

# VELUX Group-Facilities Management

Driftsherreprisen 2017

DFM



# **Eric Martin**

Senior Director – VELUX Group Facilities & Real Estate

# BRING / LIGHT TO LIFE

## THE VELUX VISION

To lead the development of **better living environments** with daylight and fresh air through the roof, and to be rated as the best in the eyes of our customers.



# BRING / LIGHT TO LIFE

What we make





BRING LIGHT TO LIFE

What we sell



# BRING / LIGHT TO LIFE

What our customers buy



# **CULTIVATE / A SIMPLE IDEA**

**VE + LUX**

**CULTIVATE / A SIMPLE IDEA**

**VELUX**



# **VELUX – The Building Portfolio**

# CULTIVATE / A SIMPLE IDEA

## Company facts

The VELUX Group is owned by VKR Holding A/S, a limited company wholly owned by the foundations and family.

The VELUX Group's financial results are incorporated into VKR Holding's consolidated accounts.

**40**

sales companies around the world

**17**

production sites in nine countries

**9,500**

employees globally

# VELUX has more than 300 buildings grouped into 86 complexes on 62 sites in 31 European countries



## RE count

Level	Definition	No. in VELUX
Site (or Campus)	A group of buildings or complexes located within the same geographical area, and the usual way to group buildings in VELUX	70
Complex	<p>A group of buildings, which all</p> <ul style="list-style-type: none"> <li>Have the same owner</li> <li>Have the same rental agreement</li> <li>Are geographically located right next to each other</li> </ul> <p>If one of the points above is not fulfilled, the group of buildings should be subdivided into different complexes, which fulfill the points</p>	86
Building (B)	A building	300+

