

Year in Review: IFMA FY 2015 Annual Report

July 1, 2014 – June 30, 2015



Left to right – back row: Larry Allen Morgan, CFM, SFP, FMP; Stephen P. Ballesty, MBA, CFM, FRICS, FAIQS, ICECA; Jon Seller, past chair; James P. Whittaker, P.E., CFM, EFP, FRICS, chair; Michael D. Feldman, FMP, CM, first vice chair; Tony Keane, CAE, president and CEO; Collins Osayamwen, CFM, FMP; Geoff Williams, FMP; Maureen Ehrenberg, FRICS, CRE, second vice chair.

Front row: Lynn N. Baez, CFM, SFP, FMP; Ian H. van der Pool, MFM; Jeffrey J. Budimulia, CFM, MBA; Cathrine Pauli, Dipl. Arch. ETH, MBA HEC Paris; Pat Turnbull, IFMA Fellow, MA, LEED AP.

In the 2015 fiscal year, the International Facility Management Association (IFMA) focused on initiatives to improve the infrastructure that supports the organization and enables it to fulfill its mission to advance and support the practice of facility management globally. Technological legwork completed in 2014-2015 will support the implementation in the coming fiscal year of a new association management system, learning management system and content management system, as well as the launch of IFMA's first online Knowledge Library. These advances, coupled with a solid financial foundation, will allow IFMA to increase the service level it provides to foreign and domestic member and non-member stakeholders.



FINANCIAL STANDING

Total revenues for FY 2015 were US\$13.78 million, up US\$450,000 (3.4 percent) from the previous year. Total expenses for the fiscal year were US\$13.55 million, down US\$140,000 (-1.0 percent). Direct expenses associated with the delivery of products and services were US\$8.6 million, and indirect operational expenses were US\$4.9 million.

Total expenses decreased by US\$140,000, however revenues increased by US\$450,000, which nets to a positive increase in margin of almost US\$600,000 over fiscal year 2014.

At fiscal year-end, revenues from conferences and exhibitions stood at US\$4.07 million (29.5 percent of total revenue), up slightly US\$10,000 from the prior year. Professional development revenues stood at US\$4.45 million (32.2 percent of total revenue), up significantly US\$725,000 from the prior year. Rounding out the major revenue business units, membership revenue was US\$4.1 million (29.75 percent of total revenue), down US\$310,000 from prior year.

Refer to the Statement of Financial Activities (figure 1) and the Statement of Financial Position (figure 2) for additional information.

MEMBERSHIP

IFMA achieved another milestone during the 2015 fiscal year by adding 1,454 new members to the association; 27 percent more than new members who joined during the prior year. IFMA members (nearly 27 percent of whom reside outside of the United States) are

part of a network of 134 chapters throughout the world across 105 countries. Due to an integrity-driven focus on data cleansing, an effort for IFMA's new association management software platform, membership numbers remained flat for 2014-15.

In 2014-15, the membership team continued its focus on defining the value proposition for IFMA members and nonmembers alike in an effort to personalize the membership and customer experience with the campaign "Make My IFMA, Your IFMA." Staff gained deeper insight into the value of IFMA membership and the global perspective through member-centric focus groups at the 2015 Facility Fusion Conference and Exposition in Orlando, Florida, USA.

Also, in order to recognize member accomplishments and achievements in helping to advance the FM industry, IFMA created a Member of the Month program. IFMA members are nominated by their peers to be considered for this honor. Information on the nominees is posted on IFMA's Online Community where members can vote for each month's winner.

Members are increasingly taking advantage of the members-only Benefit of the Month offerings, which provide no-cost access to exclusive membership benefits, such as free webinars, reports and profession-specific materials, each month. Included in the past year's offerings were webinars on Service Management 3.0 and Advancing Your FM Career. All previous Benefit of the Month



offerings are archived on the IFMA website and accessible to IFMA members.

In addition to overall new membership growth throughout the fiscal year, IFMA's chapter networks expanded. Two new chapters — the Guangdong Chapter (China) and the Florida Big Bend Student Chapter (U.S.) — were formally chartered. Seventeen councils and eight communities of practice continue to serve niche FM audiences along industry verticals and topic-specific horizontals.

