Key Performance Indicators (KPIs) for Real Estate, Infrastructure, and Facilities Managers

An overview of how managers in a variety of sectors implement KPIs to improve organizational performance…and save millions.

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Abstract

In the search for improving organizational performance, more and more real estate, infrastructure and facilities managers are using Key Performance Indicators (KPIs) as benchmarks against which progress in saved time or money can be measured. This white paper looks at how managers in a variety of sectors are incorporating these performance metrics, some industry-standard and others organization-specific, to improve business processes and organizational bottom lines.

KPIs don't have to be numerous (typically, only four or five are needed to monitor any corporate real estate or facilities management functional area), but, ideally, the metric should be consistent from year to year to provide a reliable management gauge.

Rationale

Used in a wide range of sectors for an equally wide range of organizational goals, KPIs have proven to be an invaluable tool in managing the cost of real estate, facilities and associated infrastructure. Their use as performance benchmarks has been known to save millions of dollars annually by, among other benefits, identifying and eliminating wasted space and the energy needed for its illumination and climate-control. KPIs are also helping education and research institutions to more accurately document space usage in order to receive reimbursement under government grants. Advanced on-demand reporting and visualization, such as Web-based personalized dashboards and scorecards, furthermore, are providing the real-time management information that is critical for those in the C-suite who must optimize assets, mitigate risk, and transform organizations.

At a time of heightened environmental consciousness, KPIs are also playing a vital role in helping organizations become more environmentally sustainable. A well-planned strategy in this area can deliver up to a 20% savings on some operational costs as well as assist in compliance.

Key Performance Indicators (KPIs) for Real Estate, Infrastructure, and Facilities Managers

KPIs: Delivering a Measure of Success

As the B-school bromide says, you can't manage what you can't measure. The trouble is, what can't one measure these days?

To those possessed of an unlimited curiosity and an accountant's soul, there's no end to what can be measured in the workplace using various yardsticks and ratios to gauge and improve organizational performance.

Traditionally, many of these gauges have focused on the kinds of financial performance data sought after by stock analysts and highlighted in annual reports – e.g., Return on Equity, Return on Invested Capital, the Debt to Equity ratio, a stock's Price to Earnings ratio, etc.

But sophisticated organizations realize that there are a host of other areas of corporate performance affecting profitability that must also be measured and managed.

In the realm of Real Estate, Infrastructure, and Facilities Management, statistics that summarize properties which are owned or leased, work order completion rates, space allocation/chargeback data, employee churn rates or other aspects of these operations must also be analyzed and improved, with each department defining its own set of metrics that determines progress or the lack thereof.

Operational managers since the late '80s have increasingly adopted metrics known as Key Performance Indicators (KPIs). KPIs are the quantifiable performance measurements used to define success factors and measure progress toward the achievement of organizational goals.

Clearly, with the many potential and perfectly plausible KPIs out there to identify and track, where does one start?

With the basics.

Strength in Numbers…Confusion in Too Many of Them

KPIs can be virtually unlimited in number, and sometimes too granular in scale to be meaningful— facts that can bedevil real estate, infrastructure and facilities managers. It, therefore, pays to apply a KPI from the engineering world -- Signal to Noise ratio -- to determine which KPIs are useful and which are unproductive distractions.

To that end, the acronym **SMART** is frequently used as a mnemonic device and organizing principle to determine what are valuable, actionable performance data and what are not:

Specific – the KPI should have one widely accepted definition that eliminates the risk of others taking interpretive liberties preventing it from being a true standard.

Measurable – a KPI provides a valid measure that accurately defines a standard, budget, or norm

Achievable – a KPI standard has to be clear and detailed enough to be actionable

Relevant - the KPI must measure some real and critical aspect of the organization's strategy and directly contribute to achieving it, otherwise it is useless "noise"

Time-Phased - a KPI should, ideally, express a relationship between the performance measure that is chosen and the time frame over which it extends in order to establish a temporal baseline for future KPI comparisons.

"You may only need four or five well-chosen KPIs for space management, work order management, or other areas of facilities management in order to guide a cost-effective management program," says Reeves Davis, Principal for Idisis, Inc., with offices in Calgary, Alberta and Charlotte, North Carolina.