## RE location

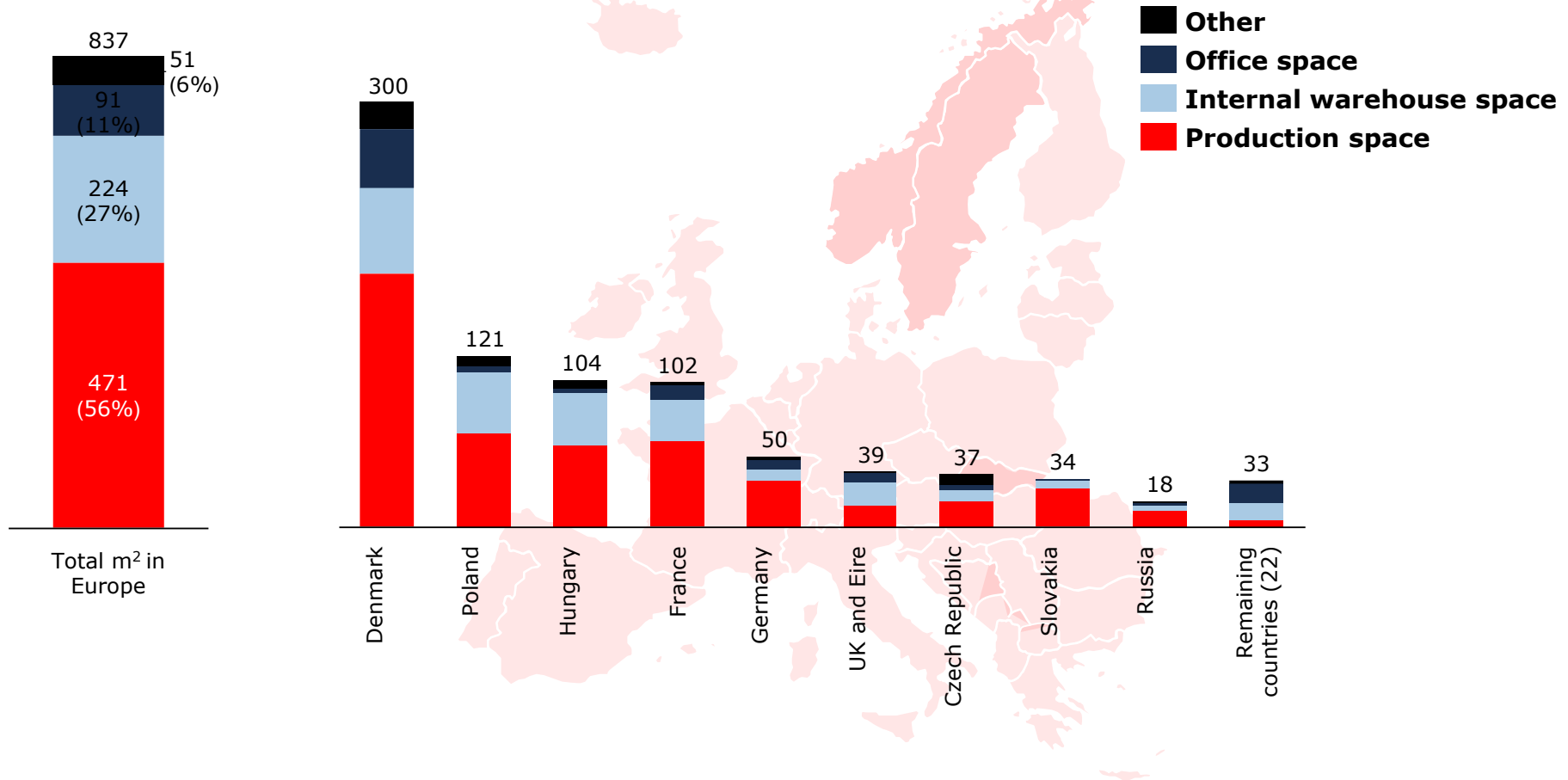


**Note:** Excluding outsourced V-Log properties, small marketing warehouses, and warehouses used by local service technicians

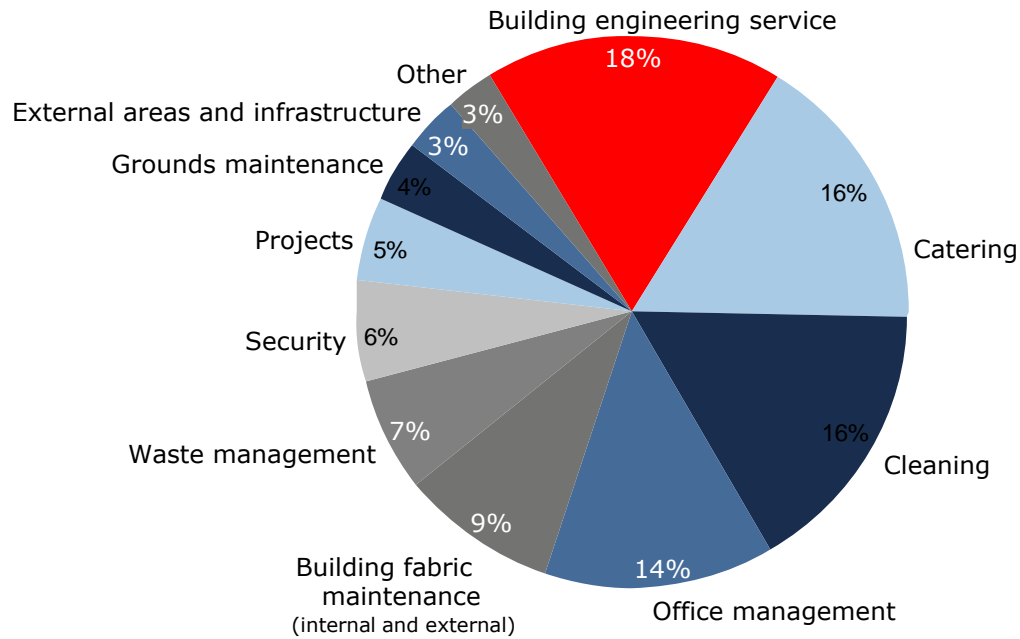
The RE portfolio in Europe consists of ~837,000 m<sup>2</sup>\* buildings and ~4.1 million m<sup>2</sup> land ...



Number of property m<sup>2</sup> (thousands) in current European footprint

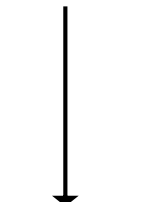
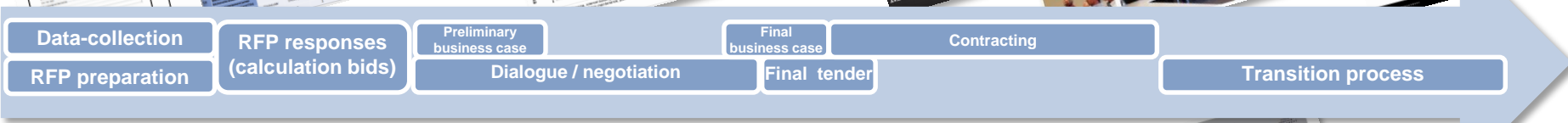
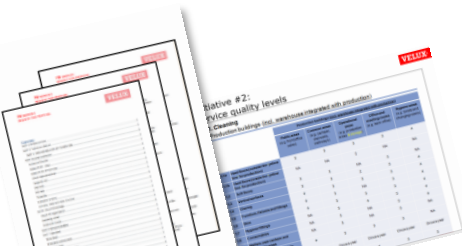


