

Costs vs. campus appeal: the great balancing act in higher education

Seven strategies to uncover cost savings through
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It's a challenging time to lead a university. With tuition on the rise, scrutiny of the cost of higher education has also risen, with criticism coming equally from the public and politicians. The threats of increased regulatory oversight, aging infrastructure, outdated manual processes and rising costs for transportation and housing are creating a war of priorities. In this battle, many universities are forced to choose between the need to cut costs, and the need to make capital investments.

Competing for the best and brightest students, after all, can be expensive. Delivering a positive experience throughout four years on campus? Even more so. The good news: you can take steps to reduce costs, make much-needed capital investments and build a vibrant campus community at the same time.

Facilities lie at the center of this challenge—and can be part of the solution. A university's technology, housing, transit options and campus security and cleanliness are on trial with every campus tour, every classroom experience, and every "dorm life" memory. State-of-the-art facilities also help attract and retain the best faculty and staff.

It's critical to invest in the campus facilities, amenities and maintenance that enable an institution to deliver on its core mission: the education of its students.



Building a vibrant community

Students' need for increased connectivity and personalization is driving changes in the way facilities are designed and managed—from residence halls to classrooms and gathering spaces. Today's students are demanding more experiential learning and a variety of spaces in which to learn and socialize. Many universities are responding with new facilities, such as coffee shops that become the preferred places for studying and discussing group projects, and other amenities enabling students to connect with friends. Impressive facilities not only add a "wow" factor for prospective students and their parents on the "million-dollar walk," but also keep current students happy and impress alumni.

The master plan of a university also plays an important role in shaping the community. This concept was central in Roosevelt University's decision to build a new 32-story "vertical campus" in downtown Chicago that houses lecture halls, science labs, a dining hall, residences and administrative offices under one roof. The shared space creates a stronger community by bringing students, faculty and staff closer together.

Changing student demands are also changing how professors teach, and how information is exchanged. In turn, the needs of faculty and staff are shifting, with a greater need for workplaces that foster innovation and collaboration. Supporting it all, technology is evolving both in the classrooms and in buildings themselves, helping facilities management teams become more flexible and adaptable to change. While traditional learning models shift rapidly, tech-savvy facilities management teams can contribute directly to shaping the student experience as progress takes place.

Uncovering costs savings through integrated facilities management

Modern buildings may enrich the student experience, but they also cost money—on top of the day-to-day expense of keeping existing buildings running. In fact, at most universities, facilities are the second-largest expense, right at the top of the budget with salaries and technology. In response, many universities are adopting an integrated approach to facilities management that introduces efficiencies through digitization, helps facilities employees to do more with less, and delivers a top-quality student experience.

Integrated facilities management (IFM) is helping many universities unlock cost savings while ensuring that their campus remains a place where the best and brightest students want to be.

University leaders can take several steps to elevate facilities management on their campus to benefit students, faculty, staff, alumni, parents, and the real estate and facilities employees alike. To do so, JLL recommends the following:

- 1. Include facility managers in strategic planning; nobody knows your campus better.**
- 2. Find creative ways to rise to the challenge of deferred maintenance.**
- 3. Improve data-driven decision making with technology platforms.**
- 4. Mine the data in your facilities to enhance decision making.**
- 5. Engage facilities management to implement a practical and comprehensive compliance program.**
- 6. Take control of your energy management program to reach sustainability goals and drive cost savings.**
- 7. Drive revenue by deploying the shared economy in campus facilities.**

IFM is not an all-or-nothing proposition. Many of these strategies can be implemented on their own, enabling your existing facilities management team to make day-to-day operations more efficient and resilient, while controlling costs.

Making it happen: A deeper dive into implementing IFM on campus

1

Include facility managers in strategic planning; nobody knows your campus better

In recent years, facilities management has moved from a tactical to a strategic function. No longer just focused on “toilets and trash,” facility managers are taking on more advanced duties such as business continuity programs, capital planning and implementation of smart building systems. This expanded role has resulted in big gains in efficiency and campus resiliency.

At the same time, nobody knows your buildings better than your facility managers, who bring a unique perspective to planning discussions. When an IFM team provides input for facility site selection and new building design, schools can improve resiliency, energy conservation, sustainability, security and digital connectivity.