Adhering to the SMART yardstick will help improve the signal-to-noise ratio by separating the truly important from the merely interesting. To do otherwise, would risk collecting huge amounts of unnecessary data that only increases its cost of management and may add unnecessary complexity to oversight processes.

KPI Limitations

As helpful as KPIs are in establishing standards and achieving goals, they have their limitations.

KPIs may not be able to assign values to subjective measures, such as the degree to which staff morale contributes to accomplishing department or organizational goals, worthy as its monitoring may be.

As noted, the value of KPIs diminishes if their definitions aren't specific and change over time. Sharing the same weakness as a political poll whose questions change with every election cycle, changing KPI definitions make year-to-year performance comparisons difficult, if not impossible, through an insidious drift in your KPI standard(s).

Even if they don't morph over time, KPIs that are also too idiosyncratic to a specific organization's operations and outlook will also have little, if any, use in making performance comparisons to similar organizations.

KPI Constants

Over time, some KPIs have come to be seen as self-evident constants in the quest for actionable data.

What manager, for example, wouldn't want to know such obvious maintenance and operations-related KPIs as wrench time/productivity, overtime paid, sick time, preventive maintenance completion ratio, work completed per craftsperson, or work order/customer satisfaction.

Similarly, the realm of space and occupancy metrics has its own long list of KPIs whether it is square feet per employee, cost of space per square foot, total vacant space as a percentage of space, employee churn rate, cost per move, etc.

Pick a meaningful data point or ratio and you probably have a basis for a valid KPI…for a while, at least.

Changing Corporate Context, Changing KPIs

Sometimes changing workplace conditions brought on by technological or business model changes require the introduction of new KPIs.

The increase in the number of mobile and or remote workers, for example, has upended the old formulas of square footage allocation of, and charges for, fixed office space per employee.

More flexible use of on-site desk and office space, or the elimination of it altogether for some employees, has dramatically reduced space requirements and associated support/maintenance costs per worker. This has allowed organizations to leverage both their real estate and human resources much more cost-effectively.

Whatever KPI metrics are chosen, the best KPIs highlight opportunities for improvement and drive results in support of an organization's strategic goals.

This white paper provides an overview of how managers in a variety of sectors approach the use of KPIs and how they are being implemented to improve organizational performance.

KPIs You Can Take to **This** Bank

Whatever the KPI mix, if it's SMART, it's all good. That's especially true if dashboard visualization technology helps display KPI information in a way that is more immediately accessible and understandable.

"We're starting an executive dashboard project with Web delivery of a combination of data points that incorporate interactive maps using geographical data from ESRI GIS software, key performance metrics, building lists and so on," explains the Vice President of Facilities Management at a major financial services company in the eastern United States.

"KPIs have been used in one form or another here for a long time. I don't know to what degree, if ever, we sat down and codified which metrics we should be using. But now that we're laying all this information out on screen in a dashboard, it's forcing us to say here are the metrics we feel are critical to have front and center for our executives."

> "If we're getting a lot of lighting work requests for a particular building, it may indicate a need for a re-lamping project and that KPI allows us to spot a problem and be more proactive."
>
> *Vice President, Facilities Management, Major U.S. Bank*

Most of the KPI information the financial services company's executives will use to analyze operations comes from ARCHIBUS Building Operations, Space Management, and Real Property & Lease Management applications. The bank is also introducing a separate set of new data tables to store PeopleSoft financial data; that information can then be integrated with ARCHIBUS for more comprehensive views of more aspects of business performance.

The bank, says its FM executive, uses four or five major KPIs per area of focus. In space management, a variety of square footage and occupancy ratios are employed.

"Measuring the amount and percentage of total personnel space vacant vs. occupied is a simple but important one for us," says the bank official. "So is total rentable square footage divided by head count at the building and floor level; square foot occupancy by business unit; and the percentage of square footage based on room category (personnel vs. support vs. service space)."

Under Building Operations, some important KPIs for the bank also include: number of *ad hoc* work requests issued during the last 12 months, number of work requests divided by headcount by building/regional level, number of work requests by type, number of work requests older than 30 days, and the number of satisfied customers as determined by a survey e-mailed after every work order completion.

