

# Year in Review 2010-2011

## 2010-2011 IFMA BOARD OF DIRECTORS



Standing left to right: Howard K. “Buck” Fisher, CFM, CFMJ; Marc S. Liciardello, CFM, MBA, CM, second vice chair; William T. Conley, CFM, CFMJ, LEED AP, IFMA Fellow; Tony Keane, CAE, president and CEO; Michael D. Feldman, CM; Francis J. Kuhn, CFM, CFMJ, chairman; William A. Rodgers Jr.; Thomas L. Mitchell Jr., CFM, CFMJ, past chairman; Joachim W. Hohmann, MSc, PhD, CFM; and Rodney M. Stevens, CFM, AIA, LEED AP, IFMA Fellow. Seated left to right: Isilay Civan, MSc, PhDs, LEED AP; Kathy O. Roper, CFM, CFMJ, LEED AP, IFMA Fellow, first vice chair; and Jon Seller.

### Dear IFMA Stakeholders:

Despite operating in a climate of economic uncertainty—vacillating between steps forward indicating recovery and steps backward hinting at a double-dip recession—we are delighted to report that the International Facility Management Association had an outstanding fiscal year ending June 30, 2011. There was a lot of emphasis on objective 7 of IFMA’s balanced scorecard (BSC), “Maintain viable fiscal position through good financial management, diversification of revenues and optimized asset utilization.” The 2010-2011 year also marked the first full 12-month fiscal year period for the association under the new leadership of Tony Keane, CAE, president and chief executive officer.

For 2010-2011, the financial trajectory continued upward from the rebound begun in the 2009-2010 fiscal year. Total revenues for the year were US\$12,408,000, up from US\$10,573,000 the previous year, for a year-to-year gain of US\$1,835,000 or 17 percent. The value of long-term investments gained US\$744,000 compared to US\$528,000 in 2009-2010. The operating surplus, US\$356,000, the association’s net profit/loss closely managed day-to-day by the strategic leadership team, also showed a gain of 3.5 percent over the previous year. Unrestricted net assets were US\$3,005,000 compared to US\$1,904,000 for the previous year. Total assets were US\$7,630,000 compared to US\$6,529,000 for the previous year. Please refer to the Statement of Financial Activities and the Statement of Financial Position in this report for more information.

Sales were robust in the areas of online education, classroom-based education, credentials, publications, exhibit space and sponsorships. Two areas (combined as one line item) were especially strong: education and credentials. Revenues were up 61 percent from the previous year. This line item includes sales of IFMA’s revamped Facility Management Professional® credential and newly-introduced Sustainability Facility Professional™ designation, launched in January 2011. A closer look at the credential portion of this revenue, including the flagship Certified Facility Manager®, reveals a combined increase of 25 percent for IFMA professional designations. Facility practitioners and their employers are undoubtedly realizing the value of specialized knowledge gained through the pursuit of IFMA credentials. Another contributing factor to the volume of recorded FMP sales was the tremendous push initiated prior to the re-launch of the credential to encourage all those already taking FMP classes to complete the program prior to the changeover. Many completed it just before the deadline. IFMA also is in a position to offer a sustainability-related credential that acknowledges the important role the skilled people operating facilities play in making their facilities optimally sustainable—whether or not the physical asset is certified by some kind of building rating system.

Foundational work for this success began in the fall of 2008 when IFMA launched a major educational initiative to define the practice of facility management from a truly global perspective. This was

achieved by conducting the Global Job Task Analysis (GJTA) survey that established a universal set of standards for the profession. Moreover, these standards transcend geographic boundaries, cultures and types of facilities. Nine traditional facility management core competencies were expanded to 11. Information from GJTA was utilized to assess, develop or adjust IFMA credentials, conference tracks and educational content across the board. GJTA data continues to be used to make sure all IFMA products, services and experiences have worldwide relevance. Keeping offerings fresh pays dividends for IFMA, FM professionals and organizations everywhere. It also supports objective 2 of IFMA's BSC, "Provide essentials for facility management professionals to advance their careers."

