

Canadian PROPERTY MANAGEMENT

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Maintenance Performance Benchmarking

Improvement through diligence

Performance measurements are key to the success of any outsourcing relationship. But benchmarking is rarely given the attention it deserves. The results are inappropriate expectations, unclear objectives and disappointing outcomes. By establishing performance measurements up front with clear baseline data and specified improvement standards, all parties to an outsourcing agreement understand what is expected.

Still, measurement is just the beginning. An effective benchmarking program uncovers issues that can be acted upon, gives guidance to frontline workers and creates pathways for workers and management to make meaningful changes.

KEY PERFORMANCE INDICATORS

The first challenge, of course, in implementing a measurement program is to convince the actual users, frontline workers and managers, that it is a tool, just like a wrench, that delivers better service to the customer and that the effort required is worth the return. I admit that I, too, had to be convinced at the beginning. But now, after years of experience, I know that benchmarking performance is a necessary tool for management and employees. It is the best way to quickly and accurately see what's going on.

Identifying the right Key Performance Indicators (KPIs) are critical. It doesn't make sense to measure everything. It does make sense to measure those things that are important to the customer and that give the contractor the best insight into the overall performance of the team. If a problem is identified, additional KPIs can be tracked to drill through the issues to discover if the problem is caused by personnel, training, process or any number of other factors.



By Joseph F. Gaither

Cost, for instance, is important for both the contractor and the customer. Beyond that, look for important, quantifiable indicators. Generally, it's good to focus on about six measurements per activity, but no one should be responsible for more than six measures. That way they are not overwhelmed and will be motivated to actually pay attention to their KPIs.

COMPLETED TICKETS

For instance, measures should track how many Preventive Maintenance (PM) tickets are issued and how many are completed on time. Managers should look at how many repeat calls are made because either the person dispatched never went on the job or didn't make the correct repairs the first time. If there is a problem, this type of top-level information gives managers the opportunity to drill down to check employee skill level and training, or process issues on how calls are distributed and administered.

Measurement is not a "create it and forget it" management practice. Specific benchmark measures should be reviewed whenever situations change. Tasks that are changed, added or eliminated should trigger a review of the measurement KPIs to ensure that they still reflect the

most critical tasks. Make sure you are always looking at the right things and returning useful information.

Surprisingly, it is often the contractor that benefits the most from this process. A performance management system allows the facilities contractor to understand how things are going day to day and to spot problems right away before the customer is even aware of them. The manager can examine the problem and immediately correct it - or bring it to the customer's attention. This establishes a credibility that could never exist if the customer has to discover all of the problems or wait until the quarterly or semi-annual meeting. Also, many problems, such as recurring boiler service calls, may have nothing to do with the quality of the service provided and everything to do with the need for a capital investment. This way the customer can work with the contractor to either eliminate the problem or work around it.

COMPANY BENEFITS

To demonstrate the benefits of benchmarking and measurement to both the customer and the facilities services contractor, I will use a specific Unicco client. The company has 12 buildings on four campuses comprising a few million square feet. We provide full facilities services including custodial, operations, waste management, landscaping and office services such as shipping and warehousing. The account has about 50 subcontractors.

We began by establishing a Service Level Agreement (SLA), which specified that Unicco had to maintain an overall rating of 85 per cent across the board. At the outset, we worked with the company's facilities management to develop the criteria that would be measured. Jointly we determined that information from employees, the contract holder and Unicco employees, along with some compliance reports, would give us the information we needed to evaluate performance. We decided to base performance on four surveys and reports, including:

- A customer satisfaction survey with a weight of 70 per cent. This is a formal semi-annual survey of the employees in the buildings.
- A contract owner survey, which carries a 10 per cent weight. This is a survey of the company's primary facilities management, which goes into procedures, processes and proficiencies.
- A random survey that we conduct at the

Example (GRAPHIC 1)

Per cent Completed Month of March

Work Type	MCC/CH	NVC	PYA	RRC	Total
Corrective	99%	95%	98%	97%	98%
Building Support	100%	85%	93%	88%	93%
Preventive	91%	92%	87%	88%	93%
Predictive	100%	100%	100%	100%	100%
Totals	98%	94%	95%	93%	95%

Example (GRAPHIC 2)

Per cent Completed Month of February

Work Type	MCC/CH	NVC	PYA	RRC	Total
Corrective	99%	67%	89%	91%	87%
Building Support	100%	87%	88%	87%	91%
Preventive	85%	88%	88%	88%	87%
Predictive	100%	100%	100%	100%	100%
Totals	96%	86%	91%	88%	91%

time of service delivery asking about timeliness, courtesy, knowledge and whether repeat calls were required. This also carries a 10 per cent weight.

- A review of compliance reporting for systems maintenance reports, environmental reports and other compliance issues. This measures whether the reports were filled out properly and submitted on time. This also carries a 10 per cent weight.

We used our own ongoing measurements to gauge our performance. This was done through the random surveys and through traditional management inspections.

In many of our accounts, we've automated this process with hand-held personal digital assistants (PDAs) that present specific items to rate from 1-5 and also provide the ability to make comments. This facilitates the collecting, processing and reporting of our findings. We make PDAs available to our customers so that they participate in the surveying. That way, we get interim feedback based on a clear set of check-off items that enable us to consolidate every inspector's review.

CORRECTIVE MEASURES

As Graphic #1 shows, when we rolled up the February report we found that we scored in the high '80s or low '90s at each location for a total of 91 per cent overall. One location (Site B) was lower – an 86. Not great, but we made the grade even at that location. The client was happy.

Then, we looked behind the data and found that we had actually scored a 67 per cent on corrective calls (light replacements/minor maintenance) at Site B. We brought it to the customer's attention along with a plan to correct the situation. By March, we had brought the location back into compliance with a 95 percent rating in corrective and a total ranking of 94 percent for the location. This also helped our grand total - bringing it from 91 to 95 percent. (Graphic #2)

Thus, in this example, we identified and addressed staff training, workflow process issues and made the most of technology. We reduced our costs and, therefore, the customer's costs by reducing call backs, by working collaboratively to discover more efficient PM schedules, and by eliminating unnecessary tasks. In fact, we were able to drive down costs by about \$3 million. We were able to substantiate our value to the customer with clear, concise performance results and the company facilities manager, in turn, was able to demonstrate good management skills and solid financial results. **S**

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