Nordic REFM Survey 2022

Webinar & Report Presentation

10 November 2022

Building a better working world

Hello and welcome

This morning's agenda

Who you will hear from **this morning**

Joachim Boëthius

Jorulf Brøvig Silde

Victor Mannerholm Hammer

Thomas Haver

Claus Christensen

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...and can contact for **more information**

EY

We surveyed **113 REFM organisations** across Scandinavia

46
in Norway (41%)

40
in Denmark (35%)

27
in Sweden (24%)

In collaboration between

DFM IFMA NHO NKF Norsk Kommunalteknisk Forening EY

Respondents represent 10 different sectors - both public and private, and incl. RE/FM suppliers

46 Public Sector organizations (41%)

34 Municipalities

5 Education

7 Government

31 Private Sector firms (27%)

11 Manufacturing

7 Professional Services

4 Consumer Retail

7 Finance & IT

4 Energy

36 REFM Suppliers (32%)

28 FM Suppliers

8 Real Estate & Infrastructure

The survey covered 6 themes impacting the future of REFM

Strategic REFM
- Strategic Priorities & Challenges
- International Collaboration & Challenges
- Service & Supplier Strategy

Innovative REFM
- Strategic Priorities
- Partnerships & Challenges

IT & Technology
- Investment & Priorities
- User Needs & Challenges

Flexible Ways of Working
- Policy Guidelines
- Office Presence

Workplace of the Future
- The Scandinavian Workplace
- Future Workplace Design

Home Office
- Services
- Financing

Today we'll cover three topics

1. REFM's Strategic Value Creation
   - What are the top 3 challenges facing REFM?
   - What are the main criteria for selecting an FM-supplier?

2. Innovative FM
   - Which FM areas do we need to innovate?
   - What are the greatest challenges for innovation?

3. Workplace of the Future
   - How is office occupancy changing?
   - How can REFM evolve to meet new needs?

Please use the chat if you have questions or comments

EY

Denmark

Compared to Norway and Sweden:

→ **Stronger focus on sustainability innovation**

→ More see a **lack of skills as a barrier/challenge**

→ More **common to provide IT equipment and furniture** for home office

→ **Slightly less area efficient** than the rest of Scandinavia

→ **Similar ambition to improve the workplace of the future**

What do respondents say? (Compared to the average across countries)

Strategic & Innovative REFM

- **80% say that impacting sustainability and ESG is a top challenge for REFM** (54%)
- **58% say skills/capabilities is the biggest barrier to innovation within REFM** (33%)
- **34% have an in-house FM strategy** (22%)

Flexible Ways of Working

- **65% provide IT equipment and 43% provide furniture for home offices** (42% / 26%)
- **48% report that the average office presence is 26-50% of employees** (35%)
- **44% say employees tend to work from home 1 day/week** (23%)

Workplace of the Future

- **81% will change the physical design of the workplace in the next 2 years** (71%)
- **42% have an area efficiency of 15-19 sqm/employee (gross)** (29%)

Norway

Compared to Denmark and Sweden:

→ Strong focus on **price/cost**

→ More say **lack of competencies and retention of REFM employees** is a challenge

→ **Decline in office presence less pronounced** (i.e. fewer working from home)

→ Similar ambition to **improve the workplace of the future** (e.g. reduce office space)

What do respondents say? (Compared to the average across countries)

Strategic & Innovative REFM

- 83% say Price/Cost is the top criteria when selecting a supplier (69%)
- 66% say a lack of competencies is a barrier for IT innovation in FM (36%)
- 51% say attracting and retaining REFM employees is a top challenge (31%)
- 43% say funding is the biggest barrier to innovation within REFM (30%)

Flexible Ways of Working

- 77% indicate that Monday is one of the most popular days 'in the office' (44%)
- 53% indicate that office presence is unchanged (26%)

Workplace of the Future

- 96% say they will decrease the amount of office space and desks provided (77% / 88%)
- 63% have fixed seating as the main workplace concept (48%)

Sweden

Compared to Denmark and Norway:

→ **Change to ways of working** appears to be the greatest

→ Much more **significant decline in office presence**

→ **Sustainability matters** for all

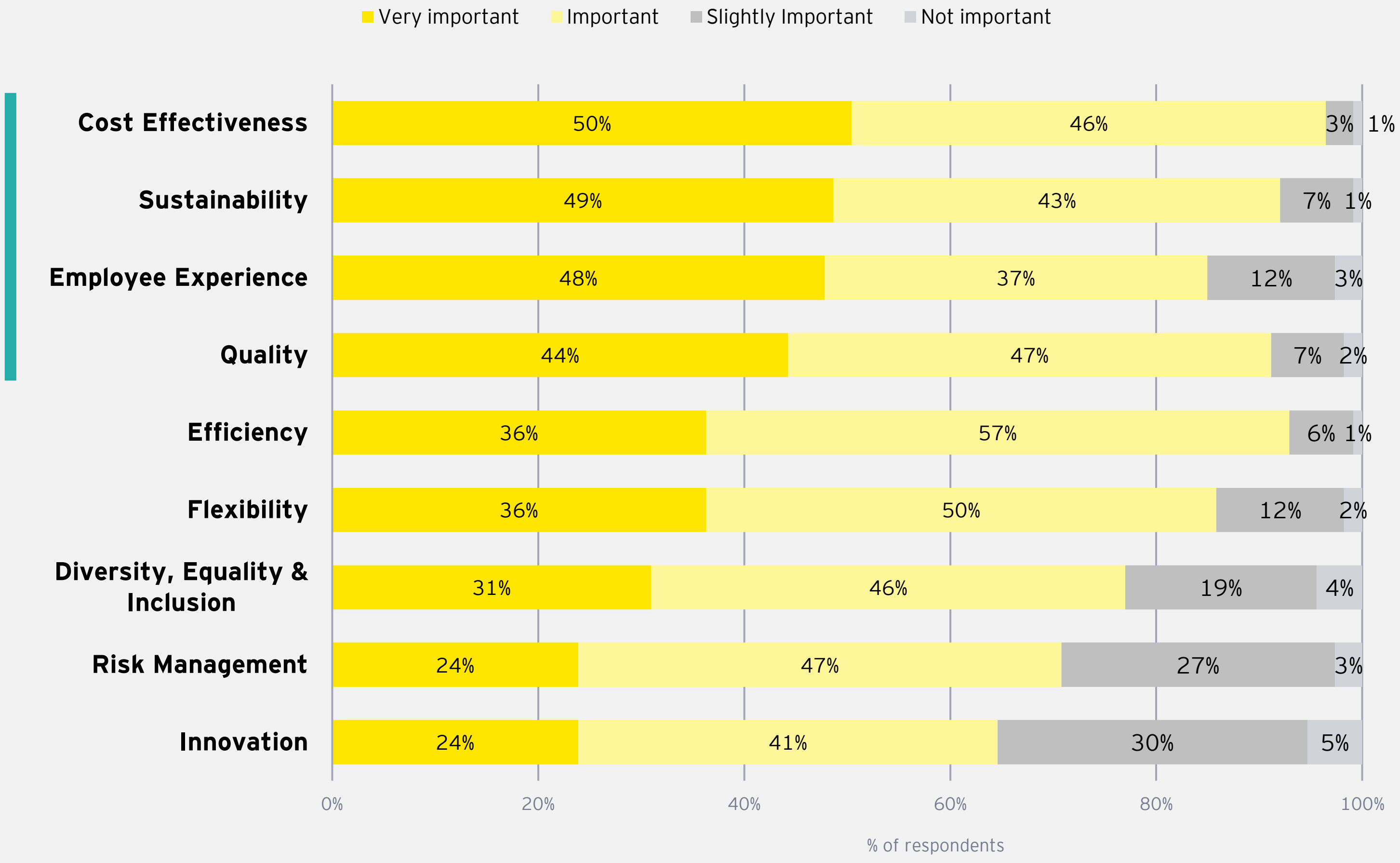
→ Appear **more innovative in redesigning the workplace (e.g. more free seating without home zones)**