Another key area for membership growth has been China. Founded in May 2015 and based in Shanghai, IFMA China is one of IFMA's Service Centers of Excellence (SCOE). The China SCOE has a director and three staff members to guide and support the Shanghai and Guangdong Chapters. IFMA China's website provides a one-stop platform for events and knowledge.

EDUCATION & CREDENTIALS

IFMA is proud to announce that in December of 2014, its facility management credential program earned accreditation and seven commendations from the American National Standards Institute (ANSI). The process consisted of a 40-page application and more than 1,600 pages of supporting documentation, including the development of a comprehensive credentials management plan.

IFMA was awarded accreditation as an ANSI Accredited Program Certificate Issuer Accreditation Number 1057, the scope of which includes both the Facility Management Professional™ (FMP®) and Sustainability Facility Professional® (SFP®) credentials.

ANSI, which oversees thousands of standards and guidelines that directly impact businesses in a range of sectors, described the FMP and SFP programs as “world-class, gold-standard models of learning and development.”

Additionally, IFMA received seven commendations, including:

- The solid foundation provided by IFMA's Global Job Task Analysis process.
- Comprehensive needs assessments.
- Subject matter expert selection process.
- Alignment of learning outcomes and assessment instruments.
- The International Credentials Commission (ICC) structure, scope and responsibilities enabling stakeholder oversight of all credential program activities.
- The ICC's diversity.
- IFMA's partnership with Holmes Corp., “a world-class model of best practices.”

In the spring of 2015, IFMA's internal staff credentials team brought IFMA's Credentials Registry online. The registry allows individuals and companies to verify credentials held by an individual by name, city, state or country. Results show active credential holders, the credential(s) they hold and the initial privilege dates of each.

At the close of the fiscal year, the number of IFMA credential holders stood as follows:

- CFM: 2,802
- RCFM: 364
- FMP: 5,645
- SFP: 593

IFMA completed the development of the Essentials of Facility Management program,



an entry-level training product to meet the educational needs of emerging FM professionals in the global market. The primary focus is to address the emerging leader's role in tactical planning of scheduling and accomplishing daily FM tasks that support the operation of an organization's facilities. The program consists of three workshops: 1) Introduction to Facility Management Series; 2) Operation and Maintenance Series; and 3) Work Management in Facilities Series. The Essentials of FM program has both online and classroom delivery options.

In November of 2014, IFMA began its search for a new learning management system (LMS) for delivery of its continuing education. The request for proposal process of the search concluded in May 2015 and the implementation began in June 2015. The transition of all its existing online courses, recordings and CFM preparation resources to the new LMS will be completed by October 2015. The new LMS will enable IFMA to manage and offer its online, classroom and virtual classroom continuing education products more effectively and efficiently to our industry globally.

RESEARCH

This past year's efforts in the area of research focused on two distinctive areas: internal research supportive processes and external programmatic efforts. Internally, staff revised research support processes and tools that were in need of further development in order to maximize efficiency.

These items included IFMA's research application for potential sponsorship and underwriting research reports and other efforts, request for qualification and request for proposal application standardization, assessing the survey administration processes within IFMA groups/events (satisfaction, project-specific, etc.), modification of sponsorship and underwriting packages, defining research within IFMA and supporting the IFMA Research Committee.

IFMA examined developing a research framework in assessing subject matter experts and identified future steps to support this effort. The association completed development of a potential research center framework and supporting industry outreach initiatives, and undertook the classification of IFMA research versus non-research products.

Besides the internal efforts, the external focus included developing new products for our membership, presenting at national conferences/symposia, reviewing benefits of and modifications for the online Benchmarks Exchange (BEX) platform and development of an engagement plan.

In addition, staff and the research committee identified existing IFMA research reports in need of updating, which included reports covering operations and maintenance, outsourcing, forecasting and Work on the Move. Additionally, the fiscal year ended with wrap-up work on the Distributed Work: Revisited and the Facility Management Asia Trends reports.



STANDARDS

As administrator for the American National Standards Institute-accredited U.S. Technical Advisory Group (TAG) to the International Organization for Standardization Technical Committee (ISO/TC) 267 Facility Management, IFMA continues its goal of advancing the FM profession.