Likewise, early involvement of the IFM team is critical when a new building is designed. Looking ahead to operating the new facility, plans can be made to connect the building to the greater campus using smart building system installations that improve the user experience. They may also recommend using building materials that will be easier and cheaper to maintain. And with their permanent place on campus, facilities managers can take an important role in integrating student, parent, faculty and staff input into the design process.

Consider how and when you bring your facility managers into campus planning discussions. The earlier, the better.

2

Find creative ways to rise to the challenge of deferred maintenance

This issue of deferred maintenance in university facilities has attracted a great deal of recent attention due to the immense financial challenge it presents. According to a recent report issued by Sightlines, a facilities solutions provider to universities, U.S. college campuses have approximately 6 billion square feet of space under roof, with looming deferred maintenance of an estimated \$100 dollars per square foot. In short, the higher education sector faces a bill of \$600 billion dollars for deferred maintenance.

Deferred maintenance costs will continue to spiral rapidly if maintenance issues are not addressed. Postponing repairs to a roof or HVAC system, for example, can increase the potential for costly emergency repair or replacement.

This is where IFM comes in. Conducting a facilities capital assessment (FCA) provides an opportunity for engineers to assess the state of campus buildings and identify maintenance and repair needs. Armed with data and predictive analytics, it's easier to prioritize projects and plan for upgrades and repairs in advance. A data-driven approach also enables consensus-building on capital planning, allowing for thoughtful budgeting in the context of overall university needs. It also creates the opportunity to bundle like-kind projects, such as elevator or generator replacements, across multiple campus buildings for potential volume efficiencies, rather than budgeting upgrades per individual building.

Develop a strategy for tackling deferred maintenance, and leverage predictive analytics to identify future needs. Include these insights in capital planning.

3

Improve data drive decision making with technology platforms

Gone are the days when a written log was the best way for facility managers to keep track of work orders and maintenance needs. Integrated workplace management systems (IWMS) and cloud-based facility management systems help organizations to reduce costs and increase efficiency through advanced space planning modules, self-service portals, portfolio management tools and additional features. Software solutions also hold the power to increase visibility and transparency in your facilities management, reduce risk and generate data to improve decision making.

Evaluate what technology your facilities management team is using today. Design smart building features into new developments.



While these tools can be useful for managing any buildings, the adoption of smart buildings on college campuses offers even greater possibilities. Smart lighting and HVAC systems give students more power to personalize their environment, while also increasing energy efficiency. Sensors and affiliated technology platforms can monitor building occupancy, offering clues to improve space planning. And enhanced safety and security features provide peace of mind to students and their parents.

4

Mine the data in your facilities to enhance decision making

Facilities—particularly those with smart building components—produce a treasure trove of data that can help inform better decision making. With myriad stakeholders to please, university administrators can leverage this data to build consensus when it comes to facilities planning and strategy.

Explore how facilities data can produce actionable insights to help save costs and improve campus life.

Like any good research project, it is critical to understand the underlying data: how is it gathered? Who is managing the system? Where are the gaps? With that knowledge, IFM can accurately catalog, organize and standardize available data. Centralizing and analyzing the information can produce valuable insights about energy usage, building occupancy trends and more.

5

Engage facilities management to implement a practical and comprehensive compliance program

Educational institutions must address a host of compliance issues, from vendor management to data governance, contract adherence, ethics and, of course, government regulations. Many regulations affect university facilities, and are designed to protect the interests of students and staff. For example, labs must adhere to Chemical Facility and Anti-Terrorism Standards and other mandates regulating toxic substances. The Occupational Safety and Health Administration (OSHA) requires universities to keep records related to asbestos, lead, occupational injuries and other matters. Likewise, grant funding many times comes with conditions requiring faculty to confirm compliance with security protocols and other conditions.

Demystify the compliance conundrum. Sit down with department heads, identify regulatory agency requirements, and research the tools that can improve compliance and review readiness.

When properly cataloged and managed, facilities data and specialized technology platforms can assist with regulatory compliance. For example, facility managers can achieve a constant state of compliance review readiness by using technology platforms designed specifically for institutions with significant portfolios of healthcare-related facilities. In addition, using automated technology provides transparency into maintenance (when and who is providing it) that increases compliance. Other specialized processes, technologies and analytics can help with a wide range of compliance needs in a variety of facility types used by institutions of higher education.



