

# Year in Review 2009 – 2010



**2009-2010 IFMA Board of Directors. Standing left to right:**

Marc S. Liciardello, CFM, MBA, CM; Howard K. “Buck” Fisher, CFM, CFMJ; William A. Rodgers Jr.; Kathy O. Roper, CFM, MCR, LEED AP, IFMA Fellow, second vice chair; John McGee, past chair; and Paul A. Ratkovic, CFM, FMP.

**Seated left to right:** William T. Conley, CFM, CFMJ, LEED AP, IFMA Fellow; Francis J. Kuhn, CFM, CFMJ, first vice chair; David J. Brady, ex-officio (term ended January 2010); Thomas L. Mitchell Jr., CFM, CFMJ, chairman; and José Garcia Cuartero, MIM.

**Not pictured:** Helena Ohlsson, CFM, MScA DIPL FM; Rodney M. Stevens, CFM, AIA, LEED AP, IFMA Fellow; and Tony Keane, CAE, ex-officio.

## Dear IFMA stakeholders:

In January 2010, midpoint in the association’s fiscal year, the president and CEO position transitioned from David J. Brady, who had served in that capacity from 2002, to Tony Keane, CAE. “Passing the baton” has only occurred three times in the three decades since our founding.

In line with our 30th anniversary celebration, we are delighted to report that the International Facility Management Association rebounded in the fiscal year ending June 30, 2010—from a deficit of US\$1,651,000 the previous year—to a surplus of US\$871,000. Improvement in the performance of long-term investments led the way with a gain of US\$528,000. This is a performance improvement comeback of US\$672,000 from the close of the previous fiscal year, where investments were down US\$1.2 million. The remaining operational surplus of US\$343,000 for 2009-2010 came from a combination of robust sales in key areas and some further cost reductions. Please refer to the Statement of Financial Activities in this report for more information.

Sales were especially strong in the areas of online education, classroom-based education, credentials, publications, exhibit space and sponsorships. Following the successful World Workplace 2009 Conference & Expo in Orlando in October,

IFMA premiered a complementary event, Facility Fusion, in April in Philadelphia. Facility Fusion also had a comprehensive exposition that exceeded budget. Overall, online education achieved the largest percentage-over-target—exceeding its objective by 55 percent. Several other revenue areas contributed greatly by meeting or exceeding stretch targets. Increasing revenue was truly a team effort.

On the cost side, some approved full-time positions on staff were kept open (unfilled) and the pay freeze already in effect was extended. There were also many other incremental cost reductions, although they were precise and transparent to the membership. The quality of services remained high.

Additionally, IFMA capitalized on the strong cash flow from sales by reducing the balance on a line of credit utilized during the downturn; by rebuilding the technology infrastructure to better serve members and gain efficiencies in transaction processing; and by investing in the Facility Management Professional (FMP®) program. As reported last year, IFMA launched a major educational initiative in the fall of 2008 to define the practice of facility management from a truly global perspective. This was achieved by conducting the most comprehensive global job task analysis (GJTA) survey in IFMA’s history.

***Following the successful World Workplace 2009 Conference & Expo in Orlando in October, IFMA premiered a complementary event, Facility Fusion, in April in Philadelphia.***

The goal was to establish a set of universal standards for the profession that would transcend geographic boundaries, cultures and types of facilities. The GJTA resulted in the expansion of nine traditional facility management core competencies to eleven.

As scheduled, in the 2009-2010 fiscal year, information from the GJTA was applied to update and rejuvenate the FMP in conjunction with a partner company specializing in this segment of adult learning. The GJTA analysis led to a new emphasis on the business and financial component, now a required area. Strategy and leadership has a bigger emphasis as well. Throughout the process, subject matter experts played a key role by sharing their facility management expertise with a team of instructional/learning design professionals. The re-launch of the “fine tuned” and now “world class” FMP will occur in the fall 2010. The US\$330,000 investment in the FMP appears as an asset in the Statement of Financial Position as educational program development.

Membership is an important area that was adversely affected by deteriorating economic conditions. Companies cut budget items like professional memberships at the beginning of a decline, but tend to reinstate this category more slowly if signs of economic recovery are not overt enough. IFMA also invoices renewals based on individual anniversary dates. This creates a lag on both the downswing and the upswing. As of June 30, IFMA membership was 18,854, a net decrease of 260 from the previous fiscal year. IFMA's all-time membership high was 19,527 achieved in October 2008. We expect to see the upswing in membership progress this fiscal year.