Two standards, ISO/CD 18480-1 Facility Management – Part 1: Terms and definitions, and ISO/CD 18420-2 Facility Management – Part 2: Guidance on strategic sourcing and the development of agreements are at the Draft International Standard (DIS) stage. The standards are on target to meet a 2016 publication date.

In February 2015, a new work item proposal was approved by ISO/TC 267 to begin work on ISO 41000, a Management Systems Standard (MSS) for Facility Management. By providing specific requirements for individual organizations to establish and manage an integrated MSS for the practice of FM, ISO 41000 will enable an organization to be able to demonstrate that it has a robust process through which to design, manage and improve its integrated FM system.

The U.S. TAG was selected to hold the convenorship for ISO/TC 267 WG 3 to work on ISO 41000 with IFMA's past chair, James P. Whittaker, serving as the convenor and Laverne Deckert, product manager, IFMA professional development, providing administrative support.

The ISO technical committee is comprised of 25 participating countries and 13 observing

countries. The U.S. TAG has 24 members from both public and private industry sectors, including representatives from professional organizations such as APPA, BOMA, NIST, OSCRE and the U.S. government.

EVENTS

Overall IFMA's events experienced a strong year in FY 2015 and are well positioned for growth.

IFMA's World Workplace 2014 Conference and Expo – New Orleans, Louisiana, USA

In 2014, IFMA's flagship conference, the World Workplace Conference and Exposition, was held in New Orleans, Louisiana, USA on Sept. 17-19. Themed "FM + Strategy X Innovation = Your Formula for Success," the event drew 4,300 registrants from 57 countries – the highest number of attendees from outside of the United States to ever attend the event.

The 2014 event introduced new networking functions like solo attendee meet-ups and a mentoring program that matched new attendees with more seasoned World Workplace goers. More than 100 learning opportunities across 13 concurrent educational sessions were organized into four learning labs to assist attendees in customizing their educational experience. In addition, the event offered deeper dives with pre-conference master classes on strategic thinking, emergency preparedness and workplace strategy. Highlights included the Welcome Reception at Mardi Gras World, opening keynote speaker Peter Sheahan, sold-out behind-the-scenes facility tours and three TED Talk-style closing keynotes by



Simon T. Bailey, Crystal Washington, and Kaplan Mobray.

The expo component of the event exceeded budgeted revenue by more than US\$20,000. Attendees had the opportunity to visit with 260 exhibitors, and attend 10 informational sessions and demonstrations in the Solutions Arenas. Another feature on the expo floor was the Council Pavilion in which conference attendees could visit with representatives from IFMA's industry and interest-specific councils to learn more about each council's activities.

IFMA's World Workplace Asia 2014 Conference and Exhibition – Hong Kong

The World Workplace Asia 2014 Conference and Exhibition was held Oct. 30-31 in Hong Kong. The local IFMA Hong Kong Chapter was extremely supportive and the event was well received. Hosted at the Hong Kong Jockey Club, the event offered a stellar FM speaker line up with presenters from throughout the Asia-Pacific region. The opening session offered a dynamic Hong Kong business owner, Mr. Wilfred Wong, chairman and CEO of Hsin Chong Construction Group, with the message of How to Rejuvenate a Company.

World Workplace Asia displayed an increasingly strong commitment to the value of content-rich FM congresses in the Asia Pacific region.

IFMA's Facility Fusion Canada 2015 Conference and Expo – Vancouver, British Columbia

IFMA continued the momentum of the first Canadian Facility Fusion event held in

Ottawa in 2014 with a strong showing at the Facility Fusion Vancouver Conference and Expo, including a 25 percent increase in registration and a 54 percent increase in the number of exhibits. In addition to a focus on content specific to the Canadian market, conference helped to cement the Workplace Evolutionaries group as a new IFMA Community of Practice via a pre-conference workshop.

IFMA's Facility Fusion U.S. 2015 Conference and Expo – Orlando, Florida

The 2015 U.S. installment of Facility Fusion was held April 21-23 in Orlando, Florida and included the highest number of non-member registrants to date. The personality of the U.S. event continues to be defined. By design, this is a close-knit conference where FMs come together to have deeper discussions on trends and strategic leadership.

