

Facilities Management For A/E Firms What Can It Do For You and Your Firm?



Architectural and Engineering firms, like all businesses striving in an increasingly competitive environment, are under constant pressure to improve productivity and profit margins. Facilities Management for A/E firms can play a significant role in remedying this situation, especially benefiting the operations of IT Directors, CAD Managers and Business Managers.

Facilities Management (FM) for A/E firms is generally defined as outsourced management of in-house reprographics equipment, maintenance and supplies for that equipment, and some form of tracking and reporting of equipment usage. (Such programs are also referred to as On-Site Services or OSS.)

Equipment installed by the FM service provider within firms may include laser plotters, ink jet plotters, copiers, scanners, fax machines and laser printers. (FM eliminates the need for firms to purchase or lease equipment.) Electronic document management systems and software are increasingly becoming a part of FM programs as well.

The cost of FM programs to A/E firms is based on equipment and systems usage, which points to the key benefits: The FM provider will manage the equipment, service and supplies (eliminating the brunt of this task from firm personnel), collect data on equipment and systems usage, and provide project specific reports to the firm showing the costs and potential reimbursements. Enabling the firm to account for costs based on client project activity (coupled with the firm's reduced overhead expenses, typical with an FM program), positions the firm for greater profitability.

Facilities Management – Summary Overview

Through an FM, an A/E firm:

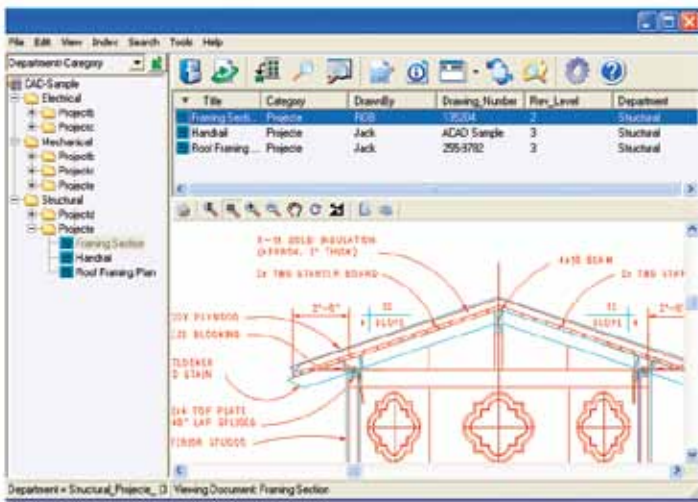
- Attains specialized systems for thorough tracking, capture, and reporting of expenses by project.
- May perform summary billing of clients by project.
- Converts print and related expenses from a fixed to a variable cost and creates a profit center.
- May bundle document management services such as scanning and archiving and online project document tools.
- Reduces overhead costs and consolidates expenses.
- Frees-up and maximizes productivity of firm personnel so they may perform within their core competencies.
- Improves overall office workflow.
- Streamlines asset management, consolidating equipment under a single umbrella contract.
- Eliminates equipment leases and capital expenditure for purchasing equipment.
- Centralizes management of supply & service requests.
- Reduces the risk of investing in technology.

FM Programs May Include:



- Plotters
 - Laser
 - Inkjet
- Engineering copiers
 - Analog
 - Digital
- B&W laser devices
- Convenience copiers/printers
 - Up to 11" x 17" output
 - Scan-to-email/network (PDF, TIF, JPG)
- Color laser devices
 - Graphics-quality color laser printers/copiers
 - Business color laser printers/copiers
- Fax machines
- In-house staff employed by the FM provider for larger programs
- Bundled equipment, supplies and document management
 - Requires no capital investment by the firm
 - Charged on a per-unit basis
- Expense recovery solutions

Document Management and FM



A natural evolution of traditional FM programs has been the inclusion of electronic document management services to A/E firms. This may include scanning and archiving of project documents on-site or at the provider's location, archival systems with multiple backups, detailed search and retrieval software, and online collaboration tools allowing for increased project document control and accountability.

Industry statistics show that:

- 60 to 70% of many companies' assets are in paper form
- 3 to 5% of paper drawings are lost or misfiled
- 7 to 10% of company expenditures often go towards manual methods of document management

A/E firms increasingly are considering document management systems as critical for improved security and disaster recovery, greater accessibility, ease of electronic distribution (both within the firm and to outside project participants and project owners), and for the higher productivity they afford.

Expense Recovery Solutions



All expenses of FM program components can be tracked with the right expense recovery system, including equipment costs, supplies, staffing, off-site reprographics expenses, and document management systems.