BSC objective 1, "Provide and engage stakeholders with opportunities that expand and leverage their collective knowledge," is addressed in IFMA's renowned conferences and expositions, especially the World Workplace experience. Selecting the City of Atlanta for World Workplace 2010 was an excellent decision. The 2010 annual conference and exposition revenues were up 11 percent over 2009. A big part of the success was the participation of the Atlanta Chapter of IFMA that helped create a "Peach Tree" area of the exposition for local companies, as well as turn out en masse for the educational experience or to fill much-needed volunteer positions. Thank you, Atlanta.

In March 2011, Boston also proved to be a great choice. More than 800 facility professionals gathered at the Westin Waterfront for the second annual Facility Fusion Conference and Exposition to obtain information on best practices and hear dynamic speakers such as Lt. Gen. Russel Honoré, who led Task Force Katrina in the aftermath of the devastating hurricane that struck the U.S. Gulf Coast in 2005. The general presented "See First. Understand First. Act First: Leadership and Preparedness in the 21<sup>st</sup> Century" and said, "The leadership role facility managers play is as important a part of our national security as public health and public safety."

On May 18, IFMA once again pushed the envelope and conducted the association's first virtual conference and exposition. It was a great opportunity to earn CFM maintenance points and CEUs at a very affordable price point of US\$100 for members, US\$50 for students and US\$150 for non-members. The conference also remained open 24/7 for 90 days thereafter to view or review all the sessions. The event was a success and will become another annual focal point that reinforces IFMA's commitment to "Deliver unique value to members, customers and corporate partners," as stated in objective 5 of the BSC.

In the area of membership, in last year's report we noted membership was down 3.5 percent and that there were a number of initiatives underway to evaluate the value proposition, address member needs and build a plan to "propel membership past the 20,000 member mark and beyond." The plan included reducing the membership fee for students and placing a greater emphasis on retention. We also stated that we needed to do a "better job of segmenting the market and making a case for joining the world's largest network of facility professionals." We are pleased to report the plan worked. Despite the unhealthy climate, IFMA experienced net membership gains in 11 of the 12 months in 2010-2011, thus recouping losses and setting record high counts every month since February. The year ended with membership at 19,959—just shy of the 20,000 mark. In the interim period between the end of the fiscal year and September, IFMA finally crossed 20K and posted a special celebratory banner on the website. Incremental increases across chapters and councils, across industry and geographic lines, led to the high-water mark. A significant positive factor was the rebound in membership retention rates, with professional member retention over 80 percent and associate member retention just shy of 70 percent. We're redoubling our recruitment and retention efforts and setting our new target at 25,000.

### International Facility Management Association Condensed Statement of Financial Position

	<u>30-Jun-11</u>	<u>30-Jun-10</u>
<b>Assets:</b>		
Cash and Cash Equivalents	397,000	678,000
Accounts Receivable, Net of		
Allowance for Doubtful Accounts	581,000	331,000
Prepaid Expenses and Inventories	390,000	466,000
Long-Term Investments	5,231,000	4,487,000
Property, Net of Accumulated		
Depreciation	226,000	220,000
Education Program		
Development Costs	788,000	330,000
Other Assets	17,000	17,000
Total Assets	<u>7,630,000</u>	<u>6,529,000</u>
<b>Liabilities:</b>		
Accounts Payable and		
Accrued Expenses	865,000	540,000
Deferred Revenue	3,675,000	3,984,000
Note and Capital Lease Payable	85,000	101,000
Total Liabilities	<u>4,625,000</u>	<u>4,625,000</u>
<b>Unrestricted Net Assets</b>	<u>3,005,000</u>	<u>1,904,000</u>
Total Liabilities and Net Assets	<u>7,630,000</u>	<u>6,529,000</u>

(Rounded to the nearest 1,000 in US dollars)

IFMA's councils and communities of practice components also enjoyed rebounds in the year ended, with more than 9,100 members participating in these industry- and interest-specific groups. Councils continued to experience success within their respective industries in raising awareness of the importance of facility management. The Health Care Council provided an entire track of education for the Health Care Design 10 conference; the City and Country Club Council brought facility knowledge to the Club Managers Association of America's annual conference; the Museum and Cultural Institutions Council represented the profession at the American Association of Museums' annual meeting; and the Research and Development Council signed a memorandum of understanding to work closely with "i2sl," the International Institute for Sustainable Laboratories.