# The costs of RE|FM – Split:



# **V-Facilities – The Journey**

# 2013-2014: The Process



Performance objectives and Strategy for V-Facilities established



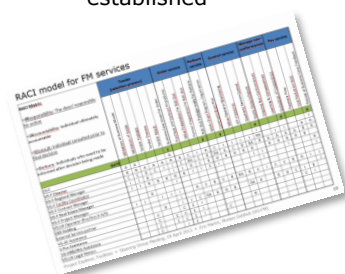
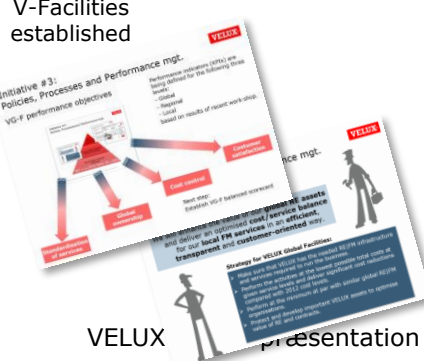
Global and local performance mgt. established



Local, Regional and global processes established

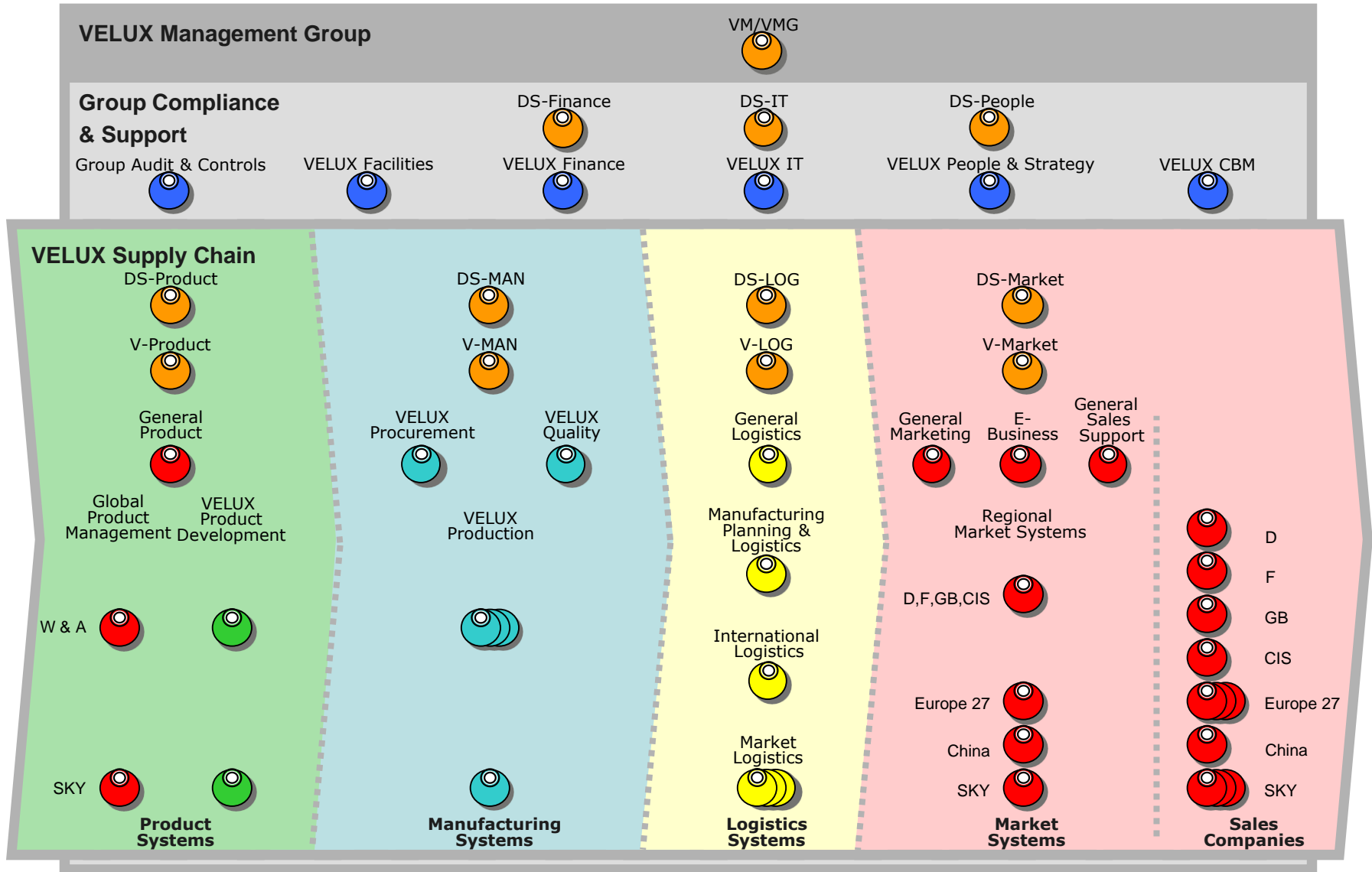


Global V-facilities organization established

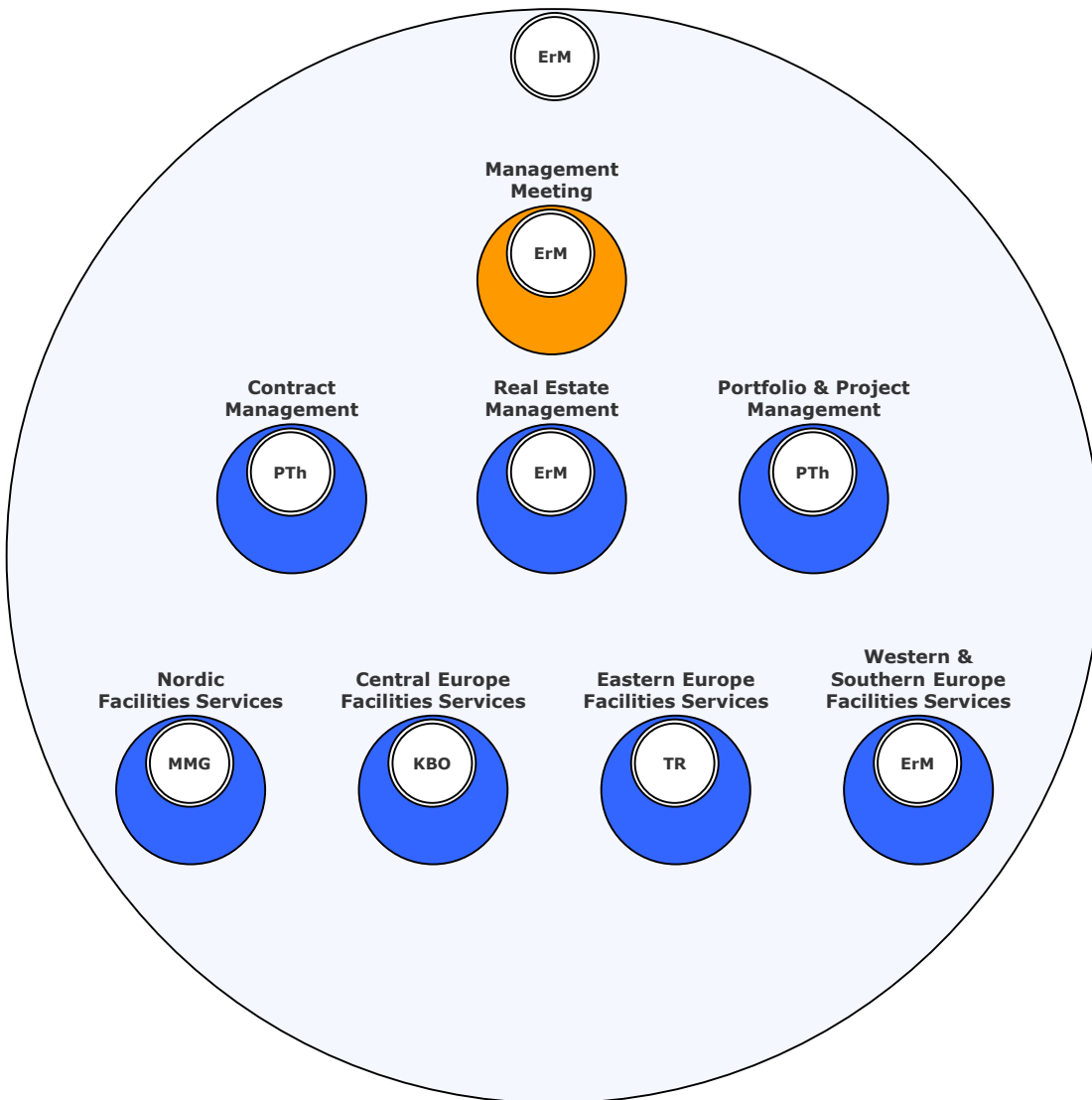


# **V-Facilities – The Organisation**





## VELUX Facilities



### Purpose:

To enhance the value of VELUX global real estate assets.

To secure efficient, transparent and customer oriented local Facilities Services while delivering a optimised global balance between cost and service

### Main Activities:

To ensure that day-to-day facility management services are executed in the most efficient way

To ensure global strategic thinking, principles, policies and standards across the facility service delivery across the region

To ensure and follow up on the agreed facility management service levels

To ensure and maintain the most optimum service delivery model (mixing in-house and outsourced delivery)

To provide advice and services to the business

To manage and participate in selected projects

To ensure usage of benchmarking and continuous improvement via best practice

**System responsible:** Eric Martin

# **V-Facilities – The Strategy & The Operating Model**

# V-Facilities strategy in context



**VELUX Management Principles**

**Passion for ...**

**Our Business**  
Execute our strategy...

**As manager you:**

- Communicate and demand and live the values
- Explain and translate the strategy to local context
- Show leadership through clear purpose and goals

**Our People**  
Reach our potential...

**As manager you:**

- Build trust and collaborate across the organisation
- Engage and empower employees and colleagues