Of note at the 2015 event:

- Addition of a Career Resource Center
- Launch of IFMA's Member of the Month program
- Introduction of the IFMA Volunteer Leaders Training Track
- An address by the owner of the Rosen Resorts (host hotel)
- Implementation of a mobile response system for immediate feedback throughout the conference
- A new IFMA Foundation golf tournament

European Facility Management Conference (EFMC) 2015 – Glasgow, Scotland

EFMC 2015 was held in Glasgow, Scotland, June 1-3 by IFMA in conjunction with EuroFM and the British Institute of Facilities



Management. The motto of the event, “People. Performance. Partnership,” reflects what the FM world is about — talent management, service excellence, integration and cooperation. The conference featured four parallel presentation tracks with insights from the business and academic worlds, as well as an exhibition, networking reception and gala dinner.

COMMUNICATIONS

In an effort to increase engagement with both internal and external stakeholders, IFMA’s communication team has lent itself to greater focus on the voice of the customer within FMJ magazine, social media, internal communications, video and knowledge strategy. (For more on knowledge strategy, see pages 8-9 of this report.)

IFMA’s FMJ magazine

In 2014-15, IFMA began the process of rebranding its flagship publication from “Facility Management Journal” to “IFMA’s FMJ magazine” to support its position as the official magazine of the association. This serves to reinforce that articles are written by and for workplace professionals and are not academic, peer-reviewed pieces as implied by “journal.”

The rebrand was informed by completion of a thorough strategic analysis of the magazine to guide FMJ tactics in support of IFMA’s balanced scorecard. The analysis included magazine objectives and measures of success, value proposition, positioning, competitive landscape and targeting.

FMJ has increased stakeholder involvement in content through member-focused recurring

sections, as well regular submissions from councils, committees, alliance partners and international perspectives in the FMJ Extended online-only section of the magazine. In addition, the top features from FMJ in 2014 were highlighted as the January 2015 IFMA Member Benefit of the Month.

As the digital version of FMJ is an exclusive benefit of membership in IFMA, the magazine continues to be challenged to increase its revenue-generating print subscription base and to serve as an entry point for new members into the association. However, advertising sales remained robust, with a record-setting issue, an increase in ads from the pest management sector and more than half of FY 2015 advertisers being new to IFMA.

To increase overall awareness of the magazine, FMJ was showcased at IFMA and related industry events via placement in publication bins, booths, attendee packets, etc. In addition, FMJ hosted the social media booth and its second annual FM Expert Panel at World Workplace 2014.

The publications and FMJ sections of the IFMA website were updated in early 2015 to offer a more user-friendly experience. This included a video tutorial on the functionality of digital magazine to increase awareness of its interactive features and lower barriers to engagement.

The magazine’s open-access blog gained traction throughout FY 2015 as a readership pipeline to drive prospects to paid content. Blog FMJ was named first on iOffice’s January 2015 list of “8 Facilities Management Blogs You Will Actually Enjoy Reading.”

FMJ continues to leverage social media to both engage with readers and expand the magazine's reach. At the close of FY 2015, FMJ's Twitter page had 3,875 followers, an increase of 30 percent over the prior year. The FMJ Facebook page ended the fiscal year with 1,402 likes, a year-over-year increase of 59 percent.

Social media

IFMA's social media outlets are managed by a cross-departmental team of comprised of staff from marketing, communications and public relations to represent IFMA's voice online.

Participation in IFMA's social media outlets continued to increase during the fiscal year:

- LinkedIn: 44,548 group members (up 28 percent over FY 2014),
- Twitter: 15,318 followers (up 19 percent over FY 2014),
- Facebook: 5,060 likes (up 13 percent over FY 2014)
- YouTube: 409 subscribers (up 43 percent over FY 2014).

For World FM Day 2015, IFMA hosted two one-hour Twitter chats, both linked to the event theme, Building Resilience for the Future. The first, held at 8 a.m. CT in order to accommodate participation from those in countries east of the Americas, focused on resilience, including topics such as risk mitigation, business continuity, agility and change management. The second chat was held later in the day and covered the future of FM, touching on succession planning and industry innovations. The chats were well received and generated international engagement.

