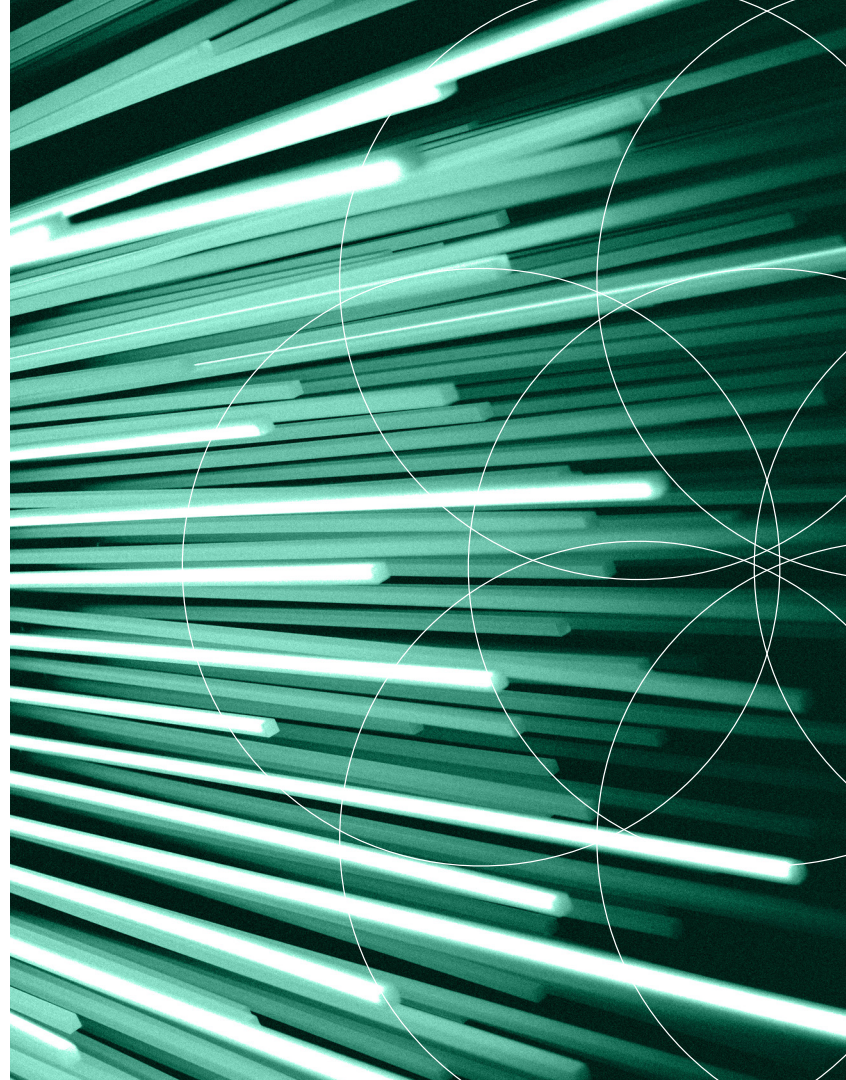


The Power Of Partnership In State And Local Governments

The Right Partner Can Be The Pressure Valve You Need To
Achieve Your Facilities Planning And Management Goals

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So Much To Do, So Few Strategic Partners

In an era when state and local governments are under increasing pressure to maintain and enhance their facilities, choosing the right partner becomes paramount.

Gordian commissioned Forrester Consulting to explore the facilities-related challenges state and local governments face and the role of partners in overcoming these hurdles. In surveying 215 facilities planning and management leaders, we found that while leaders strive to update and differentiate the facilities their communities rely on daily, they lack the resources to build the case for and fully fund the projects that would most significantly move the needle. They see strategic partners as having a key role in helping them plan, procure, and optimize facilities — in a cost-effective way.

Key Findings



While staying compliant and competitive are top goals, only 3% to 5% of respondents today are investing in assessments, upgrades, and preventative maintenance programs to meet these goals.



Respondents are behind on meeting their goals. For many, this is because they lack the right partners (56%) and/or internal expertise (53%).



State and local leaders want to consolidate and work with strategic partners. They expect doing so will help them achieve their top goals and be more cost-effective.

Remaining Competitive And Compliant Takes A Lot Of Work

Facility leaders strive to create and maintain spaces that make the most positive impact on their communities. This is no easy task, as employees' and the public's expectations continue to rise, and regulations are ever-changing. Our study's data illustrates the many pressures facility leaders face. While some priorities outrank others, they all have fairly equal weighting, indicating that many drivers lie behind improving day-to-day operations and investing in long-term sustainment. These drivers include competitive differentiation; keeping pace with change; maintaining environmental, social, and governance (ESG) and health and safety standards; maintaining program consistency; planning for future regulation requirements; addressing deferred maintenance backlogs; and ensuring that facilities keep up with growing populations and/or are more attractive to combat dwindling population size.