- Spend time and energy to develop employees

**Our Performance**  
Deliver on our promises...

**As manager you:**

- Set high expectations and targets for teams and individuals
- Provide clear and constructive feedback
- Recognise and reward good performance

**VELUX Organisation Principles**

**One VELUX**

- We operate as **one** company with a **dual** focus on our local customer interface to retain local market responsiveness
- Global integration and processes to enhance global efficiency

**Business Focus**

- We focus on our business management and separate this from people, campus and legal management
- We place accountability for business operation and optimisation in our business management structure

**Matrix organisation**

- We organise our business in a matrix across operating areas, geography, products and markets
- We have decision-making forums with cross functional participation to reflect different interests and needs

**Transparent roles and responsibilities**

- We define purpose, main activities and goals for our business management units
- We grant individuals multiple roles and responsibilities separated from formal reporting lines

**VELUX Values**

Commitment  
We strive for the best VELUX Global Facilities  
Market context  
We find success in our responsibility to our local markets  
Empowerment  
We empower our people to realise their potential  
Local autonomy  
Local initiatives are responsible within our business  
Transparency  
We share information, ideas and experiences  
Teamwork  
We work together in a spirit of respect and trust

**Model Company Objectives**

• Increase the value of our RE assets  
• Deliver an optimised cost/service balance for our local FM services in an efficient, transparent and customer-oriented way  
• Reduce the total cost of ownership (TCO) of our RE assets  
• Increase the productivity of our RE assets  