→ More **ambitious in redesigning supplier/partner strategy for greater flexibility**

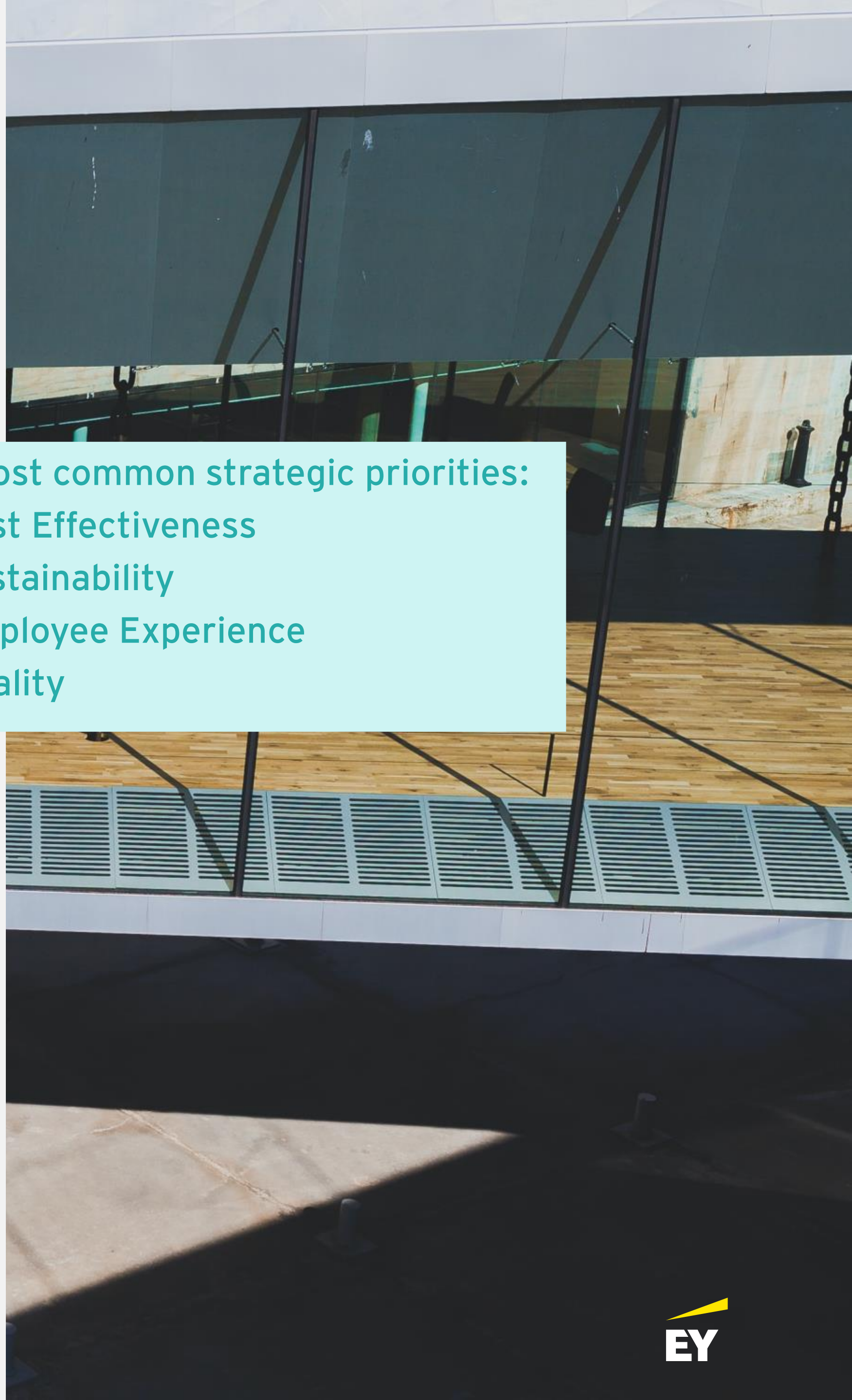
What do respondents say? (Compared to the average across countries)

Strategic & Innovative REFM	• 81% believe adapting to new ways of working is a top challenge for REFM (44%) • 41% have an integrated facility service strategy (21%) • 33% are looking into new reward/financing models (13%)
Flexible Ways of Working	• 50% report that the average office presence is 26-50% of employees (35%) • 41% say employees tend to work from home 3 days/week (12%) • 28% have free seating without home zones (8%)
Workplace of the Future	• 96% will change the physical design of the workplace in the next 2 years (71%) • 59% will innovate the workplace experience (bricks, bytes, behaviors) (30%)