"It's important to know the space and occupancy KPIs in order to compare building performance at the local and regional level, which will be a key feature of our dashboard project," said the bank's facilities expert. "The same can be said for knowing things like the number of work requests by type. If we're getting a lot of lighting work requests for a particular building, it may indicate a need for a re-lamping project and that KPI allows us to spot a problem and be more proactive."

This particular bank's FM professional has participated in a number of industry-wide benchmarking studies but thinks they are of limited value because the same KPI definitions aren't used from study to study.

"There may be terminology differences that are difficult to reconcile -- such as what's a project versus a work request," he said. "In contrast, we find a great deal of value comparing our own consistent internal information on a building-to-building or region-to-region basis.

The same holds true for leasing information. Standard KPIs relating to leasing for this particular banking institution include the number of leases terminating within 180 days, number of lease options to be "decisioned" within 180 days, total annual base rent by business unit, and total rentable square footage leased by business unit.
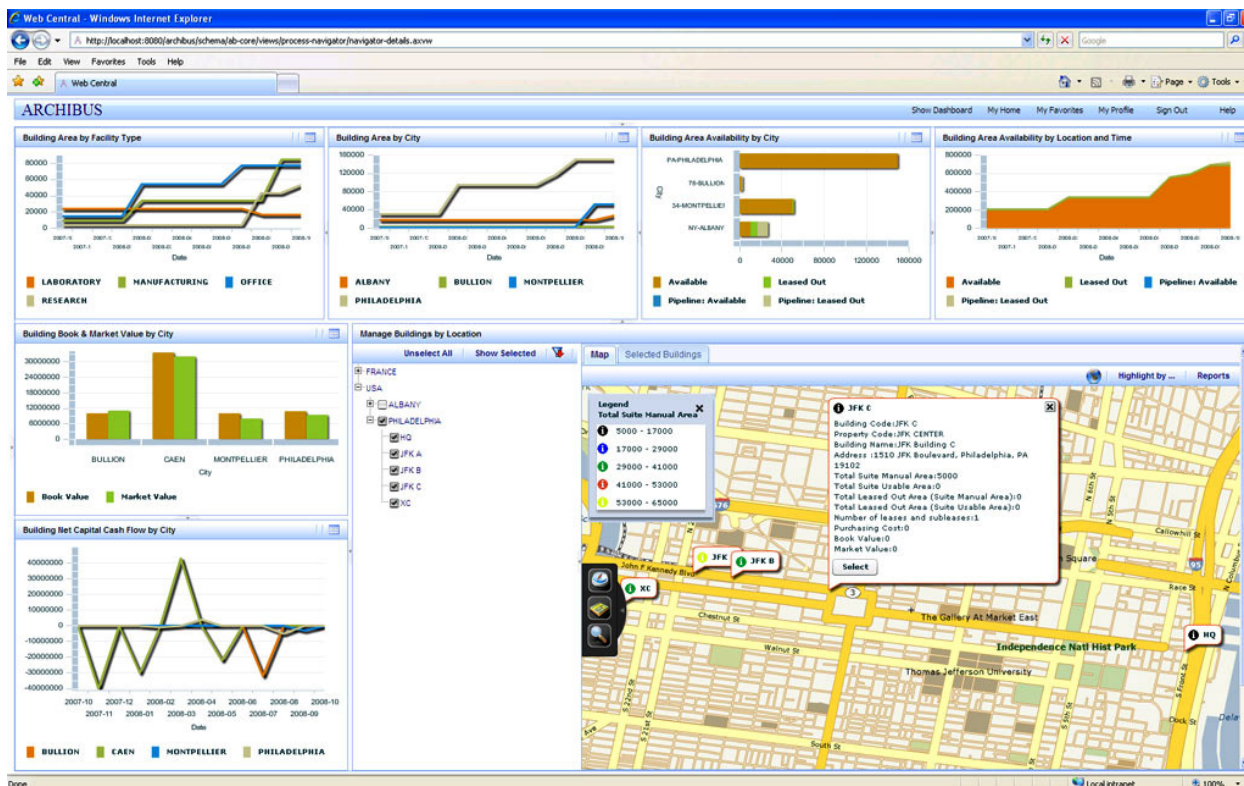
Example: Personalized dashboard view of real estate portfolio holdings and performance

