

Impact of Covid-19
on Facility Management

June 2020

A great deal has already been said and written about Covid-19 and its consequences and the measures taken. It is certain that the virus will have an enormous impact on our way of life and our way of working. But how does this translate to the organisation of offices and the wider

facilities sector? Offices have had to close down overnight, with major consequences for internal catering, cleaning, technical maintenance and so on. How did the various organisations and their facility departments deal with this? Did this lead to tough discussions with suppliers or were

they able to meet each other halfway? Does this pandemic mean the end of 'activity based working'? Are we going back to fixed places in the office? Can we go back to the office in a safe way at all? We asked eight experts in the field from different organisations and colleges.



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Shift to working from home

Since the beginning of the quarantine, we have experienced the biggest impact of Covid-19 ourselves: working from home. It has been 11 weeks, since we are working from home and the offices remain empty. However, due to the recent relaxation of the measures, we are gradually allowed to return to the office under the condition that we apply the mandatory, and highly necessary, regulations. **The question remains not only to what extent the offices are ready for this return, but also how companies deal with this on a broader organisational level.** Given that it is highly unlikely that we will all go back to the same landscape office, or at least not right away.

From the interviews conducted with some experts in facility management, it appears that they, too, consider working from home to be the biggest consequence of Covid-19. Although no organisation was prepared for this situation, this adaptation was not an insurmountable obstacle for everyone. An example of this is SD Worx, where working from home was already standard practice since 2009. They believe that after the crisis, working from home will be considered normal. In this context, the HR department of SD Worx is developing a new policy in which it is possible to work 2 to 3 days a week from home. Before the crisis, UZ Brussel also had an agreement to make working from home a subject of discussion. Given the fact that employees were already working in a flexible setting, they were able to switch quite quickly to the new way of working. However, the

challenge remains to motivate employees to achieve the same result and for employers to recognize and acknowledge this effort. Ron Embrechts believes that, while before the focus was on the number of hours worked, there will be a shift to quality and results. Furthermore, Ron believes that during this crisis we need to be flexible enough to respond to changes, without being solely guided by the events. As an example he gives the fact that up until now the UZ Brussel has always provided a permanence at the facilities service point. In the long term, the hospital wants to look at alternatives that can be combined with working from home by, for example, installing screens so visitors could be helped from a distance.

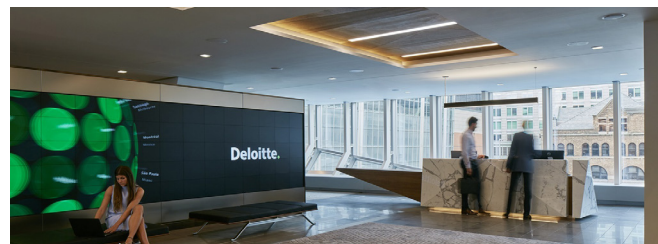
At bpost working from home was not a significant part of the corporate culture. Support services at the head office were entitled to one day of working from home per week. This is why Stijn Verheyen of bpost sees this as the biggest change due to Covid-19. This meant that bpost had to reorganise its way of working in a very short period of time. Although this required some adjustments, in their opinion, this transition went smoothly and the past few weeks have shown that they can also work from home in an agile and flexible manner with a solid dose of productivity. However, Stijn notes that this period should be considered as an opportunity to deepen the concept of telework and identify the new facility challenges that come along.

Odisee's teachers are also convinced that the new situation will make it easier for companies to take the step towards working from home. They believe that **working hours will be spread throughout the day and the evening, and that both employees and employers need to find a good balance between work and private life.** Furthermore, the professors notice that organisations are working more virtually and that various applications are responding to this (e.g. Microsoft Teams). On the other hand, the situation has also resulted in less social interaction.

We can conclude that the Covid-19 crisis has created a momentum to explore the opportunities of working from home. In this analysis, it is important to take into account the uniqueness of the organisation, but also the expectations of the employees. It is up to managers and executives to carry out this (impact) analysis and to clearly communicate and roll out the proposed actions throughout the organisation.

“We need to be flexible enough to respond to changes, without being solely guided by the events.”

A concept that often returns and that is linked to working from home is **mobility**. The government advises, if possible, to avoid public transportation during rush hour and asks commuters to travel individually as much as possible. The questions that arise then are: Will people who previously used public transportation for commuting still do so? If working from home remains the norm, what will happen to underused car parks? Will the company car make way for a form of 'working from home allowance'? We note that not every company has a concrete plan for this yet.