Top Facilities Management Drivers



- 1 Competitive differentiation (45%)
- 2 Program consistency (44%)
- 3 ESG (43%)
- 4 Accelerating pace of change (43%)
- 5 Health and safety (41%)

Top Facilities Improvement Drivers



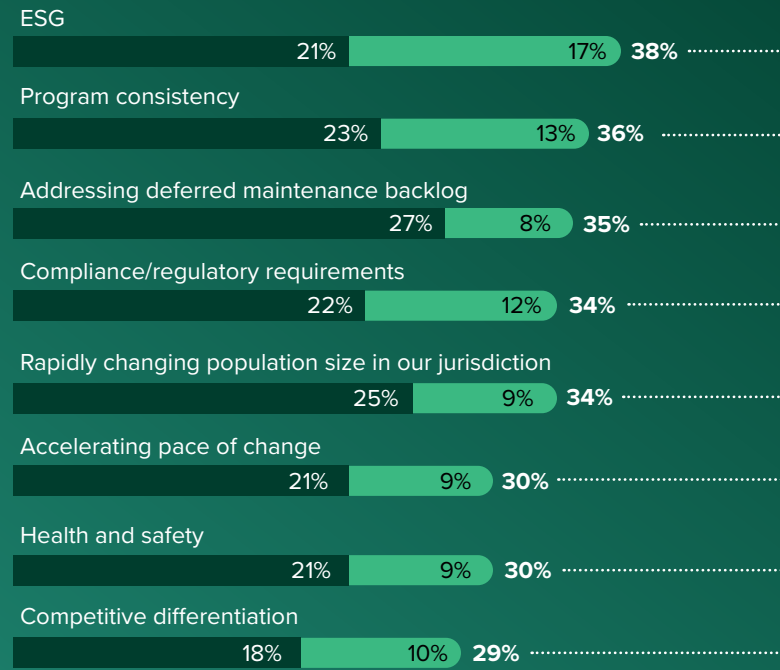
- 1 Competitive differentiation (48%)
- 2 Compliance/regulatory requirements (46%)
- 3 Accelerating pace of change (46%)
- 4 Addressing deferred maintenance backlog (44%)
- 5 Rapidly changing population size in our jurisdiction (43%)

Facilities Leaders Are Falling Short Of Their Goals

With so much on their plates, state and local facilities leaders are falling behind. Roughly one-third of respondents say they're somewhat or significantly behind in meeting their top goals — e.g., ESG (38%), program consistency (36%), addressing deferred maintenance backlog (35%), compliance/regulatory requirements (34%), rapidly changing population size (34%), accelerating pace of change (30%), health and safety (30%), and competitive differentiation (29%).

“How well is your organization doing relative to its facilities’ targets?”

- Our organization is somewhat behind.
- Our organization is significantly behind.



Base: Variable US facilities planning and management decision-makers in state and local government
 Note: Response options were piped based on respondents' top drivers; total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Gordian, August 2023

Falling Short Of Their Goals Is Costing Facilities Leaders

Falling short of their goals has a snowball effect when it comes to securing and using funding. When failing to meet their goals, 52% of respondents have experienced penalties and fines, 43% have failed to acquire and/or fully use the funding available to them, and 33% are neck-deep in unmanageable deferred maintenance backlogs. Much of this is likely underpinned by another top challenge: 49% lack full visibility into the state and management of their facilities and infrastructure.

43%

of respondents say they've failed to acquire and/or utilize funding.

“Which of the following, if any, has your organization experienced due to falling short of its facilities management and improvement goals?”