"We just need those four KPIs to provide a sound foundation for our dashboard project in the leasing category. We'll be doing something similar in our capital projects sphere when we link ARCHIBUS data with our capital projects application based on PeopleSoft. KPIs in the capital projects area will include: capital projects actual vs. planned for buildings and regions; total number of active projects and total year-to-date; and top ten active projects by dollar amount.

"My suspicion is that as soon as I start delivering this information, a whole lot of hands will go up with people asking 'Can we have more?'" said the bank's facility VP. "But that's OK. With the evolution of the new executive dashboards, I'll be able to tell them -- in the nicest possible way -- to get it themselves."

Major Mid-West Insurer: KPI Directed, Not Driven

While few facilities management professionals live in a pressure-free work environment, some companies—to the relief of their FM managers—are less focused on metrics than other companies.

"We're not super-driven by KPIs in every area of facilities management," says a former Facility Planning Manager, recently promoted to Corporate Program Management Specialist, at a major U.S. financial services company based in Wisconsin. "We're more about customer satisfaction, employee comfort, and corporate image than about performance metrics, although we plan to incorporate more KPIs in the future."

With large downtown and suburban campuses, the company's significant presence and civic focus in the Milwaukee area are behind its efforts to "bend over backwards" in maintaining grounds and sidewalks under all weather conditions, making seasonal changes to flower beds, and other civic-focused efforts of its corporate life. That same attention to detail is also directed at internal operations like space planning.

In that realm, facilities professionals are always reviewing metrics on space usage such as vacancies, square footage by group/department, and related measures that help compare how efficiently space is being used.

"Some groups are space hogs and others run lean, paperless offices," observes the firm's one-time facilities pro, who also kept a sharp eye on employee churn and furniture inventory KPIs. "To see where we can more efficiently use space and avoid constructing new buildings, I created my own red light/green light dashboard that compares an ideal capacity floor plan against the actual floor occupancy. If we're 5% below ideal capacity, it gets an OK and a green light. But if we're at, or 5% over, ideal capacity it gets a yellow or red light and we factor that into our space planning."

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> *Corporate Program Management Specialist, major U.S. financial services company*

That KPI gauge has apparently worked well for the company, which owns all its space. It runs at only a 4% to 5% vacancy rate in contrast to a more typical corporate vacancy rate of approximately 7%.

"We're keeping up," says the manager, whose space KPI information ultimately finds its way to the C-suite for planning and funding purposes. "The firm didn't become a 150-year old company by not marshalling its resources wisely. We clearly don't want to take on the expense of constructing a new building until it's absolutely needed."

Ball Aerospace & Technologies Corp.: Speed of Data Access Sometimes the Best KPI

Data accuracy and access time have been underlying KPI themes at Ball Aerospace & Technologies Corp., a Boulder, Colorado-based supplier of imaging, communications, and information systems and services to government and industry.

Ball has had a long-term reliance on KPIs, thanks to its CAFM Systems Administrator John Kuxhausen. He introduced them in 2000 when his initial focus on FM data accuracy and standardization prompted

him to consolidate space data onto a centralized system. What had been silos of space management information residing on home-grown systems scattered throughout the company were imported into ARCHIBUS.

"We had no reliable space data prior to that point," remembers Kuxhausen. "Everyone had their own numbers and tracked space in their own way. We always knew which KPIs we wanted to track for categories such as total rental space and vacancies, so the big thing for us was data standardization and accuracy, which we first started accomplishing with ARCHIBUS Space Management and Real Property & Lease Management applications."

The Move Management, Building Operations Management, and Telecommunications & Cable Management applications have also been added to the applications portfolio in recent years to track churn, preventive maintenance data, and telecom inventory.

The consolidation of such data onto a single system has enabled Ball to use its few, well-chosen KPIs to best advantage and raised the profile of his department.