Patrick Meuser of Deloitte believes that mobility and working from home are strongly linked and anticipates a shift in the various mobility components. For example, he predicts the use of public transportation will decrease. The facility department wants to respond to this by reconsidering the existing mobility packages. They want to expand the mobility programme by adding a working from home component in which they offer intervention in internet connection costs or the purchase of ergonomic office equipment to use at home. In addition, Deloitte wants to investigate more efficient alternatives to the traditional yearly train subscriptions for 5 days a week. The **emphasis will be on the element of choice when it comes to transport**

and the flexibility around it, as well as a decreasing need for parking space. Patrick believes that one hand, the car will continue to play a role, but on other hand the bicycle will gain even more popularity for short distances. In line with this, Odisee is convinced that the company car will remain an important component in the remuneration package. The sustainability aspect, to which many companies attach great importance, will be reflected in a **saving on commutes (20%)**.

SD Worx foresees that employees will be less likely to use public transportation and that the number of commutes will decrease in the short term, although they expect little change in the long term. The flexibility and mobility programmes have already shown that **more SD Worx employees have been using bicycles** in recent years. In addition, the Brussels office no longer has any parking space available. bpost on the other hand, finds it more difficult to determine the long-term mobility impact. They will first enter into dialogue with their partners, such as car parks.

We can conclude that the impact of Covid-19 will be felt in professional life for a long time to come. Therefore, the moment to start the conversation about working from home and to integrate this into the organisation's culture is now.

Setting up a facility roadmap

In recent weeks, several companies have already started returning to the office. Deloitte and bpost indicate a phased approach by allowing employees to return to the office in several steps, thus avoiding a mass inflow. SD Worx also takes a phased approach and as a part of this, they have implemented a **new tool that makes it possible to reserve workplaces**. In order to set up the tool, the building plans were uploaded into the tool and a maximum capacity per space was determined based on government guidelines. This way it became possible to monitor how many people come to the office and at exactly which desk they are seated. "Towards the future, the reservation of parking spaces, the need for catering and a link with cleaning will also be embedded in the tool", says Liesbet Van Looy. Consequently, SD Worx is able to make efficient use of resources by, for example, only cleaning the used rooms. Such technological tools could gain in importance in the future. Where an employee previously had to request when he/she wanted to work from home, now the opposite will happen: working from home will become the new standard and when an employee wants to come to the office they have to apply for, among other things, a desk, parking space and adapted allowances. In addition, several facility managers note that **employees want to align their presence at the office with that of their team or direct colleagues**.

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In recent years, there has been an increase in open space and activity-based working with flexible workshops and without individual desks. This too will be questioned. Is this way of working still realistic in a post Covid-19 era? Stijn Verheyen, bpost, notes that further efforts should be made to undo individual workplaces because the occupancy rate of the buildings will reduce. Deloitte is of the opinion that a different definition will be given to the workplace, the use and the functionality of the square meters at disposal. The attractiveness of the workplace, however, will remain at least as important as before. "Staff members who come to the office to hold meetings will also want to have quality time with each other. If there are still a few hours of work left after the meeting, they will want to have an office that is suitable and pleasant", according to Odisee's facility management lecturers.

Designing a facility roadmap can help overcoming these various challenges. We learned from the numerous discussions that most companies already have a short-term plan ready for this, which also takes into account the guidelines provided by the national Safety Board.

However, in the medium and long term, many issues remain. The assessment of the impact on 'open spaces' and 'activity-based working' is a concern to those responsible, but the answers are certainly not obvious. After all, various fundamental aspects such as personnel policy, financial impact and operational follow-up come together in this complex puzzle. For example, all experts see a cost-saving impact of Covid-19 in the short term in a number of areas, such as HVAC (heating, ventilation & air conditioning), usage of water and electricity, and fuel cards. On the other hand, there are a number of costs that will disappear, including (unused) rental properties and expensive parking subscriptions.

All this makes us think about the role of facility management within an organisation and whether the **facility manager should be more involved and heard in the related strategic decisions**. The question arises whether Covid-19 has lifted facility management an operational to a strategic level.