• Increase the customer satisfaction of our RE assets  
• Increase the employee satisfaction of our RE assets  
• Increase the safety of our RE assets  
• Increase the sustainability of our RE assets  
• Increase the resilience of our RE assets  
• Increase the flexibility of our RE assets  
• Increase the scalability of our RE assets  
• Increase the adaptability of our RE assets  
• Increase the innovation of our RE assets  
• Increase the digitalisation of our RE assets  
• Increase the automation of our RE assets  
• Increase the integration of our RE assets  
• Increase the collaboration of our RE assets  
• Increase the communication of our RE assets  
• Increase the transparency of our RE assets  
• Increase the accountability of our RE assets  
• Increase the responsibility of our RE assets  
• Increase the integrity of our RE assets  
• Increase the honesty of our RE assets  
• Increase the fairness of our RE assets  
• Increase the trust of our RE assets  
• Increase the respect of our RE assets  
• Increase the care of our RE assets  
• Increase the concern of our RE assets  
• Increase the compassion of our RE assets  
• Increase the kindness of our RE assets  
• Increase the generosity of our RE assets  
• Increase the helpfulness of our RE assets  
• Increase the cooperativeness of our RE assets  
• Increase the team spirit of our RE assets  
• Increase the camaraderie of our RE assets  
• Increase the fellowship of our RE assets  
• Increase the brotherhood of our RE assets  
• Increase the sisterhood of our RE assets  
• Increase the kinship of our RE assets  
• Increase the family of our RE assets  
• Increase the community of our RE assets  
• Increase the society of our RE assets  
• Increase the civilization of our RE assets  
• Increase the culture of our RE assets  
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• Increase the culture of our RE assets