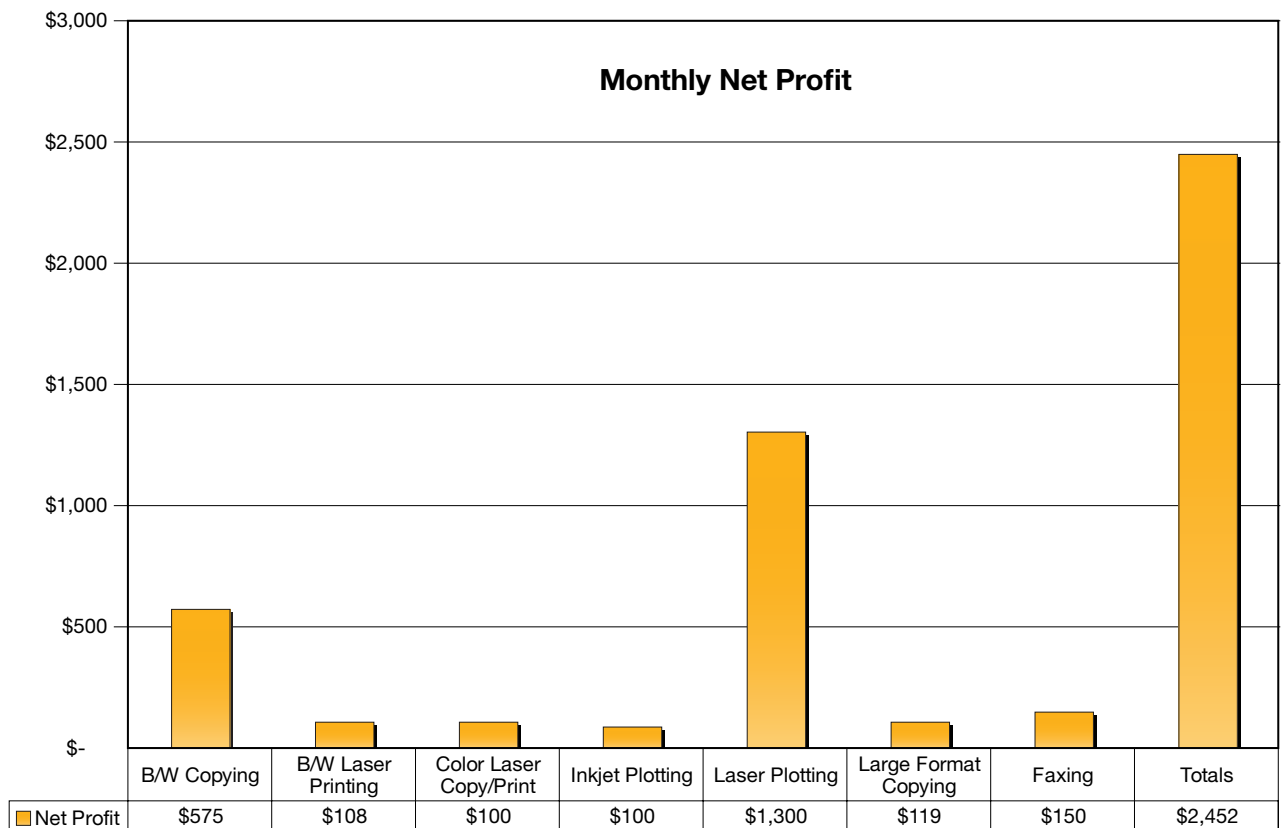
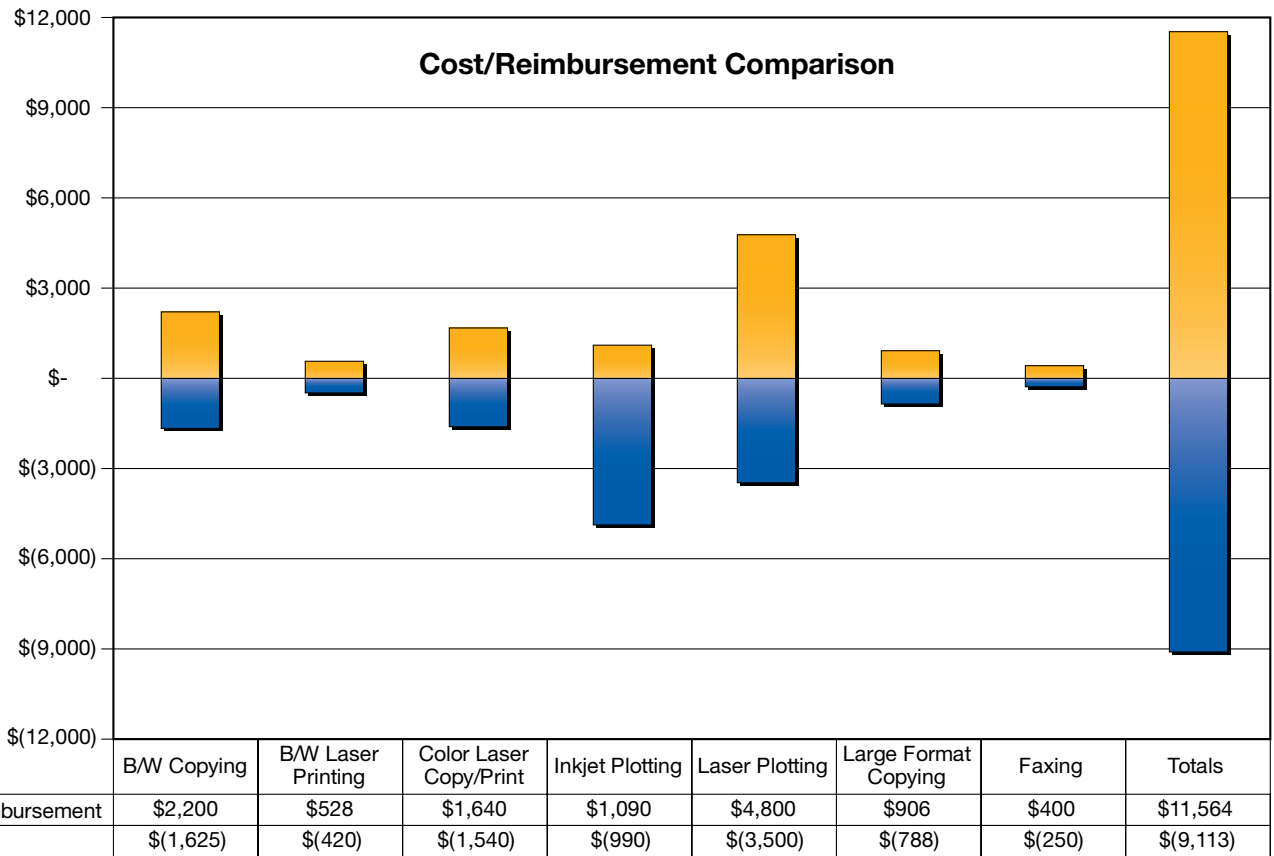
Though some A/E firms are self reliant and make use of manual tracking, it is a time consuming method to collect data and to prepare reports and client invoices; is error prone, creates more difficulty in collecting reimbursable expenses from clients, and is often unreliable. Firms using this method typically recover or account for 10% to 30% of actual project related expenses.