Link with purchasing

On the one hand, all the organisations interviewed indicated that during the Covid-19 crisis the adjustments of contracts with suppliers and subcontractors were little to none. Especially for organisations that are bound by **public procurement legislation**, such as hospitals and postal services, it is not easy to adjust a contract on an ad hoc basis. On the other hand, we

note that the **suppliers and subcontractors have also been willing to offer a high degree of flexibility with regard to the operational execution**. For example, SD Worx indicates that the frequency of cleaning has increased in the mid-sized offices where there was no daily cleaning before Covid-19. Furthermore, the total cleaning time has remained the same, but the implementation of the available time has changed with a focus on contact hygiene. According to the experts, the flexibility of the supplier or subcontractor will therefore play a major role in selecting a (new) facility partner in the future. Where price used to be the main focus, in many cases this will be less the case and flexibility and sustainability will become more important. As rightly pointed out by Ron Embrechts, sustainability is more than the ecological aspect. It also includes the lifespan of installations, after-sales service and so on. Here the supplier also acts as the 'Subject Matter Expert' (SME), where the customer leaves the technical input more to the supplier in his RFP, as the supplier is expected to be the expert in the matter. All this leans towards the principle of **'Best Value Procurement'** or "realising the most value at the lowest price".

Another term that keeps recurring when it comes to facility procurement is 'quality' and this in the broadest sense of the word: all organisations indicated that in the future there will be a major shift towards contracts that focus on performance and **Service Level Agreements (SLAs)**. An important comment we make here is that SLAs ("what") without good **Key Performance Indicators** or KPIs ("how") are hollow concepts. You can ask a supplier to "deliver the best possible quality" (=SLA), but without an objective way to measure this (=KPI) you are nowhere. This will increasingly lead to "measuring is knowing", where high-performance systems can make the difference for more facility related tools as well as purchase and contract management packages.

"The flexibility of the supplier or subcontractor will play a major role in selecting a (new) facility partner in the future."

Finally, the consensus is that cooperation between the various departments and stakeholders will evermore be an important factor during the sourcing process (e.g. procurement-facility), but also during the operational follow-up (e.g. prevention service-facility). The 'social distance' between the various departments will therefore certainly have to be reduced.

Performance Management

As already mentioned, the professional landscape has changed in recent weeks. We still do the same work, but in a different environment and under different circumstances. This raises the question how an organisation will measure the performance of its suppliers on the one hand and its facility services employees on the other hand.

"A connection will have to be made between the changed needs of the companies and the suppliers. More flexibility and inventiveness is required from the suppliers and the facility department will have to work on this."

We have already talked about the shift in focus from price to quality during sourcing and tendering, but quality will also gain an increasing importance throughout operations as a whole.

Odisee's facility lecturers see **a shift from speed to quality**, which will also result into an increasing number of KPIs related to operational excellence and quality. For example, a facility manager used to control the time in which repairs of the HVAC were carried out, whereas now they will measure the quality of the air, according to Johan Ryckx. Patrick Meuser of Deloitte confirms this and adds that all KPIs will be more focused on the end result. As mentioned, the degree of flexibility a supplier can demonstrate in the sourcing process will be decisive, but even for existing supplier-customer relationships a lot of flexibility and creativity will be needed on both sides. For example, a supplier for which continuity of service is a fundamental criterion must be able to provide a business continuity plan at all times. Ron Embrechts indicates that before the Covid-19 crisis the UZ Brussel was already implementing this shift by putting more weight on award criteria regarding quality, sustainability, etc.

On the other hand, the performance of employees should also be measured. For UZ Brussel, the biggest challenge is to keep motivating employees to meet their current performance commitments. Ron therefore considers it very **important to continue to value the staff for the work done**. Following this statement, Johan Ryckx & Annemie Van Hecke from Odisee agree that employers will have to think about alternative methods to manage personnel and monitor performance.

Finally, we can conclude that organisations will have with performance management in a new and creative manner. **Great flexibility will be required from suppliers, employees and employers**. Priorities and focus points in facility management will change and need to be aligned with an organisation's stated objectives. The set indicators and traditional ways of monitoring service partners and employees may need to be changed. For example, one could ask whether the number of hours worked can still be a measure or how companies will deal with overtime and whether qualitative criteria will clearly prevail in the next contract negotiations with the various facility partners.

We unanimously agree that Covid-19 has had an impact on professional life, an impact we could not predict. Organisations had to reorganise themselves in a very short time to anticipate this change. In our opinion, as a result of this change, **we see the role of the facility manager becoming more and more prominent and even shifting from an operational level to a strategic level.** From a facility manager perspective, we see this crisis as an opportunity to integrate the new office environment

and the needs of employees in terms of **working from home into the corporate culture.** However, it should be taken into account that more flexibility is expected, also with regard to suppliers. We will all focus more on quality and results and less on a fixed schedule.

We conclude that it is - also - the role of the facility manager to think about the next steps on the medium term. We are thinking about the **change in mobility, the layout of the offices, and contact with the suppliers** to discuss the current contracts and the agreements on performance management. The facility manager should see this crisis as an opportunity to step up and support the organisation in the strategic policy.

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