*Bringing Light to Life*

**VELUX**  
World Conference 2013

**VELUX Strategy Statement 2013**

Successfully executing this will ensure that customers continue to ask for VELUX by name

**Our common goals**  
Describes what it is we are trying to achieve as a company

1. Ensure relevance of core business strategy and fresh air (through the roof)
2. Retain high market share globally
3. Deliver high profitability

**Our competitive formula**  
Describes what we do to keep our unique position in the market

Far price? Great!  
Deliver outstanding perceived value with affordable core products and services

By focusing on high-volume standard product platforms for the mass market

Leveraging our scale advantage to produce at significantly lower cost than competitors

Fulfilling local customer needs with lean global structures and processes

So customers are satisfied and our local relationships are strong

To remain the strongest brand in our industry

**Strategy focus**  
The strategic initiatives are specific focus areas for us in the coming strategy period

- Reduce core product costs
- Strengthen group market position in CE/EU
- Create an efficient global business services model (E-Europe)
- Enter a new business with VELUX Modular Skylights
- Revitalize our unique VELUX culture

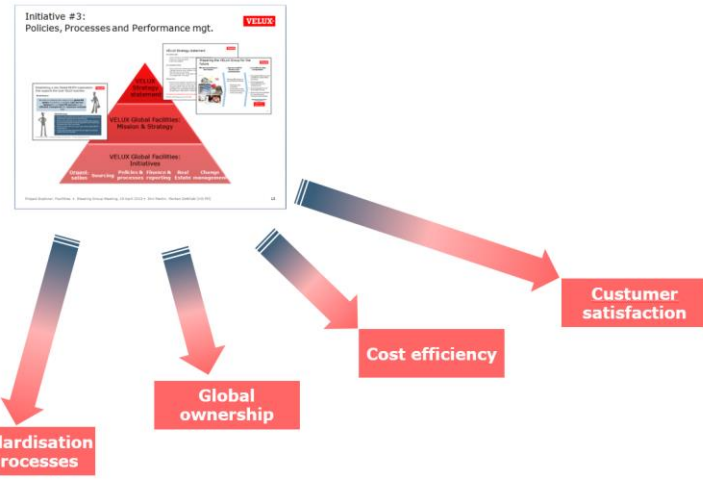
**Mission for VELUX Global Facilities:**

We will enhance the value of our **global RE assets** and deliver an optimised **cost/service balance** for our **local FM services** in an **efficient, transparent and customer-oriented way**.

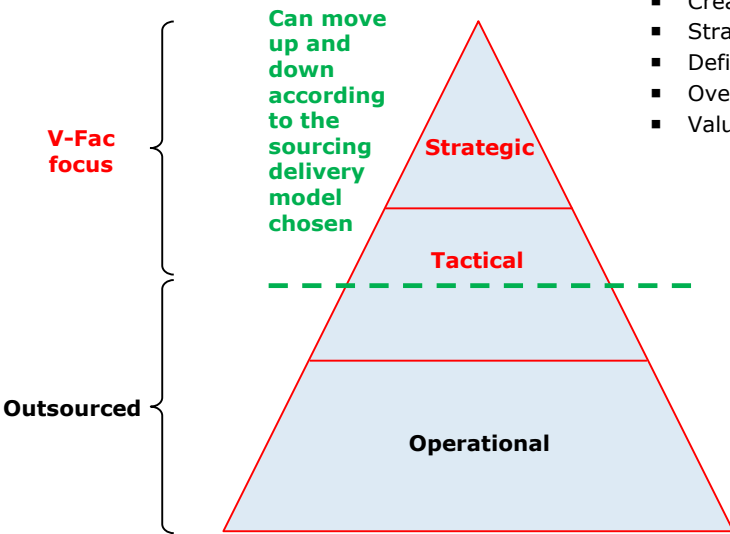


**Strategy for VELUX Global Facilities:**

- Make sure that VELUX has the needed RE|FM infrastructure and services required to run the business.
- Perform the activities at the lowest possible total costs at given service levels and deliver significant cost reductions.
- Perform at the minimum at par with similar global RE|FM organisations.
- Protect and develop important VELUX assets to optimise value of RE and contracts.