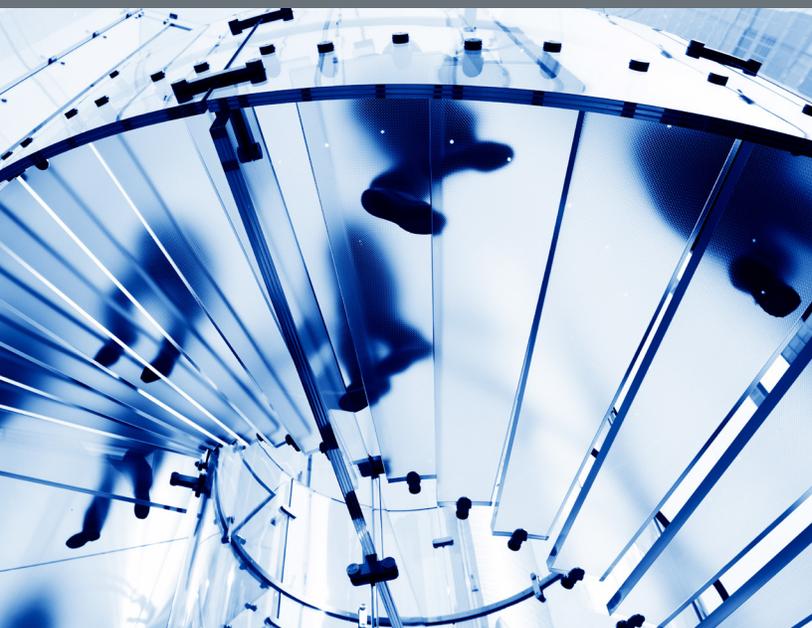
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Take control of your energy management program to reach sustainability goals and drive cost savings

The higher education community has been a leading proponent of environmental sustainability for many years, evidenced by the more than 650 schools that have signed the American College and University Presidents Climate Commitment. Today's students recognize the imperative to reverse the effects of climate change. As such, they are invested in helping their campus go green and want to know that university leadership is committed too.

Energy management programs championed by facilities managers are an important step in helping to reduce the carbon footprint of a school, and serve financial goals as well. Improving energy efficiency in buildings offers tremendous opportunity to uncover cost savings; in fact, proactive energy management programs can achieve significant cost savings with immediate impact. Implementing such a program starts with assessing where you are today, and evaluating how IFM and smart building technologies can help advance an energy management program that will reduce costs, reduce carbon footprint—and make other important programs possible.

Identify opportunities to improve energy efficiency and achieve sustainability goals.



7

Drive revenue by deploying the sharing economy in campus facilities

The sharing economy is creeping into campus life in a variety of ways. Some universities are taking inspiration from Airbnb and re-deploying vacant dorms during the summer as hotel rooms. Subleasing empty buildings can also generate revenue that can be reinvested in the university's core mission.

Evaluate revenue and community-building opportunities from sharing campus facilities with the outside community.

Such revenue-generating efforts require substantial commitment and coordination from your facilities management team. The more quickly your team can clean and turnaround empty rooms for their next use, the longer that space is available for rent. Keep in mind that revenue generated from the general public may be considered unrelated business taxable income, so it is important to understand the accounting and tax implications.

Parking facilities offer additional opportunities for universities to share space with the outside community. Many schools find they can generate additional revenue by making parking spaces available for special events.

Sharing resources with others outside the institution is another way universities are working to manage costs. For example, preferred supplier programs enable participants to tap into the bulk purchasing power of a large group for products and services such as flooring, architecture and lighting.

An integrated approach to facility management is the common thread that unites these disparate strategies. When universities use facilities to deploy sharing economy strategies, the student experience can be enriched while reducing costs and generating revenue.

Bringing it all together on campus

In the competition to attract the best and brightest students, the university campus can be a powerful differentiator. Tuition costs also weigh into college choice decisions, so it's equally important to make sure that a beautiful campus doesn't drive up the cost of attending. These goals can be achieved simultaneously through IFM.

When facility managers assume the role of strategic partners, they find powerful ways to leverage technology and data, and to improve connectivity and efficiency in buildings. Their in-depth knowledge of student needs helps design facilities that enable community building and support high-tech and collaborative learning styles. Also, they can leverage data and analytics to get ahead of deferred maintenance and improve capital planning.

From saving costs to enriching the student experience, unlocking the power of IFM can help your university delight its students, faculty, alumni, parents and staff alike—without raising tuition to do so.





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