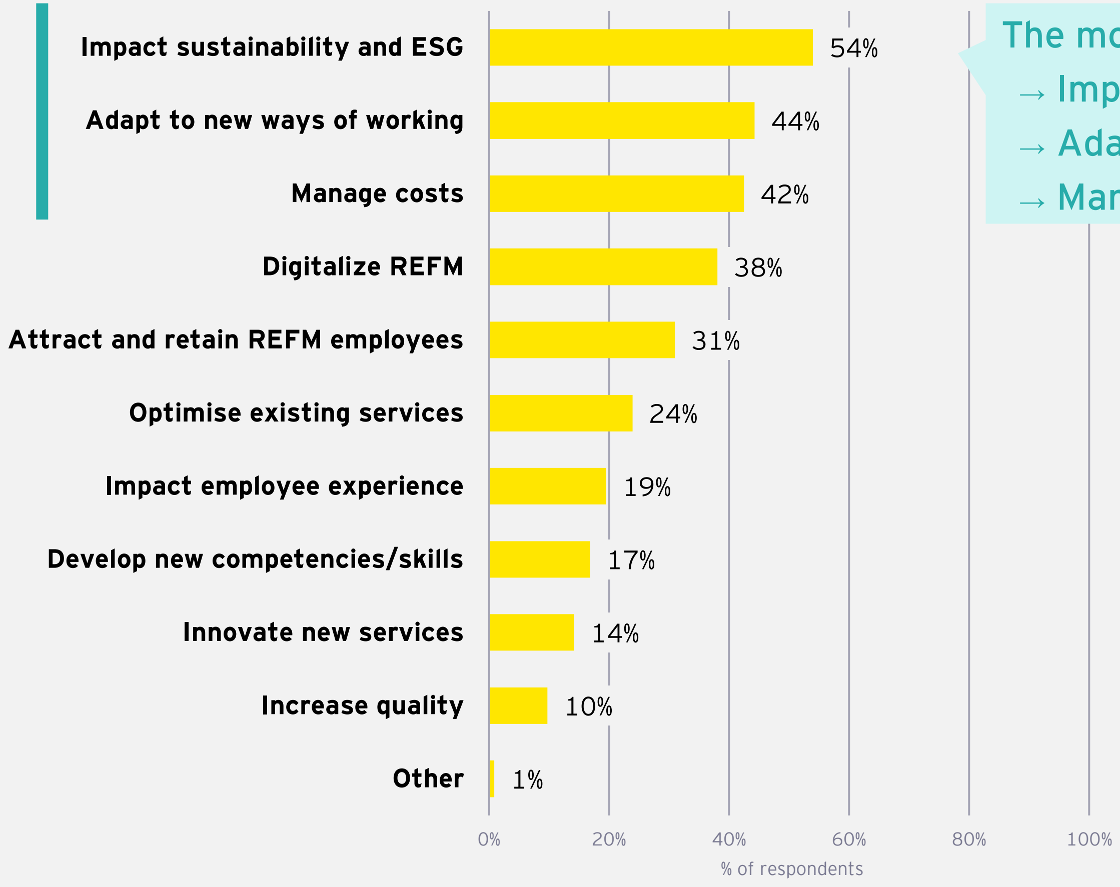
For your RE/FM/Workplace organization, how important are the following strategic priorities and values?



The most common strategic priorities:
- → Cost Effectiveness
- → Sustainability
- → Employee Experience
- → Quality



What are the 3 most important challenges for REFM to address in the next 3 years?



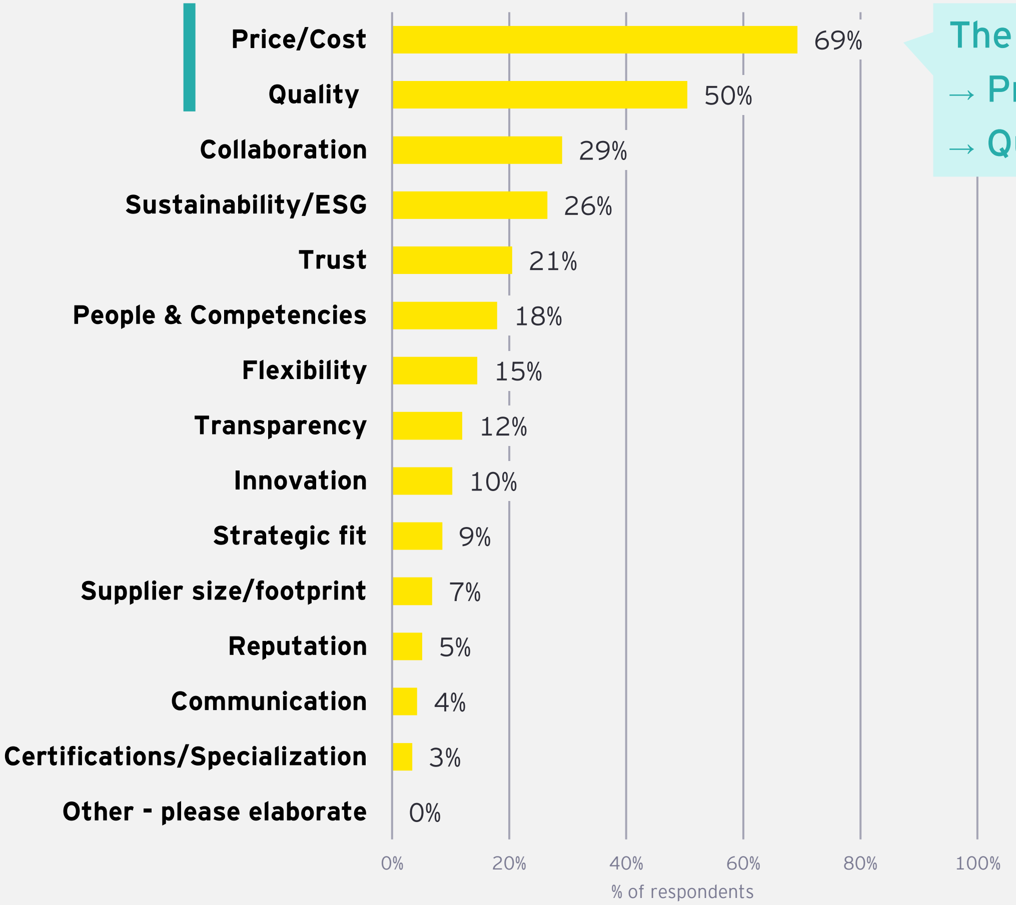
The most common challenges:

→ Impact Sustainability & ESG

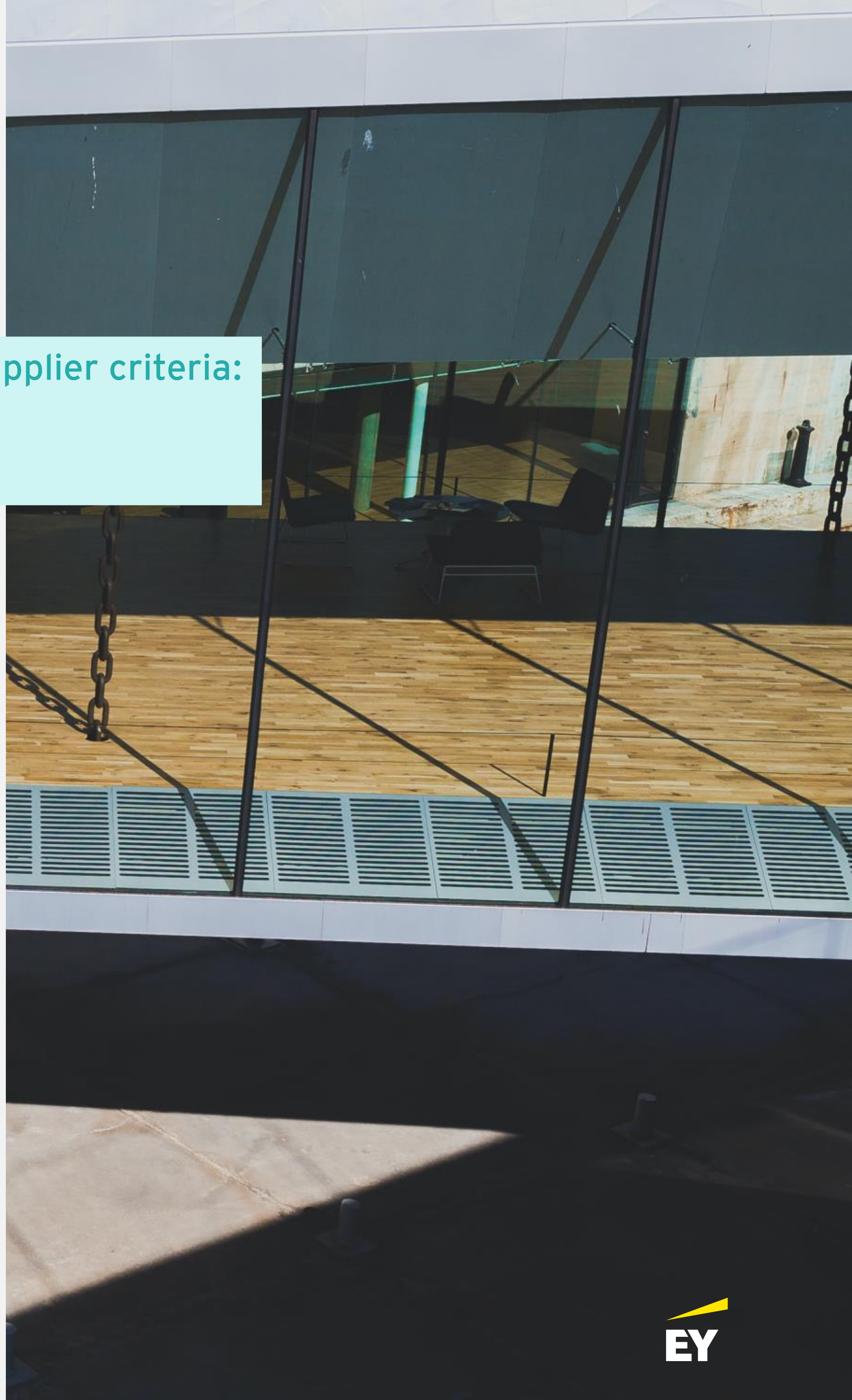
→ Adapt to new ways of working

→ Manage costs

What are the 3 most important criteria when evaluating and selecting an FM-supplier?