There also are a number of initiatives underway to evaluate the value proposition, address member needs and build a plan to propel membership past the 20,000 mark and beyond. For example, the membership fee for students was reduced in the current fiscal year to get broader participation from emerging young professionals who represent the future of facility management. Increasing member retention also is a priority because everyone knows it's easier to retain good customers than to recruit new ones. Although we want new ones as well, we need to do a better job of segmenting the market and making the case for joining the world's largest network of facility professionals.

**International Facility Management Association  
Statement of Financial Position for the year ended June 30, 2010  
(Rounded to the nearest 1,000 in US dollars)**

<b>Assets:</b>	
Cash and cash equivalents	\$678,000
Accounts receivable, net of allowance for doubtful accounts	331,000
Prepaid expenses and inventories	466,000
Long-term investments	4,487,000
Property, net of accumulated depreciation	220,000
Education program development costs	330,000
Other assets	17,000
	<hr/>
Total assets	\$6,529,000
	<hr/> <hr/>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	\$540,000
Deferred revenue	3,984,000
Note payable	101,000
	<hr/>
Total liabilities	4,625,000
<b>Unrestricted net assets</b>	<b>1,904,000</b>
	<hr/>
Total liabilities and net assets	\$6,529,000
	<hr/> <hr/>

Similar to the membership situation, IFMA councils and communities ended the fiscal year with 8,600 people participating in this offering category—down overall about 5 percent from the previous year. There were, however, some success stories in the area of growth. Three communities of practice (Restaurant/Food Service, Hospitality FM & Engineering and Religious Facilities) and two councils (City & Country Clubs and Museums & Cultural Institutions) experienced growth. IFMA also launched a new community of practice for casinos and gaming facilities. As a service to their members, two councils released landmark benchmarking research studies specific to their industries, health care and legal. Both are available to non-council members through the IFMA Bookstore.

***IFMA's all-time membership high was 19,527 achieved in October 2008. We expect to see the upswing in membership progress this fiscal year.***

A visit to the online bookstore will also show that IFMA research once again produced noteworthy initiatives in 2009-2010, in addition to the council reports just mentioned. In July, IFMA released “Temperature Wars – Source and Nature of Thermal Complaints and Related Actions.” The report coincided with an August feature, “Hot vs. Cold, Men vs. Women,” on ABC’s “Good Morning America.” The story included video footage ABC News shot at IFMA headquarters. The following month, September, IFMA conducted

some facility management training research for the U.S. government that showed that for every dollar invested in training, four dollars of value are created. This research was incorporated into bills H.R. 5112 and S. 3250, both titled The Federal Buildings Personnel Training Act, currently under consideration in both houses of Congress. In March IFMA's ENERGY STAR® portfolio manager was established with the U.S. Environmental Protection Agency to create a data base of useful energy-related benchmarking information. In April, the "Facility Management Staffing Report" was issued and it noted more than 408,000 facility professionals in the United States. Also in April, IFMA participated with Johnson Controls, Inc. in the fourth annual "Energy Efficiency Indicator," which included a webcast from Washington, D.C. May marked the debut of a quarterly poll on facility- or workplace-related topics branded as "Facilities Snapshot." Look for new snapshots each quarter.

IFMA's flagship publication, *Facility Management Journal*, despite lower-than-budgeted advertising sales, still averaged 100 pages throughout the 2009-2010 fiscal year. The objective was to deliver as much value as possible—when members needed it most. The magazine also expanded its *FMJ* Online offerings to include the first-ever *FMJ* podcast titled "*FMJ* Unscripted," the IFMA Foundation chair video column and additional videos complementing the print version's articles. The September/October 2009 issue of *FMJ* focused entirely on global perspectives and the March/April 2010 issue introduced the education section, with a column and credential-related Q&As from the vice president of education.

IFMA's communications function also has established a formidable presence for the association on key social media sites such as Facebook, LinkedIn, Twitter, YouTube and Flickr. LinkedIn membership more than doubled in the past year to 8,430 group members, Facebook group members doubled to 1,607 and Twitter followers tripled to 2,197. Acceptance of social media as another way of associating or communicating is gaining more and more acceptance, even in some very conservative organizations that have blocked employee access to these sites from the workplace. Nevertheless, mobile phones and handheld devices are proving to be alternate channels and IFMA will be looking at ways to stay connected with members in these

**LinkedIn membership more than doubled in the past year to 8,430 group members, Facebook group members doubled to 1,607 and Twitter followers tripled to 2,197.**

new mediums. It's not just about reaching new generations of professionals; it's about keeping up with the new ways of doing business.