As quipped by one of the young men in the rocketry-movie *October Sky*, IFMA once again produced "prodigious" research in 2010-2011. In October, IFMA published *Research Report #34: Space and Project Management Benchmarks*. Space standards information from this report appeared on *CNN*; *CNN Headline News*; and *Fox and Friends*. Also in October IFMA released

*Health Care Facilities Operations and Maintenance Benchmarks Report* with the American Society for Healthcare Engineering of the American Hospital Association. In March, IFMA published *Exploring the Current Trends and Future Outlook for Facility Management*. In June, IFMA again participated in Johnson Controls' fifth annual "Energy Efficiency Indicator" survey presented during the Energy Forum at the National Press Club in Washington, D.C. Also during the course of the year IFMA produced a study on sustainability; quarterly "Facility Snapshot" surveys; and did extensive due diligence work in selecting the Gallup organization as our partner for the IFMA Benchmarks Exchange (BEX), launched in August of this fiscal year.

*Facility Management Journal*, IFMA's preeminent publication, averaged 100 pages throughout the 2010-2011 fiscal year. The magazine continued to exceed expectations with its content growth—resulting in heightened interest from new authors and advertisers. Issues filled up six months in advance with story waiting lists. The increased credibility as the source for facility management helped exceed the *FMJ* advertising budget in the last four issues of the year. In addition, the magazine switched to periodical status and began saving money on postage/shipping in early 2011. The *FMJ* brand also received more exposure—doubling the number of shows the magazine was represented at, initiating an online presence (a blog and presence on Facebook and Twitter), as well as creating the first-ever *FMJ* collateral and *FMJ* author awards.

IFMA's communications function continued to take ownership of BSC objective 3, "Magnify the importance of the facility management professional worldwide." Communications distributed 47 press releases and IFMA was mentioned in 3,590 stories this past fiscal year, up from 1,999 in 2009-2010. The combined circulation (one-time readers) for these stories was approximately 791 million and IFMA also achieved just under 12.9 billion online page views of which 719 million were unique. In addition to the previously-mentioned national and international television news exposure, IFMA was mentioned in *Time* magazine, *The Wall Street Journal*, *NPR*, *Baltimore Sun*, *Denver Post*, *San Francisco Chronicle*, *Boston Globe* and many other traditional news and new media outlets.

IFMA also expanded its presence and activities in social media, providing regular updates on IFMA- and FM-topics to a growing number of "followers" (Twitter – 4,652), "members" (LinkedIn – 13,032), "subscribers" (YouTube – 85) and "friends" (Facebook – 773 Likes). Presently, IFMA is working on expanding its community platform to enable members,

### International Facility Management Association Condensed Statement of Activities

	<b>Fiscal Year Ended 30-Jun-11</b>	<b>Fiscal Year Ended 30-Jun-10</b>
<b>Revenue:</b>		
Member Dues	3,860,000	3,940,000
Education, Events and Credential Programs, Net	6,330,000	4,715,000
Publication and Information Sales	989,000	982,000
Research Fees	13,000	26,000
Investment Return, Net	744,000	528,000
Other	<u>472,000</u>	<u>382,000</u>
Total Revenue	<u>12,408,000</u>	<u>10,573,000</u>
<b>Expenses:</b>		
Program Services	6,894,000	5,665,000
Management and General Membership Maintenance and Development	<u>1,539,000</u>	<u>1,290,000</u>
Total Expenses	<u>11,307,000</u>	<u>9,702,000</u>
Increase (Decrease) in Unrestricted Net Assets	1,101,000	871,000
Unrestricted Net Assets, Beginning of Year	<u>1,904,000</u>	<u>1,033,000</u>
Unrestricted Net Assets, End of Year	3,005,000	1,904,000

(Rounded to the nearest 1,000 in US dollars)

friends and other facility professionals to engage in dialog within the same IFMA worldwide community. We're also implementing a comprehensive Web strategy that will further connect the IFMA community and enable better branding and coordination of various IFMA and IFMA component websites. There will also be more IFMA apps for smart phones and tablets, in addition to those debuting at World Workplace 2011 in Phoenix. These outreach efforts using technology also advance elements of objective 6 in the BSC as it relates to creating a culture and providing resources that instill innovation.