The most important supplier criteria:
→ Price/Cost
→ Quality



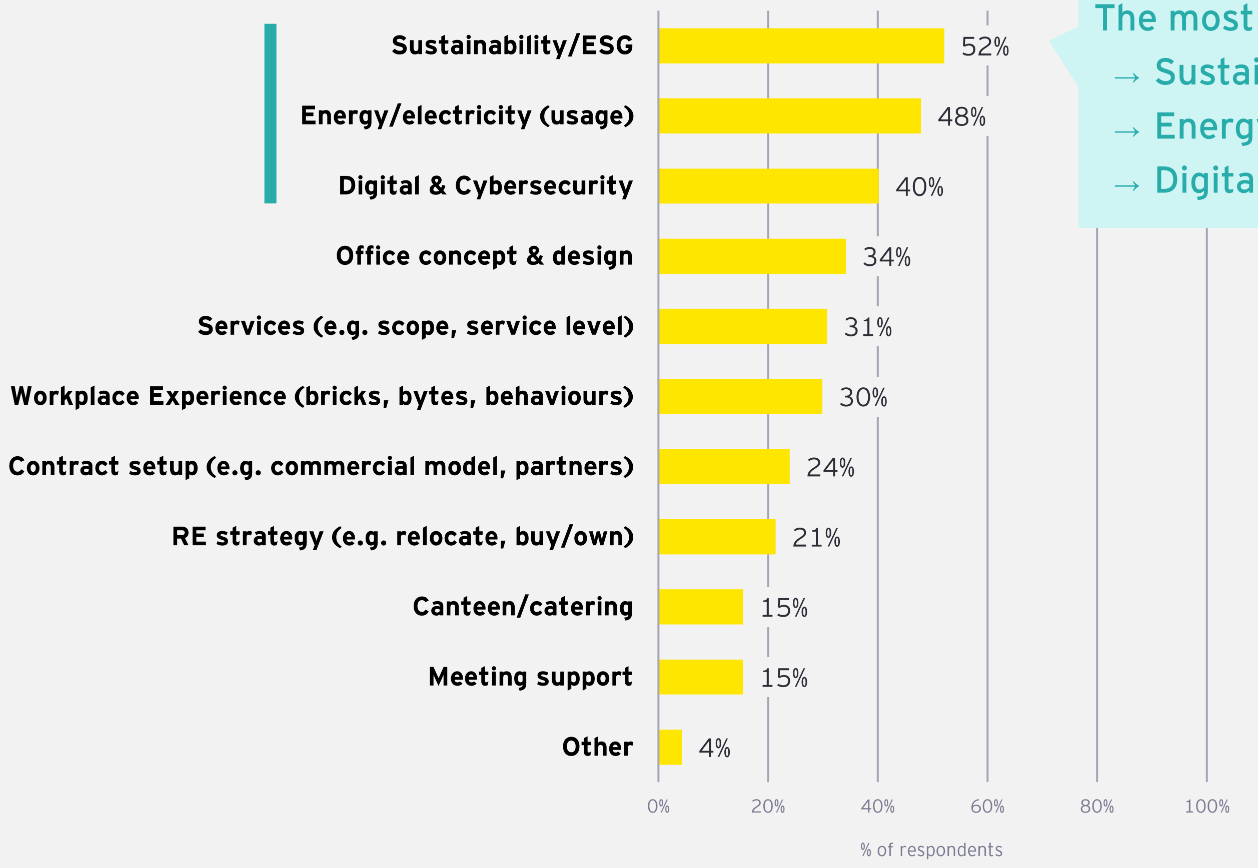
Sustainability and new ways of working are the two biggest challenges facing REFM.

Does this surprise you?

Sustainability matters - but then Price/Cost seems to matter more in selecting a supplier.

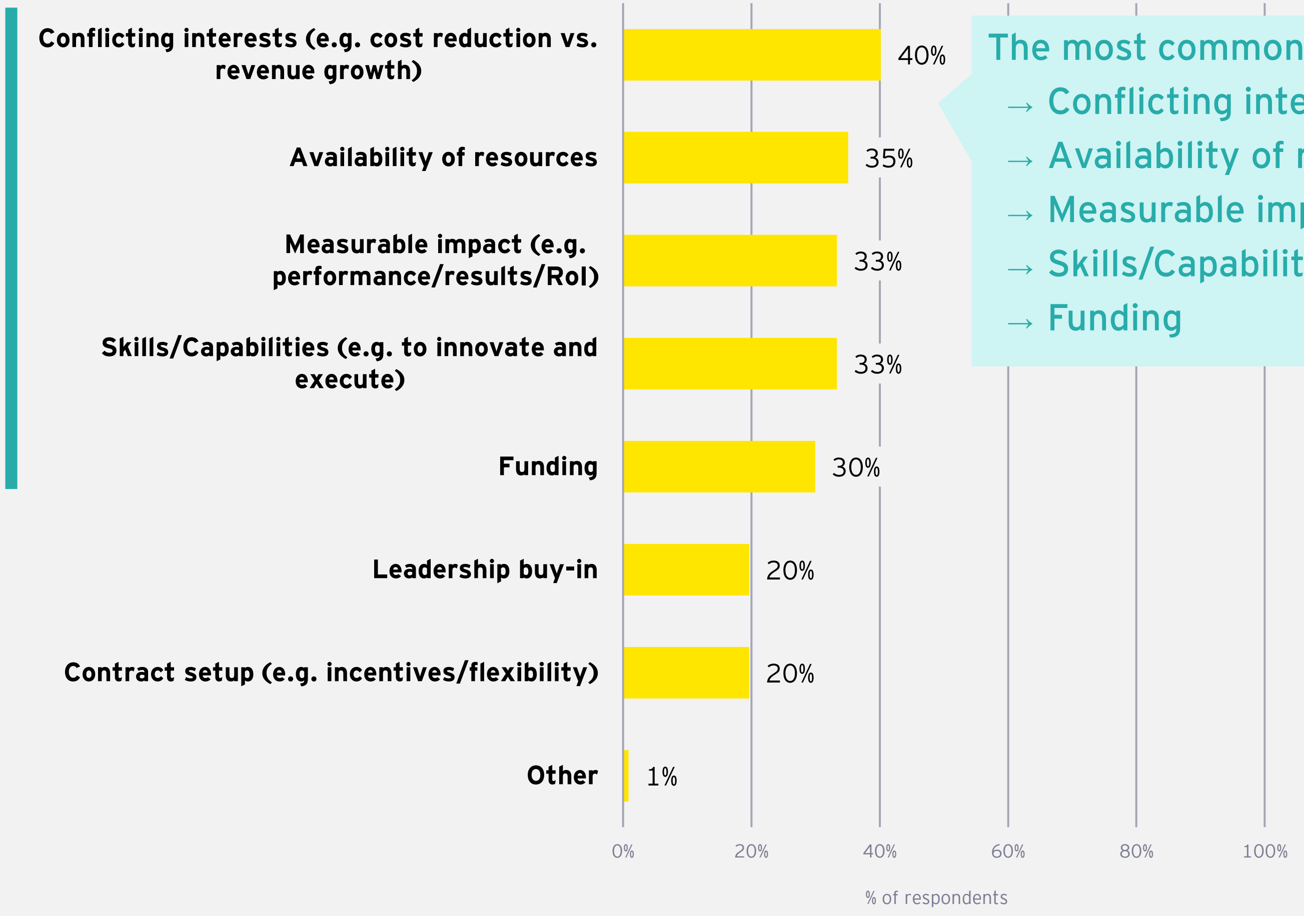
Is there a disconnect between chasing price/cost and being more sustainable - can the two priorities co-exist?

What REFM areas will you innovate or improve on in the next 0-2 years?