52%

Penalties, fines, and/or other adverse consequences resulting from noncompliance to statutory/regulatory requirements

51%

Compromised safety and health conditions (including hazards that have, or could reasonably result in, onsite accidents or incidents)

49%

Lack of clear understanding and direction regarding the overall state and management of our organization's facilities and infrastructure

43%

Failure to acquire new funding and/or fully utilizing funding available

38%

Reduced ability to service and achieve organizational goals

33%

An unmanageable backlog of deferred maintenance projects

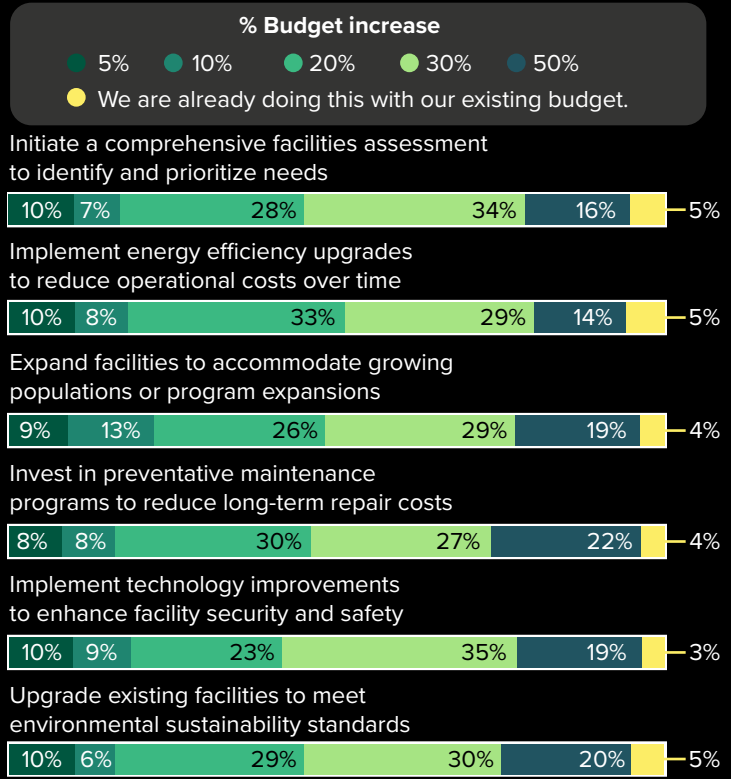
33%

Decreased stakeholder engagement and satisfaction

Achieving Top Facilities Goals Requires More Strategic Allocation Of Funding

Staying compliant and keeping pace with change requires a well-founded and well-funded plan for maintenance and improvement. Yet today, only 3% to 5% of respondents have approved budgets to support comprehensive assessments, facilities and technology upgrades, and preventative maintenance programs to help them achieve their goals. The rest say it would take some level of budget increase to fully support these initiatives. On average, 18% of respondents said it would take a 5% to 10% budget increase, and 77% said it would take an increase of 20% or more. We also found that 37% of budgets are being spent on deferred maintenance and contingencies, limiting ongoing maintenance and improvement (e.g., new construction and renovation) efforts.

“Where applicable, what level of facilities budget increase would drive your organization to do each of the following?”

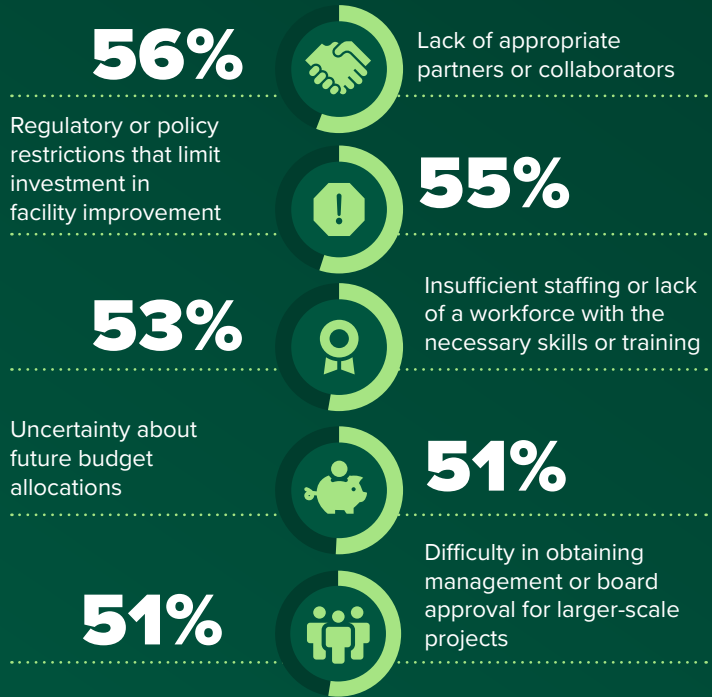


Base: 215 US facilities planning and management decision-makers in state and local government
 Source: A commissioned study conducted by Forrester Consulting on behalf of Gordian, August 2023

State And Local Leaders Lack The People To Turn Insights Into Action

Building a case for budget and a plan for achieving top goals require the right insights and the people to turn those insights into action. A shortage of the right people resources is a top challenge for respondents today. Their number one challenge is lacking the right partners (56%), and 53% also lack the staff and/or internal skills (53%) to achieve their top goals. For 51% of facilities leaders surveyed, this results in failing to obtain board or management approval for larger-scale projects.

