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Executive Search Viewpoint:

Budgeting for 2019 and the Impact It Has on Your Team

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At the beginning of every year, it's important to consider what was done well the prior year and where there's room for improvement. However, there isn't always a lot of time for facility leaders to reflect when the budget is typically the first line-item up for bid. Controlling expenses is a daunting mental game. There are nearly always more projects than the budget will afford, and compromising with ourselves, our team, end-users, and executive leadership is inevitable.

As search consultants, we hear our clients' and candidates' concerns and constraints when it comes to their 2019 budgets. From their insight, it is our understanding that the following areas should be addressed, and may help serve as a guideline for how you allocate your time, energy, and money in the new year.

Standard Budget Considerations:

1. **Safety first.**

The safety of end-users is nearly always the number one goal when budgeting for the new year. Consider the risks posed against the greater community when it comes to:

- Building repair
- HVAC
- Temperature swings
- Mold/water incursion
- Building accessibility & security
- Fire protection/egress laws

2. **Then teamwork.**

The environment of your facilities team affects the camaraderie as well as day-to-day operations. Consider

whether the following areas can be reworked to improve cost effectiveness or savings that could result from improved personnel efficiencies:

- Structure/organizational chart
- Roles and responsibilities
- Logistical efficiencies

3. **Contracts and procurement.**

Fairly easy in concept, but not quite in execution, keeping up with your contracts and procurement and aligning them with the master plan is critical. Ask yourself the following questions:

- Do you know when are your contracts are up for renewal and do you have a plan in place for when you can go out to bid?
- When and where can you control the contractors or mitigate on-site risk?
- Have you weighed better performance vs. lower fee options?
- Is your institution taking on more green initiatives? Or, is green technology/green building a more fruitful option for you and your facilities team?

4. **Long-term versus short-term cost.**

Take a deeper look at issues that may cost you more in the future. Can you allocate resources to maintain/restore those issues now? For example, identify potential breakage and determine if it is possible to replace a part now versus having to replace the entire structure in the future. This can pertain to issues such as:

- Roof replacement
- Failing boilers/chillers
- Repointing of bricks
- Structural issues



5. Failure.

Understand and write down every inconvenience/repercussion associated with possible failure. Take a long, hard look at the master plan, listen intently to the goals of the executive leadership team, and understand the adaptations necessary for the new year.

Invisible Budget Impacts:

As you prepare the budget, often missing is consideration of the impact the team's morale can have on efficiency.

Because the decisions you make, especially in the areas above, have an effect on the dynamics and day-to-day operations of your team, it's important to be mindful that all change is difficult in some way, for someone. When team members have to learn something new, are confused about their roles and responsibilities, and disagree with decision-making, the atmosphere can become ripe for turmoil, and, consequently, decrease productivity. The effect of these chronic issues is entirely predicated on the approach to mitigate them. As you address your budget concerns, consider ways to boost morale without breaking the bank:

- **Make time to celebrate small victories.**

People generally don't recognize the little things, let alone give themselves credit. This happens often in the world of facilities; in fact, if the team's accomplishments were added up over the course of one year, it would call

for a victory lap! The beginning of a new year is the perfect time to consolidate those small victories and give the team a pat on the back – one that's bigger than usual.

- **Recognize talent / superhero status.**

There are individuals within the small team victories who stand out, for good reason. Promoting their expertise, hard work, or overall positive attitude is important to set a good example for the rest of the team. Individuals with continual forward progress and momentum can achieve "superhero status" – which is a celebration of their effort, or a reward.

- **Invest in staff development.**

After talent is recognized, it needs to be invested in. Keeping your most valuable players is hard to do in today's world, but professional development programs help. Roll out a simple agenda for the calendar year addressing a few growth options and make time to discuss them with the team.

Championing success and showing optimism for the new year goes a long way even if the challenges you're facing tell a different story. Be transparent and communicate often, remind your team members that they are valued, and create a positive workplace as you address the core essentials, like safety, contractors, and long-term issues/costs.

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