The most common innovation areas:
- → Sustainability/ESG
- → Energy/electricity usage
- → Digital & Cybersecurity

What are the 3 biggest barriers to innovation within FM?



The most common innovation areas:

- → Conflicting interests
- → Availability of resources
- → Measurable impact
- → Skills/Capabilities
- → Funding

Approx. 50% say there is a need to innovate around Sustainability, ESG, and Energy.

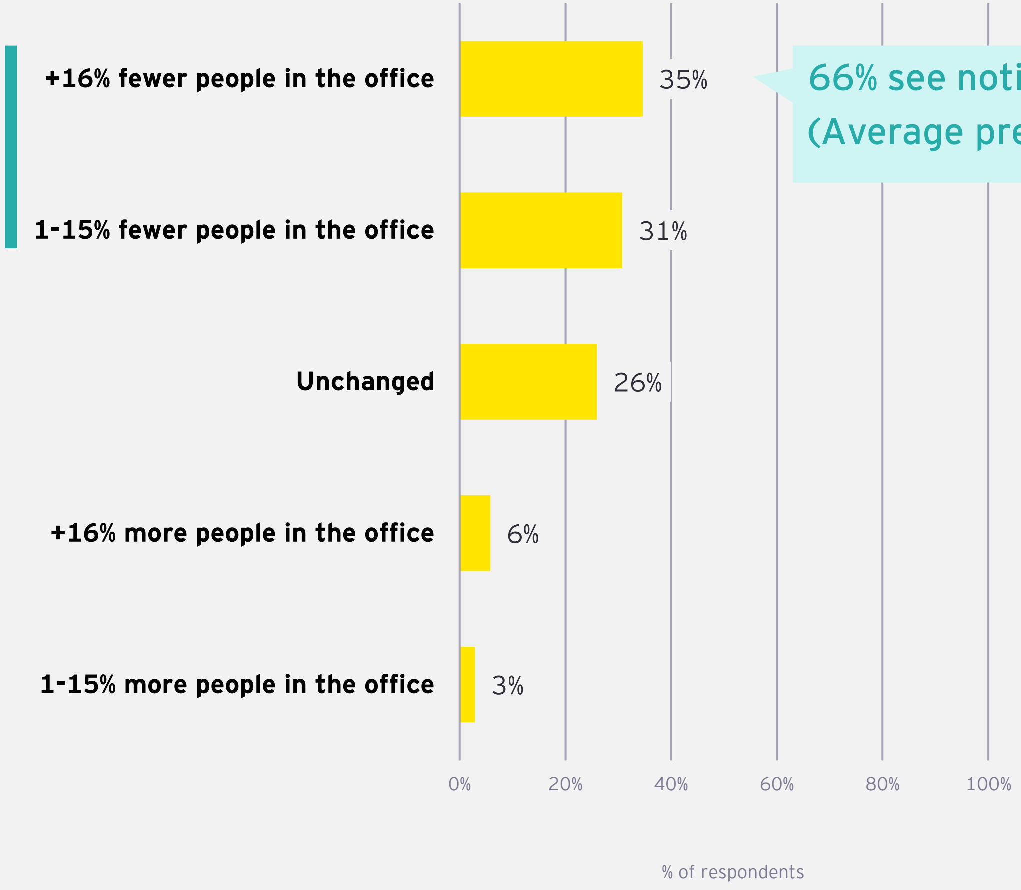
Does this surprise you? Is enough being done?

There are very different views on what the top challenges are to successfully innovate in REFM.

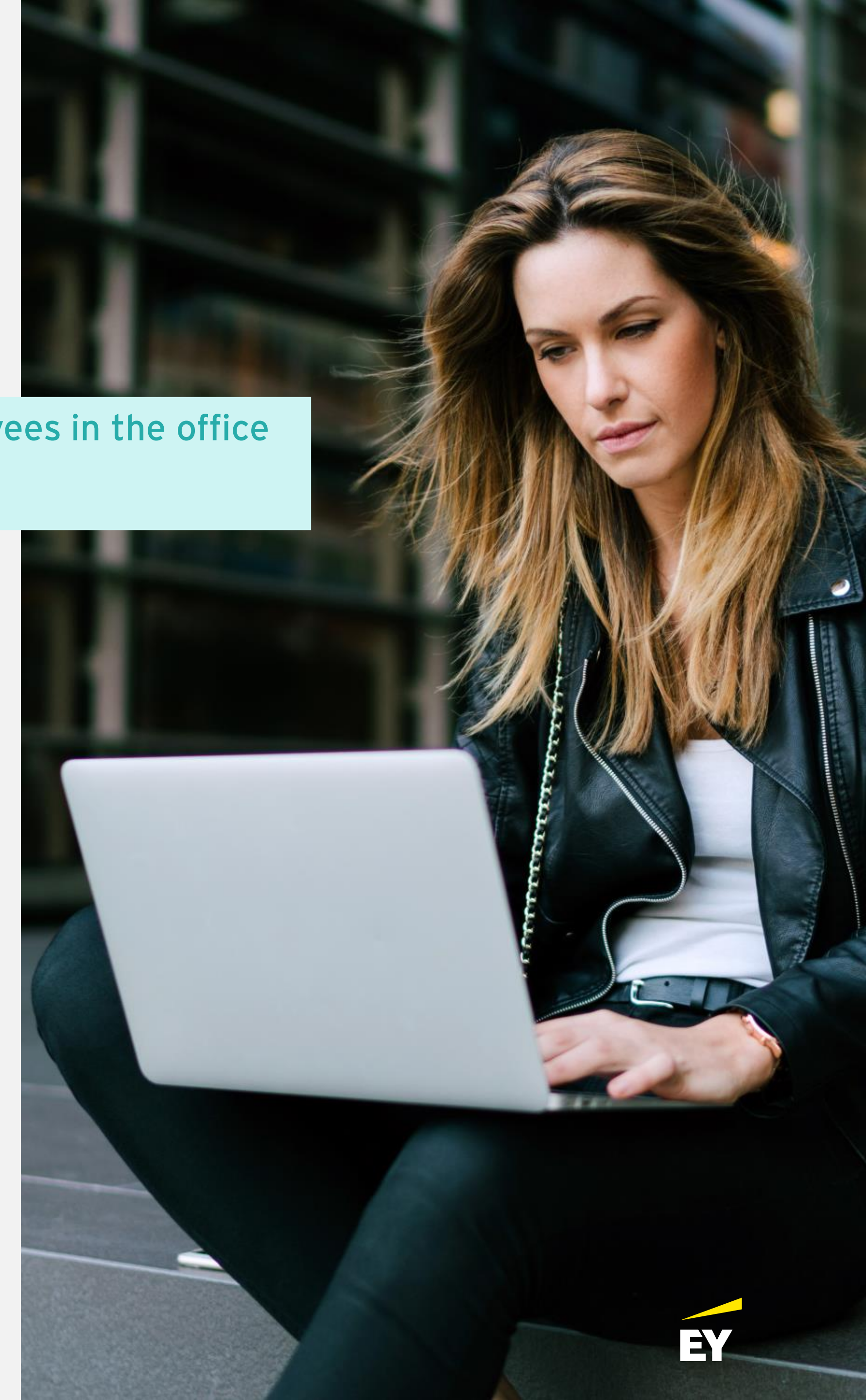
In your experience, what are the 1-2 priorities to get right with regard to innovation?