“What is preventing your organization from allocating more resources to facility improvement rather than just basic maintenance?”



Strategic Partners Needed To Help Respondents Stay Competitive, Weather Change, And Champion Compliance

State and local leaders seek partners to help them achieve their biggest goals and overcome their thorniest challenges. This includes engaging a partner to help them weather disruption (68%), gather accurate and relevant data (67%), and develop strong communication skills (61%) to help them build and defend capital plans. And partners themselves must be regulation-compliant (66%) committed to ESG best practices (63%), and cost-effective and transparent in their dealings (67%). Respondents require strategic partners with the right people and data resources to help them plan and defend their plans for facilities maintenance and improvements.

“When selecting a facilities planning and management partner, how important are the following capabilities to your organization?”

● Important ● Very important

Proven resilience and flexibility in the face of changes or challenges



Cost-effectiveness and transparency in financial dealings



Accurate and relevant data needed to build and defend capital plans



Compliance with all relevant governmental regulations and standards



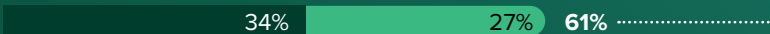
A commitment to environmental sustainability and responsible business practices



The ability to provide guidance navigating available funding opportunities



Strong communication skills and effective stakeholder engagement



Demonstrated ability to drive innovation and change

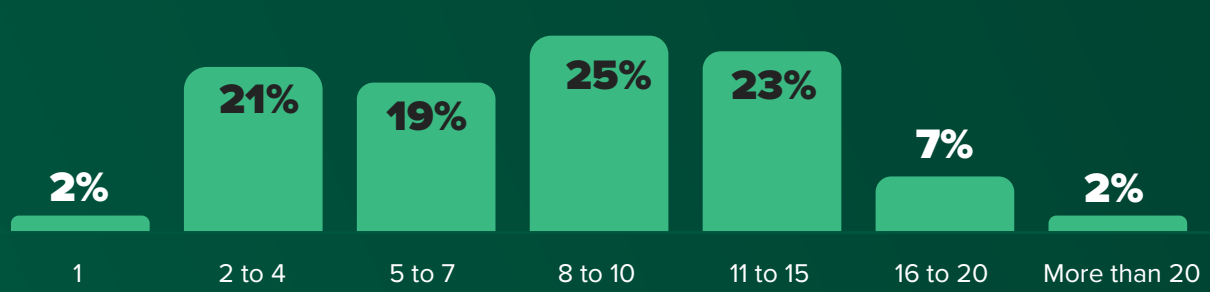


Base: Variable US facilities planning and management decision-makers in state and local government
 Note: Total percentages may not equal separate values due to rounding.
 Source: A commissioned study conducted by Forrester Consulting on behalf of Gordian, August 2023

The Right Partners — Not More Partners — Are Needed

While lacking partners is the top challenge for respondents, it's not due to a current shortage of partners. Seventy-six percent of respondents say their organizations are working with five or more partners in their facilities planning and management efforts, with one-third working with 11 partners or more. And when it comes to selecting partners for projects, nearly half (49%) say most or all projects are managed by preferred providers. A strategic partnership gap clearly remains given respondents' challenges in finding appropriate partners, building business cases, attaining visibility into the state of their facilities, and allocating funding to projects in support of their top goals — all areas where the right partners can help.

“How many external partners does your organization work with in its facilities planning and management efforts — specifically, capital planning, facilities assessments, and construction project delivery?”











Taking Inventory: State And Local Leaders Seek Consolidation Of Current Partners

As leaders search for the right partners, they also seek to consolidate. Seventy-seven percent agree or strongly agree that their organizations would prefer to engage with as few providers as possible for their facilities planning and management efforts. They expect consolidation to help them improve collaboration (44%), improve employee experience due to having to work within fewer systems (40%), streamline processes (39%), and reduce risk via a unified approach to facilities planning and management (38%).

Yet the respondents miss a key challenge that they face. Only 22% cited consistent data and planning information across projects and only 34% cited unified metrics for easier analysis as benefits of working with fewer partners. In our view, these are some of the most important benefits in overcoming top challenges — and the right partners can help.

77% agree or strongly agree that their organizations would prefer to engage with as few providers as possible for their facilities planning and management efforts

“What potential benefits do you anticipate from your organization consolidating its facility planning and management providers?”