"Better space management and the KPIs that enable it, for example, have brought my group the most success when we meet with upper management,"

Kuxhausen reports. "When we go to meetings and present on facilities operations, the work is highly regarded now because we've been able to get all our ducks in a row using accurate facilities information."

Just as important as the quality of data has been the speed of data access Ball's KPI discipline has made possible.

"Due to the number and frequency of reports that we run, we have become an on-demand KPI culture," Kuxhausen points out. "Sometimes for us the most important KPI is the ability to quickly retrieve the right data to make sound financial judgments in a compressed timeframe."

> **"Better space management and the KPIs that enable it, for example, have brought my group the most success when we meet with upper management"**
>
> *John Kuxhausen,*
> *Ball Aerospace*
> *& Technologies Corp.*

KPIs in Education: How to Perform Above Grade Level

Now more than ever, educational institutions have to administer budgets and use space wisely to better serve students and funding sources alike. Denver Public Schools (DPS) is a case in point.

DPS clearly uses many of the same or similar KPIs as other organizations and industries to gauge how efficiently it is using its resources in the interest of sound facilities management on behalf of the taxpayer.

The school system's ARCHIBUS-enhanced information system is, for example, now providing data needed for such vital financial and management challenges as analyzing the impact of low or high enrollment vs. capacity, age of building vs. cost of maintenance, and closure or consolidation of buildings, to benefit both the educational needs and bottom line considerations of the district.

Having accurate space information vis-a-vis the school district's inventory of permeable versus impermeable land area, another critical KPI, is helping it control water costs in its arid High Plains location as well as its labor expenses.

> **"The ability to accurately account for classroom space vs. research facilities and document how they are being used is essential for recovering costs from federal or state programs."**
>
> *Reeves Davis,*
> *Principal,*
> *Idisis, Inc.*
>
> idisis

Denver's Wastewater Management Division, for example, charges DPS based on water consumption per square foot. Water used for irrigation, however, goes back into underground aquifers, not down sanitary sewers, and is therefore not subject to this charge. To ensure it isn't being overcharged, DPS's highly accurate space data keeps track of the ratio between permeable and impermeable space and can easily calculate and display the amount of irrigated turf by highlighting the area in question on a table. Being able to calculate and document these permeable areas, such as athletic fields, has resulted in lower water bills for Denver Public Schools.

Space-based KPIs have also been beneficial in controlling custodial costs at DPS. Because custodial staffing is based on building floor area, ARCHIBUS is used to calculate actual floor space minus "open-air" space. The ability to generate accurate area measurements allows the district to better align staffing levels and labor costs with the interior space that actually has to be maintained.

At the higher education level, consultant Reeves Davis of Idisis points out that universities have become much more effective in using KPIs to, among other activities, document the use of research and other space that is reimbursable through government or private grant programs.

"The ability to accurately account for classroom space vs. research facilities and document how they are being used is essential for recovering costs from federal or state programs," says Davis.

"Some universities may only recover 40% of what they are due while others get a 60% or 70% recovery rate for operating expenses. When you're dealing with what can sometimes be hundreds of millions of dollars in grants, you're talking serious money."

The City University of New York, which takes in $300 million annually from private and government-sponsored programs, is another prime example.

CUNY's ability to present an accurate accounting of room data, taken from its ARCHIBUS system and used by a private agency that manages post-award administration, increased by 27% the total square footage reported for calculation of indirect cost recovery. It also increased the reported total research square footage, resulting in a 38% increase in recoverable direct funding.

> **"Some universities may only recover 40% of what they are due while others get a 60% or 70% recovery rate for operating expenses. When you're dealing with what can sometimes be hundreds of millions of dollars in grants, you're talking serious money."**
>
> *Reeves Davis*

"An advanced real estate, infrastructure, and facilities management system in that case is invaluable in providing KPI data on what space allocations and costs really are," observes Idisis' Davis. "Otherwise, an institution can find itself in a vulnerable spot during audits. If auditors find that some numbers are suspect because they lack documentation, it becomes easier to challenge other numbers, too."