(e.g. priorities to avoid conflicting interests, availability of resources, measurable impact…)

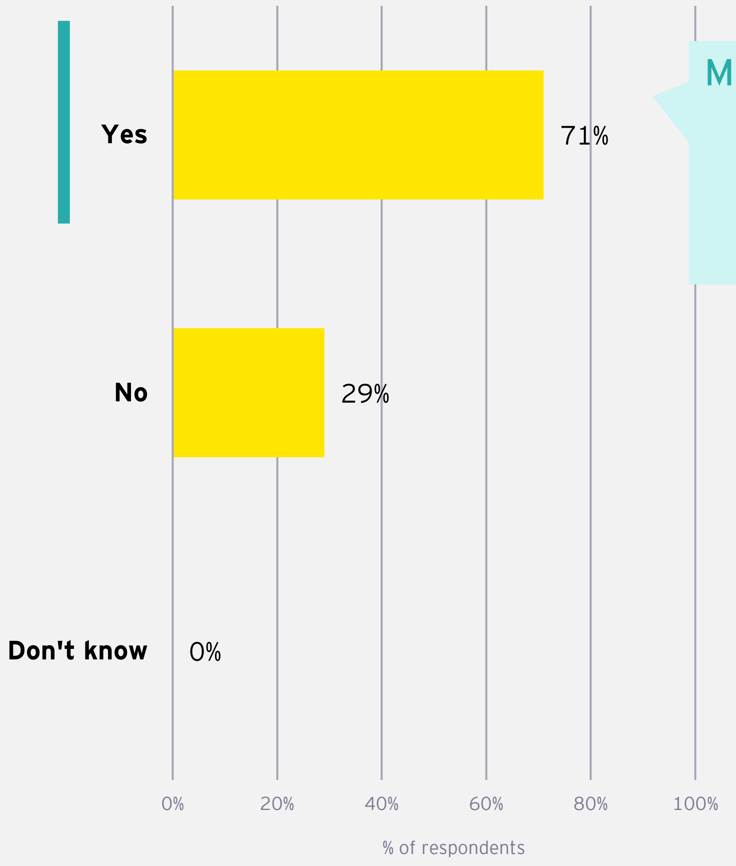
On average, how has office occupancy changed after the pandemic?



66% see noticeably fewer employees in the office (Average presence is 54%)



Will you change the physical design of the workplace within the next 0-2 years?



Majority will redesign the physical workplace

→ Less area (sqm)