- 
44% Improved communication, collaboration, and coordination as a result of working with a single provider
- 
40% Enhanced employee experience due to familiar systems and less repetition of information
- 
39% Streamlined administrative processes from dealing with a single provider rather than multiple ones
- 
38% Better risk management due to a unified approach to facilities planning and management
- 
38% The potential for more innovative solutions due to consistent collaboration with the same providers
- 
34% Uniform metrics across different projects for easier comparison and analysis
- 
24% Cost-effectiveness due to economies of scale
- 
22% Consistent data and planning information across all projects

Base: 215 US facilities planning and management decision-makers in state and local government
 Source: A commissioned study conducted by Forrester Consulting on behalf of Gordian, August 2023

The Right Partner Will Help Leaders Sustain Stronger, More Resilient Communities

State and local leaders live to serve their communities, and they expect strategic partnerships with a full-service company providing facilities planning, management and construction procurement, and delivery services will help them do just that. Respondents expect a successful partnership to result in positive feedback from stakeholders, including their employees and the public (49%). As stewards of taxpayer dollars, these leaders also expect these partnerships to help them operate more seamlessly (39%) and cost-effectively (40%).

“What would success look like for you in a partnership with a company providing facilities planning, management, and construction procurement and delivery services?”

49%



Positive feedback from stakeholders, including employees and the public

Reduction in operational costs and improved cost effectiveness



40%

39%



Seamless integration with our existing processes and systems

Strong commitment to environmental sustainability and social responsibility



38%

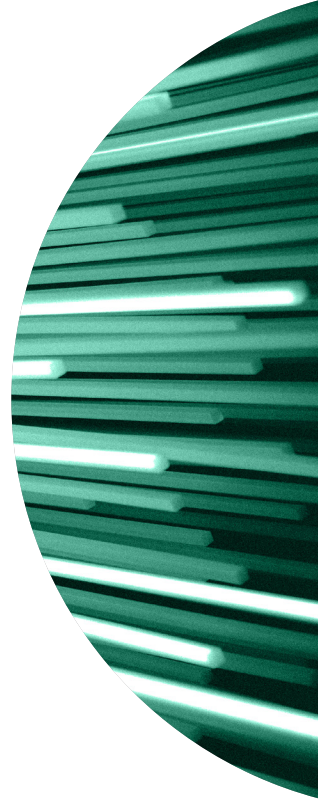
38%



Innovative solutions that address our unique needs and challenges

Conclusion

As the pace of change exponentially increases, state and local leaders are under ever-increasing pressure to maintain and improve their facilities. They are falling behind, however, as they struggle to allocate existing funds and build defensible plans for new funds to support their biggest projects. What's missing are the right data and the right people to turn insights into action. State and local leaders work with many partners today, but they're not the right partners. They need strategic partners with expertise and data to fill resource and skill gaps and empower them to build the case for budget, prioritize the most impactful projects, and work more efficiently. In other words, the right partner(s) can help state and local leaders deliver on the promises they've made to their communities.



Resources

Related Forrester Research:

[Introducing Forrester's Government Trust Index](#), Forrester Research, Inc., June 12, 2023

[Internet-Of-Things Heat Maps For Operational Excellence In 2023](#), Forrester Research, Inc., June 1, 2023

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Contributing Research:

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research group

Methodology

This Opportunity Snapshot was commissioned by Gordian. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 215 state and local government facilities planning and management leaders. The custom survey began in July 2023 and was completed in August 2023. The study was conducted in a double-blind fashion.

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Demographics

TYPE OF ORGANIZATION	
State government	63%
Local government	37%

STATE	
Georgia	15%
Arizona	15%
Florida	13%
New Jersey	13%
South Carolina	12%
New York	11%
Texas	11%
California	10%

POPULATION SIZE OF COMMUNITY SERVED	
5 million to 9.9 million residents	4%
2 million to 4.9 million residents	4%
1 million to 1.9 million residents	12%
500,000 to 999,999 residents	13%
250,000 to 499,999 residents	22%
100,000 to 249,999 residents	27%
50,000 to 99,999 residents	18%
10,000 to 49,999 residents	1%

POSITION (RELATED TO FACILITIES, MAINTENANCE, AND CONSTRUCTION PROCUREMENT)	
Top-level administrator/ official	35%
Department head	47%
Division director	9%
Unit manager/ supervisor	4%
Procurement officer	4%

FACILITIES PLANNING AND MANAGEMENT RESPONSIBILITY	
Final decision-maker	79%
Influence and make decisions as primary part of job	21%

Note: Percentages may not total 100 due to rounding.



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