A Major Hollywood Studio Sees the Big Picture

"We've been forced to be more cost-efficient, which is not something most movie studios have tried to do—but then most movie studios aren't as big as we are," observes a facilities management professional at one of Hollywood's oldest studios, with millions of square feet of interior space spread over more than one hundred acres.

By one account, entertainment industry production facilities are one of the more unique—and perhaps more extravagant—business environments when it comes to the quantity and uses of space for certain activities. The studios have, as a group, been less concerned about cost-efficient use of owned assets and, therefore, slower to adopt KPI use than companies outside that field. This, however, is changing as the studios start to share many of the same space, churn, energy and other facilities management cost concerns as other industries. "The days where an executive or producer would say 'cost is no object' are long gone" says this FM insider. "Studios need to be as cost-conscious and cost-competitive as any other business."

While KPIs are typically employed for newer, more energy- and space- efficient facilities, says the Hollywood FM professional of his employer's properties, older production lot facilities too important to be torn down are now being upgraded and are tracking performance improvements with KPIs.

This studio's work order KPIs, whether for newer or older structures, fall into common categories such as the number of calls to a call center, number of hours per project, number of work orders by trade, people and furniture churn rates. Space management KPIs can be found in the equally familiar buckets of usable/rentable square footage, average space per production, average office size per function, and so on.

"Applying space chargeback KPIs, however, has become an increasingly important focus for the studio's facilities management department," notes this studio's FM expert. "That's because chargeback rates, for in-house or independent production companies using the studio's facilities and equipment, must remain competitive with what similar facilities outside the studio would charge."

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>
> *Hollywood FM Expert*

There is, to be sure, an extensive catalog of facility and amenity requirements that must be tracked and maintained to meet Hollywood's needs. That inventory may include space in office towers, sound stages, recording studios, sound effects and dubbing stages, editing booths, large writers' conference rooms plus private desk space, not to mention myriad equipment types required for each type of space. From a competitive standpoint, that means keeping tabs on an equally wide range of cost per square foot or cost per hour/day/week/month metrics to remain within industry norms.

The discipline that maintaining space/amenity/cost KPIs imposes, therefore, helps optimize on-site asset use and production efficiency. This is especially important for a studio trying to adhere to a business model that is vertically integrated, maximizing use of its own facilities and assets. That model is only possible if the delivery of the right facility mix and cost structure is met.

"It's a big business in dollar terms, but the entertainment industry is a small world from a facilities management perspective," says this studio's FM expert. "There's a lot of cross-pollination between studios as facilities management people move from company to company, so we get to know each other and get a feel for what employers are doing in space management and other cost areas that help establish KPI baseline standards for our unique line of business."

Making a Federal Case for KPIs

Federal efforts to manage its properties more efficiently on behalf of the taxpayer are making major strides with the introduction of KPIs in this sector.

A number of Executive Orders signed by the President of the United States in the last eight years established mandates for government to pay greater attention to such performance metrics. Presidential Executive Order (EO) 13327, for example, mandated the development and implementation of an asset management plan (AMP) by federal departments. EO 13327 assigned red, yellow, and green "lights" in progress reports to indicate the degree to which branches of government were complying with this Order, with green being the highest level. Executive Order 13450: Improving Government Program Performance, signed on November 13, 2007, was issued to ensure that Federal agencies "apply taxpayer resources efficiently in a manner that maximizes the effectiveness of Government programs in serving the American people."

In the matter of managing federal properties more effectively, KPIs are playing a pivotal role, points out David Baker. Baker is the National Director of Asset Management Solutions at government consulting firm VISTA Technology Services, Inc. (VISTAtsi), and the co-author of VISTAtsi's white paper on the subject, *Business Intelligence Visualization: Enterprise Performance Improvement and Federal Mandate Compliance.*

"I've found that most government executives today want verifiable information on their organization's properties and performance to control costs and improve planning," Baker observes. For audits, they want to be able to explain how their agencies run and make sure their direct reports understand their business areas so that government acts more like a business. The last thing government executives want is a surprise."

Baker is in accord with SMART principles when it comes to data relevance, quantity and quality. He applies them in one form or another to VISTAtsi's work with many federal agencies in the metropolitan Washington, DC area and beyond.

