmark.

We will then send you a quote for the Licence to use the program. We will then ask you to confirm your acceptance of this quote and the terms of the Licence Agreement.

Once we have received the Licence fee we will send you the proformas you need to fill in so we can put your buildings on the site.

This can normally be done within 2 days, upon which we will send you a User Name and Password (which you may change by arrangement).

You can then enter the site which will be ready for you to begin answering the questions and establishing the benchmarks or cost predictions for your site.

# TRIAL REGISTRATION

## THE DEMO SITE

### *Using the demonstration survey*

Once you have registered as a visitor to the site you will be given access to a demonstration version of the Cleaning cost centre in the EstatesMaster version.

This program allows you to carry out amendments to a basic benchmarking survey to give you the feeling of how the program works. You can also create new benchmark surveys.

### *Artificial calibration*

Because of the obvious need to prevent visitors using the demo site for real-life benchmarking we have distorted all the values in the model driving the demo. Consequently **the answers you get will be meaningless.**

Therefore **please** do not judge the reliability of the program by the answers you get when experimenting with this demo!

# LICENCE FEES

## **BASIS OF FEES**

The fees for using the program are based on:

- The number of buildings
- The size of the buildings
- The numbers of 'seats' - i.e. people having user name access

## **QUOTATIONS**

When you let us know your requirements in these respects we will e-mail your quotation.

## **INTRODUCTORY DISCOUNTS**

Discounts are available for Licences taken out before 30<sup>th</sup> December 2010