KNOWLEDGE STRATEGY

In the past fiscal year, the IFMA Knowledge Strategy (KS) Task Force and internal staff focused on:

- Designing the processes and strategy for collecting and organizing content;
- Reviewing the content and defining submission standards;
- Developing a publishing schedule;
- Overseeing the technical development; and
- Devising a marketing strategy to ensure members and potential members are aware of the benefits of having a digital content library.

In May 2015, IFMA member Mary Gauer joined the Knowledge Strategy Task Force as the newly appointed lead for the subject matter expert (SME) focus area. Her primary responsibilities will center on SME recruitment and engagement efforts. She joined existing members Knowledge Strategy Task Force Chair Geoff Williams, Strategy Lead Buck Fisher and Content Lead Isilay Civan.

The pilot SME group categorized the existing content by competency to ensure members have the ability to efficiently find content in a timely manner. By the phase 1 launch during World Workplace 2015, the expectation was to have SMEs a) categorize content by competency and industry and b) vet content against a preset standard of quality and applicability to the FM industry. These tasks will advance the initiative by allowing IFMA to publish the most relevant and insightful content in a manner that is of value to members.

The aggregation and organization of IFMA's content has been a multi-step process. The



team identified more than 1,000 pieces of IFMA’s archived and currently published content. To assist in the overall goal of curating a robust selection of quality content, the internal KS team assembled a large list of identifiers, such as industry, competency, publish date, keywords, region of relevance, etc., which will guide members to the content most appropriate for their specific needs.

These steps will advance the initiative by fulfilling the stated member need of having all content in one easy-to-navigate location. Content will be indexed by public search engines, thus attracting potential members to the organization, increasing visibility of the industry and furthering IFMA’s mission.

The initial phase of development, is the first step in defining and establishing exactly what the Knowledge Library is. It is being developed to offer members:

- A single location with access to more FM content than ever before;
- A platform to communicate, discuss and share content and ideas with fellow FM professionals;
- A curated, thematic publication platform that actively promotes the most relevant content to IFMA members; and
- Enhanced usability and keyword search functionality to find content faster and more easily than ever before.

Because the Knowledge Library is such a large undertaking, the design and development strategy is iterative. The initial phase 1 development is structured to define and implement core foundational elements upon which the knowledge strategy team will build.

The processes and procedures developed for the initial launch, while essential, will only scratch the surface of the eventual possibilities of personalization, customization and content curation. As we continue to learn more about our members and their interests, we will continue to implement changes and enhancements that target exactly what our members want.

EXTERNAL AFFAIRS

IFMA’s external affairs continued to flourish in 2014-15 with growth of the advocacy program, expansion of IFMA’s role in coalition leadership and utilization of member expertise to inform public policy.

In the U.S., IFMA was again chosen to chair the Policy Committee of the High Performance Buildings Congressional Caucus Coalition, a broad-based group of more than 160 professional and trade associations seeking to create common-sense public policy to improve the built environment.

In Europe, IFMA has worked to support the EU FM Coalition to help decision makers and stakeholders within the European Union understand the role and importance of facility management.

As governments around the world continue to enact more prescriptive requirements for commercial buildings, it is increasingly important that the FM professionals who will ultimately implement these policies be part of their development. IFMA’s external affairs program is dedicated to connecting the information and expertise of our members with



decision makers who can use that industry perspective to craft effective public policy.

Beyond public policy, ongoing media relations efforts continue to promote IFMA and the FM industry to audiences that may not be familiar with the value and importance of FM. Outreach is also conducted to raise awareness of IFMA's events and credentials and research products.

IFMA continues to empower FM practitioners to serve as media sources by providing them with media training, talking points and connecting them with journalists in search of stories. Talking about FM through the real stories and experiences of IFMA members has become an instrumental component of the "Voice of the Customer" messaging strategy. It has also made IFMA's external messaging more consistent with the messaging needs of the global FM industry.

TECHNOLOGY

In 2015, IFMA initiated a major project to replace the existing association management system (AMS). The first phase of the project is scheduled to go live in late 2015 and offer increased benefits and functionality to IFMA staff and external stakeholders. This project will support other IFMA projects such as the knowledge strategy and content management system (CMS) and learning management system (LMS) upgrades from a security/role standpoint, integration to the customer and member database, etc.