> **"The US Government now recognizes the need for developing good data and reporting metrics, and will fund initiatives for agency performance tracking and improvement."**
>
> *David Baker,*
> *National Director-Asset*
> *Management Solutions,*
> *VISTAtsi*

The company's extensive experience in counseling government has enabled it to, among other achievements, define a decision support/data sustainability assessment model that charts the relative cost and details of collecting and maintaining certain kinds of KPI data to create a sustainable data model for decision support.
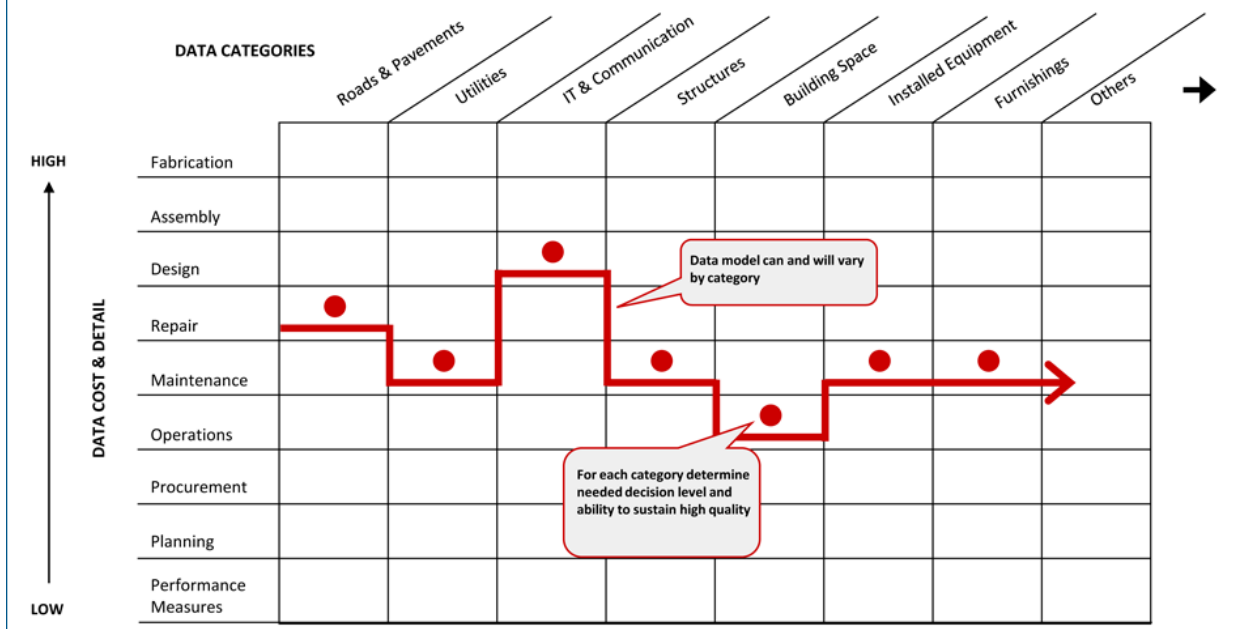
Concept diagram for establishing a sustainable data model.

Used with permissions from: *Business Intelligence Visualization: Enterprise Performance Improvement and Federal Mandate Compliance*, David Baker, VISTA Technology Services, Inc.

One of the more impressive accomplishments by a government entity can be found in the steps taken by the U.S. Army to assess real estate condition and needs.

As a result of VISTAtsi's consulting work with that branch of the military in its ongoing Base Realignment and Closure (BRAC) process and other real property initiatives, the Army estimates it has saved over a billion dollars in construction costs. Just as important, in addition to now knowing what is in its real estate portfolio, the Army can manage and plan for future needs more cost-effectively as a result of these management programs.

Similarly, the Department of Justice is well along in its program to verify data sets and establish KPIs for managing a vast array of properties that include its own headquarters as well as properties used by the FBI, the Bureau of Prisons, and other operations.

Baker is also an advocate of incorporating KPIs into increasingly popular dashboard display technology with reservations.