In September 2010, IFMA successfully conducted its first Advocacy Day and Public Policy Day for 20 chapter and council leaders who came to Washington, D.C., to meet with members of Congress to discuss IFMA's public policy initiatives and the importance of good facility management practices. IFMA also is reaching out to all members in the United States to visit the Legislative Action Center on the IFMA website to track federal initiatives in real time and to connect with their elected representatives.

On December 14, President Barack Obama signed the Federal Buildings Personnel Training Act of 2010 (FBPTA) and it was the capstone of IFMA's 2010-2011 government relations effort. IFMA led a coalition of industry groups in support of FBPTA and the legislation was strongly supported in the U.S. Congress by a bipartisan group of members in both the House and Senate. The bill's premise is simple: if buildings are maintained properly by trained and certified facility professionals, buildings will perform better and at lower costs and ultimately be worth more at their time of disposition, thereby providing a return on investment for the American taxpayer. During discussion of the legislation on the House floor, IFMA's return-on-training dollars research was cited. IFMA will be working with Congress, the U.S. General Services Administration and other federal agencies to ensure IFMA's 11 facility management core competencies as identified in the GJTA are considered within the perimeters of the needed training requirements.

In conjunction with the European Facility Management Conference held in May in Vienna, Austria, IFMA conducted its first Government Leaders Day for chapter leaders and European Union (EU) officials in Europe. IFMA also began providing chapter leaders in Europe with quarterly legislative reports on facility- and workplace-related issues on the EU public agenda.

Sustainability has been an issue of growing importance for the last couple of years, especially since IFMA added it as one of four themes in the association's strategy map and chartered the international sustainability committee (ISC). In the fiscal year ending on June 30, IFMA added a director of sustainability to the staff in order to fully integrate the concept into all that IFMA does, both as an organization with a carbon footprint (connecting sustainability strategy formulation with operational execution) and as a provider of products and services that have sustainability

components. IFMA has a unique perspective that needs greater emphasis and attention. This past year there were numerous noteworthy activities in this area. IFMA joined fellow members of the High Performance Building Congressional Caucus Coalition May 23-29 for "High Performance Building Week" that focused on the federal government's leadership role. Working with the IFMA Foundation and the private sector, the ISC also published several "How-to" guides covering a spectrum of sustainability-related topics. The ISC also worked closely with IFMA's education area in the launch of the previously-mentioned SFP credential and provided many subject matter experts for both content and curriculum development. The committee also participated in sustainability forums and brought forth many best practice examples. In our own workplace, headquarters staff launched a number of smaller initiatives, such as recycling, energy saving measures and the use of refillable beverage containers instead of paper cups. As we begin looking for a new permanent home for the association as our lease expires in December 2012, making sure the new space is both functional and sustainable will be a primary consideration.

As a continuation of IFMA's commitment to becoming more global, the association expanded its collaborative work outside North America. In May, IFMA signed a five-year memorandum of understanding with the German Facility Management Association to influence workplace-related issues in the EU, conduct joint educational initiatives, share benchmarking data, publish jointly and network broadly. In June, IFMA partnered with the Hong Kong Chapter of IFMA to reintroduce World Workplace Asia. The event will rotate to other Asian destinations as well. On June 23, IFMA and its Global FM partners celebrated the fifth annual World FM Day that included a number of festivities and events around the globe. It's the one day out of the year where everyone needs to shout the importance of the facility management professional.

We indeed have much to celebrate from this past year of growth in a challenging business environment. Without your continuing commitment to workplace excellence and your customers, none of this success would be possible. Thank you for your personal contributions and for your membership in the world's leading facility-related organization—IFMA.

Sincerely,



Francis J. Kuhn, CFM, CFMJ  
Past Chairman



Tony Keane, CAE  
President and Chief  
Executive Officer