Alternatively, software systems efficiently track network scanning, printing, plotting and document management systems usage, provide reliable data, easily collect data, and provide reports and invoices. (Especially true for programs that offer Web access to reports.) This in turn affords greater credibility and ease in collecting reimbursable expenses from clients, plus accuracy. Front-end tracking hardware combined with software ensures recording of walk-up copying and faxing operations by users that includes project coding.



A/E Firm Data Example Utilizing FM

	B/W Copying	B/W Laser Printing	Color Laser Copy/Print	Inkjet Plotting	Laser Plotting	Large Format Copying	Faxing
Monthly Volume	25,000	6,000	2,000	3,000	10,000	2,250	500
Unit of Measure	Pages	Pages	Pages	Square-feet	Square-feet	Square-feet	Outgoing Pages
Unit Cost	\$ 0.065	\$ 0.070	\$ 0.770	\$ 0.330	\$ 0.350	\$ 0.350	\$ 0.500
Reimbursement Rate	\$ 0.11	\$ 0.11	\$ 1.64	\$ 0.73	\$ 0.60	\$ 0.50	\$ 1.00
% Reimbursable	80%	80%	50%	50%	80%	80%	80%



Evaluate FM Program Variables

Before signing-on with an FM service provider, here are some variables to consider:

- Expense Recovery
 - Tracking: Is it offered? Is it automated through software?
 - Reporting: Is it provided? How does it integrate with your existing financial software?
- Does the program have minimum monthly fees?
- Are there flexible equipment options to accommodate upgrading or downgrading?
- Does the provider have expertise in installation and set-up?
- Does the provider have expertise in training and support?
- What are the terms of program cancellation? Penalties?

Conclusion: Benefits of a Successful Facilities Management Program

- No capital outlay for equipment or systems is required by the A/E firm.
- More accurate tracking of data for accounting and/or reimbursement of expenses.
- More credible invoices for your clients.
- Monthly printing and related expenses are proportional to reimbursements for improved cash flow.
- Ability to pass overhead costs along to your clients.
- Firm is positioned for greater profitability and efficiency.

In addition to these bottom-line improvements, many FM users report that the **convenience, flexibility, and positioning for growth** their program provides are significant benefits. One user writes, *“Facilities Management provides us with above all, flexibility: ease of equipment and systems implementation among multiple offices, the ability to upgrade that equipment as needed, competent, quick technical service and support, and speed of response to any related need.”* Another user states, *“One of our FM’s most valuable qualities has been the ability of the program to accommodate our growth and changing equipment needs as we have expanded to multiple offices.”*

FM is an established business solution that A/E firms of ten or more personnel in one or multiple offices should consider implementing.

About the Author

Brad Homan has been with Service Point since 1998, focusing on growth and management of its On-Site Services (FM) unit. He has played a key role in growing the business to currently include over 400 A/E client locations throughout the U.S. Brad regularly consults with existing and prospective A/E client firms regarding on-site print equipment options and fleet management, equipment usage tracking and reporting systems, expense consolidation, and converting related costs from fixed to variable to synchronize with individual firm’s project activity.

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