In addition, IFMA's Web and IT teams launched a new website service for chapters, councils and communities of practice with cloud-based

hosting in Microsoft Azure using a well-known open-source CMS, WordPress. This allows IFMA's technology team to rapidly create new websites for components that are easy for leaders to edit and find available resources to make additional improvements to their site. The standard features offered at launch of these sites include: rotating banner images, news feed, calendar, rotating sponsor images, customized branding and event management. IFMA's Airport Facilities Council in partnership with Hartsfield-Jackson Atlanta International Airport took advantage of the event management feature by using the service to host its medium-sized conference website and offer online registration.

Currently, single sign on (SSO) is in the production line as an additional feature to IFMA's websites. This SSO feature will use the same product that the Web and IT team launched on community.ifma.org. By adding this feature visitors to the chapter and council websites can easily navigate to the respective groups held within in the community where the components are sharing various resources with their members.

The recently launched SSO offers the ability for members to log in with their favorite social media account, easily reset their password and remain logged in to IFMA websites that share the same solution. IFMA's technology team has successfully released it as a prototype on the online community and will be rolling out across other IFMA online properties in the coming year.



YEAR IN REVIEW

IFMA guides and develops the practice of facility management worldwide by leveraging the collective knowledge of the global FM community. By placing emphasis on data integrity and increased access to information in FY 2015, IFMA has built a robust foundation upon which to further expand its efforts on behalf of members and the industry.

Just as the built environment relies on qualified FMs for productive operation, so IFMA is fueled by the passion and dedication of its members. On behalf of the board of directors and staff, thank you for your contributions to the world's leading organization for facility management and related industry professionals — IFMA.

Sincerely,



Tony Keane, CAE
President and Chief Executive Officer



James P. Whittaker, P.E., CFM, CEFP, FRICS
Chair, 2014-15 Board of Directors

FIGURE 1

CONDENSED STATEMENT OF FINANCIAL ACTIVITIES		
	FY 2015 June 30 (unaudited)	FY 2014 June 30 (audited)
REVENUE		
Membership	\$4,104,287	\$4,414,322
Professional development	\$4,445,696	\$3,719,832
Conferences and exhibitions	\$4,070,885	\$4,059,964
Publications and information sales	\$807,310	\$783,727
Research	(\$2,639)	\$50,244
Foundation administrative fees and other	\$364,326	\$309,713
Total revenue	\$13,789,865	\$13,337,802
DIRECT EXPENSES		
Program	\$8,634,302	\$8,652,479
Management and general	\$4,870,354	\$4,937,857
Other expenses	\$40,956	\$97,215
Total expenses	\$13,545,612	\$13,687,551
Change in unrestricted net assets from operations	\$244,253	(\$349,749)
Results of long-term investment portfolio	(\$84,051)	\$517,917
Change in unrestricted net assets	\$160,202	\$168,168
Unrestricted net assets at beginning of year	\$2,875,197	\$2,707,029
Unrestricted net assets at end of year	\$2,981,846	\$2,875,197

Amounts listed in USD.

FIGURE 2

CONDENSED STATEMENT OF FINANCIAL POSITION		
	FY 2015 June 30 (unaudited)	FY 2014 June 30 (audited)
ASSETS		
Cash and cash equivalents	\$845,106	\$617,911
Accounts receivable, net	\$1,073,158	\$1,301,438
Prepaid expenses and other assets	\$1,025,844	\$1,217,226
Investments	\$3,947,671	\$4,174,534
Property, net	\$1,629,643	\$1,612,883
Total assets	\$8,521,422	\$8,923,992
LIABILITIES AND UNRESTRICTED NET ASSETS		
Accounts payable and other accrued expenses	\$731,760	\$879,545
Deferred revenue	\$4,149,191	\$4,367,626
Note payable	\$658,624	\$801,624
Total liabilities	\$5,539,575	\$6,048,795
Unrestricted net assets	\$2,981,846	\$2,875,197
Total liabilities and unrestricted net assets	\$8,521,422	\$8,923,992

Amounts listed in USD.