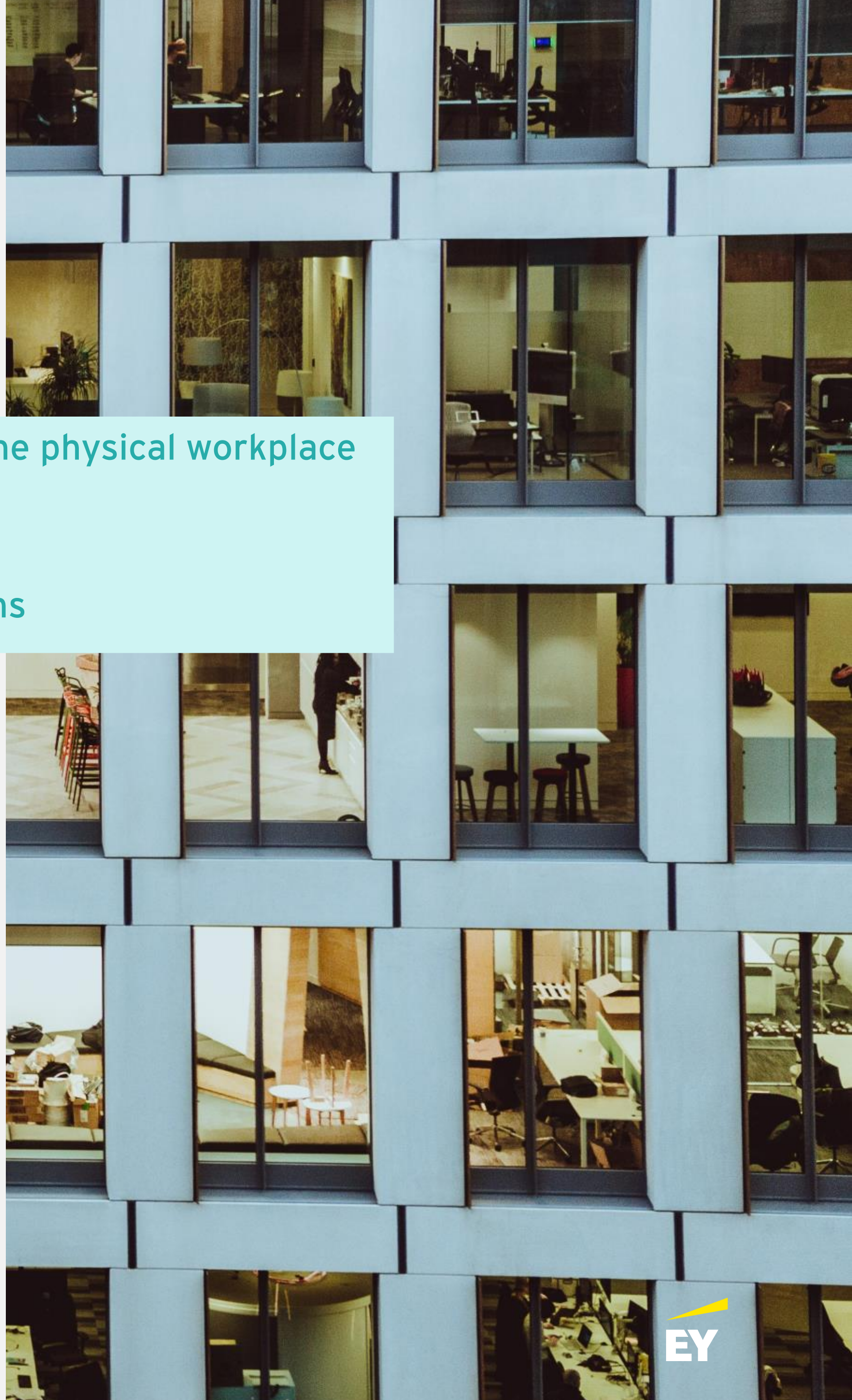
→ Fewer desks

→ More meeting rooms

88% will decrease the desk ratio

77% will decrease office areas (sqm)

71% will increase the number of meeting rooms



Over 60% of respondents say there are significantly fewer employees in the office.

How has that impacted REFM organizations - for better or worse?

71% say they will re-design the physical workplace within the next few years.

What do you see out in the market
- what are the tendencies and changes afoot?

53% say they will reduce office space by more than 10%.

What impact will that have on the REFM industry?

- do we really think offices will get smaller?

Q&A Session

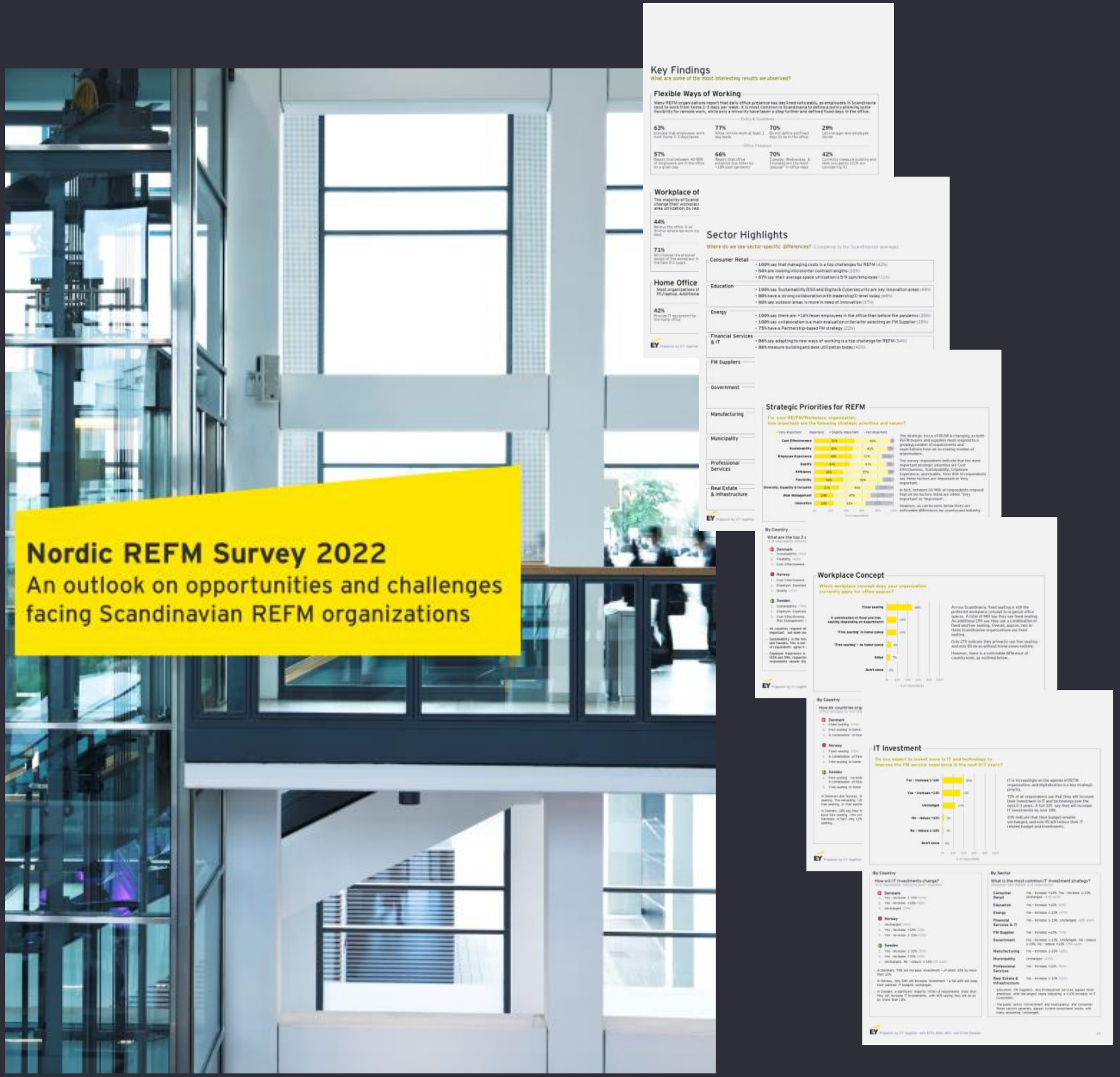
Please share your questions and comments!

What are the cost drivers in the future REFM?

Has there been any further research on what parameters affect employee workplace experience the most?
Or how is overall workplace experiential value measured?

One risk could be losing the culture in the office due to less people in the office! Comment on that?

More insights and findings in the report



To access the report

You will receive a link to the report after this webinar – see also DFM, NHO, IFMA and EY websites

There will be **country-specific events**, so stay tuned…

Contact us for **more information**

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Thank you - have a great Thursday