The past fiscal year also was IFMA's 10th year since establishing our first government relations efforts in Washington, D.C. The capstone of the year was working with the High Performance Building Congressional Caucus Coalition (HPBCC) to put forward a series of recommendations to the House Transportation and Infrastructure Committee in May. These recommendations were introduced into the record during a July committee hearing by Congressman Russ Carnahan (D-MO), who spearheaded the effort to codify language aimed at improving federal building performance and to provide federal facility managers with the necessary tools to effectively maintain real property assets. Along with the previously-

mentioned IFMA research on the four-to-one payback on training dollars, IFMA provided information from the GJTA highlighting the changing role of the facility manager and the ever-increasing need for continuing education and credentials. This information was folded into The Federal Buildings Personnel Training Act also mentioned earlier.

**International Facility Management Association  
Statements of Activities for the year ended June 30, 2010  
(Rounded to the nearest 1,000 in US dollars)**

<b>Revenue:</b>	
Member dues	\$3,940,000
Education, events and credential programs	4,715,000
Publication and information sales	982,000
Research fees	26,000
Investment return, net	528,000
Other	382,000
<b>Total revenue</b>	<b>10,573,000</b>
<b>Expenses:</b>	
Program services	5,665,000
Management and general	2,747,000
Membership maintenance and development	1,290,000
<b>Total expenses</b>	<b>9,702,000</b>
Increase (decrease) in unrestricted net assets	871,000
Unrestricted net assets, beginning of year	1,033,000
<b>Unrestricted net assets, end of year</b>	<b>\$1,904,000</b>

Other noteworthy government initiatives include: placing a board member on the U.S. Department of State's Overseas Building Operations Advisory Panel; co-hosting with the Federal Facilities Council the fourth annual Public Policy Forum on Capitol Hill in September; IFMA's sustainability committee hosting a briefing for the HPBCC in January; working with the Alliance for Sustainable Built Environments to host a conference in March to identify objectives of the current administration in promoting sustainable practices and raise awareness of resources currently available in the private sector; and in September of the current fiscal year, reaching out to IFMA chapter and council leaders to bring them to Washington in a combined public policy and advocacy day event with targeted Capitol Hill visits. Future efforts will include expanding IFMA's U.S. efforts from a national focus to grassroots involvement (a legislative action center was recently added to our website), as well as expanding geographically to include Europe, Canada and Asia. We soon will begin by monitoring and reporting each quarter on workplace-related issues in the European Union.

Another reason for IFMA's successful year undoubtedly has to be the association's commitment to becoming less North American focused and more globally focused. We continued working with IFMA chapters in all parts of the world and chartered a Trinidad and Tobago chapter in July. IFMA had been delivering educational courses there for several years and it was time to establish a stronger relationship. In June, IFMA and EuroFM again co-sponsored the European Facility Management Conference in Madrid. IFMA also offered certificate courses in Macau throughout the year in cooperation with governmental authorities. There is tremendous potential to do similar education in other parts of the People's Republic of China.

One significant, globally-uniting event for IFMA and our Global FM partnering organizations occurred near the end of the fiscal year. June 24 was the second annual World FM Day. Throughout the day, IFMA "tweeted" facility-related questions to participants around the world, who in turn responded or posed their own questions. At headquarters, the staff hosted visitors from the Houston chapter for a luncheon and built "sustainable" facilities with LEGO® building blocks. Focusing a single day on the power of strategic facility planning and good facility management practices—will elevate IFMA and facility managers to new heights. Global FM evolved from a strong tripartite relationship and associated activities between IFMA, British Institute of Facilities Management and Facility Management Association of Australia. Four additional full members and an affiliated member now compose Global FM with representation on five continents (Africa, Australia, Europe, North America and South America).

Without your continuing commitment to workplace excellence and your customers, none of this success would be possible. Thank you for your contributions and your membership in IFMA. Working together we are taking this profession to an even higher level of recognition worldwide.

Sincerely,



Thomas L. Mitchell Jr., CFM, CFMJ

Past Chairman



Tony Keane, CAE

President and Chief Executive Officer