"The shortcoming of most dashboard implementations is the reliance on available and typically unfiltered or unverified data to portray performance," Baker writes in VISTAtsi's paper on the subject. "Dashboards are a display mechanism only and are not a means of determining the most appropriate organizational KPIs or the accuracy of available data and supported work processes…portfolio managers must be able to say with certainty that the information displayed through a dashboard is valid and has sufficient accuracy to portray a meaningful result."

Once the appropriate KPIs are determined, VISTAtsi's Business Intelligence Visualization methodology and enabling decision support analytics enhance their usefulness by maximizing the effectiveness and utility of information. It provides a statistical and location-based depiction of performance status and brings together all information components to support decision-making about the portfolio assets across the enterprise.

"Defining and implementing KPIs," adds Baker, "is part of the foundation for analytics that can perform simulations and forecast how a facilities portfolio will perform in the future based on past history and future intent.

"Top cabinet agencies are beginning to adopt this strategy and can find funding for Business Intelligence initiatives. However, state and local governments often struggle to find the appropriate level of funding for the analytical tools needed to do the same. Beyond the federal realm, local governments should align initiates with state governments in the adoption of KPIs and analytics."

Environmental KPIs: Up to 20% Operating Cost Savings

Perhaps nowhere is the need for Key Performance Indicators more urgent for organizations these days than in their attempt to meet environmental objectives.

Whether a self-imposed moral imperative, a legal obligation, or both, implementing environmental sustainability initiatives – promoting energy conservation, reducing the generation of hazardous materials and greenhouse gases, or targeting other environmental goals – do more than make the world a greener place. They also deliver a sometimes significant bottom line benefit.

 "A well thought-out environmental sustainability strategy can deliver up to 10%—and possibly 20%—savings on operational costs," says J.R. Kolmer of ARCHIBUS Solution Center – Environment + Sustainability Services, whose TEAMS software supports environmental management and compliance.

> **"Just being able to track the amount of water or electricity being used on a day-to-day basis, and where the energy sinks are, gives organizations the ability to take quick remedial measures that can have immediate returns."**
>
> *J. R. Kolmer,*
> *ARCHIBUS Solution Center -*
> *Environment & Sustainability Services*

"It starts with establishing Key Performance Indicators to track progress and achieve sustainable goals," Kolmer explains. "Some key metrics might be based on the volume of recyclable versus disposable materials headed for landfills, the rate of energy reduction or adoption of renewable energy, better hazardous materials management and so on.

"Just being able to track the amount of water or electricity being used on a day-to-day basis, and where the energy sinks are, gives organizations the ability to take quick remedial measures that can have immediate returns."

A centralized real estate, infrastructure, and facilities management system, he observes, is invaluable in supporting robust KPI data collection and the subsequent reporting and analysis of that data.

"Beyond the technological capabilities, one of the big questions to ask includes whether these KPIs are core to the business values and goals of the organization or else it will be difficult to get stakeholder support, especially from the C-suite," cautions Kolmer. "You may be able to design a balanced scorecard

but if you can't populate it with the right data, an organization may end up wasting two other resources—time and energy."

To achieve the goal of environmental quality, having a capable real estate, infrastructure, and facilities management technology framework to consolidate and report key information is essential for government-mandated environmental compliance reporting, including Sarbanes-Oxley mandates.

"It should also be remembered that environmental projects must be a collaborative effort throughout an organization and require buy-in from senior management for optimal success," says Kolmer. "Senior managers are more involved than ever in environmental initiatives and they need to be able to assess where they are today in order to reach their goals. That's where KPIs play an important role."

Conclusion

Organizations may have a range of real estate, infrastructure and facilities management goals. Measuring progress toward any or all of those objectives requires relevant, reliable, and reportable metrics.

The definition and implementation of a consistent set of Key Performance Indicators that reflect a true statistical picture of an organization's operations is an essential step in improving overall operational and financial performance. Having a capable, comprehensive real estate, infrastructure, and facilities management system to capture and analyze KPI information is paramount.

Combined with the use of dashboards, balanced scorecards, and other means of visualizing information, KPIs supply the indispensible metrics and performance discipline that will save money, save time, and guide organizations of every type and size toward a more efficient and profitable future, year after year.