# Operating model (s)



- Creation of the RE|FM mission
  - Strategic planning of the operating structure
  - Definition of policies and procedures
  - Overarching governance
  - Value realisation from outsourcing partnership
- 
- Identification of service requirements
  - Stakeholder management with business units
  - Tactical procurement and negotiations with outsourcing partners
  - Performance management of subcontractors
  - Check and approve supplier invoices
  - Planning of work, including shift patterns, multi-skilling etc.
  - Optimisation of service standards, processes and procedures
- 
- Delivery of daily RE|FM services\*
  - Local management of staff and subcontractors
  - Compliance with service standards, policies and procedures



## V-Facilities Global processes

RACI model for FM services

VELUX Facility Operating Model: Operational processes

Level 1	Order services (contract services)	Perform services	Control services	Manage non-conformances	Pay services
Level 2	Tender (with supplier)	Order services (contract services)	Perform services	Control services	Manage non-conformances
Level 3	Validation of Business Model	Purchase and Contract Diagram, Organisation	Work Order Diagram, Organisation	Value Operator Monitoring	Ordering Non-Conformances
	Validation of Scope	Vendor Preparation for Roll-Out	Commissioning Plan	Quarterly Service Control	Learning & Continuous Improvement
	Tender Package	Partner Preparation for Roll-Out	Yearly Closure Report	Evaluation of Cooperation	Review of Business Case
	Tender Process	Roll-Out Package (with or without Roll-Out)	Business Case Review	Business Case Review	Business Case Review
	Tender Result	Business Case Review for Order	KPI measures	KPI measures	KPI measures

Facility Services

RACI model for FM projects

VELUX Facility Operating Model: Operational processes

Level 1	Input	Analysis of FM projects	Manage FM project portfolio	Execution of FM project (contract services)	Review of FM projects
Level 2	Input	Analysis of FM projects	Manage FM project portfolio	Execution of FM project (contract services)	Review of FM projects
Level 3	ADSS/Strategy Information Research & Analysis	Appoint project manager - STG	Description of project	Evaluation of portfolio (FM) project	Review Business Case
	Inform requester	Inform requester	Prioritization & Approval	Take over of FM project	Cloning STG
	Preliminary prioritization	Business case approval	Business case approval	Business case approval	Business case approval
	KPI Reporting	Manage project changes	KPI Reporting	Manage project changes	KPI Reporting

Building infrastructure projects

RE|FM: Real estate portfolio

Global Process Definition for (N2T)

Level 1	Input	Manage and procure RE portfolio	Analysis of RE Project	Execution of RE Project	Review of RE project
Level 2	Input	Manage and procure RE portfolio <td>Analysis of RE Project <td>Execution of RE Project <td>Review of RE project </td></td></td>	Analysis of RE Project <td>Execution of RE Project <td>Review of RE project </td></td>	Execution of RE Project <td>Review of RE project </td>	Review of RE project
Level 3	DS/Strategy	Description of project	Appoint project manager - STG	Execution of portfolio (RE) project	Review Business Case
	Forecast	Prioritization & Approval	Inform requester	Final approval of portfolio	Cloning STG
	Research & Analyse	Business case approval	Business case approval	Business case approval	Business case approval
	Fielded hoc	Business case approval	Business case approval	Business case approval	Business case approval
	Preliminary prioritization	Business case approval	Business case approval	Business case approval	Business case approval
	KPI Reporting	Manage project changes	KPI Reporting	Manage project changes	KPI Reporting

Real Estate Administration

# **V-Facilities – The Performance Management**

# V-Facilities KPI



One common set of KPI's:  
(In Place in DK, HU, PL, GER, Tcheq, Slovakia, and France)

One common tool boxes for service measurement



KPI nr.	KPIs	Calculation	Data source	Reporting period	Target
1	Achieving response times for reactive services	% of reactive calls responded to on time	Reported issues (received and logged by supplier)	Monthly	90%
2	Service level delivery performance	Compliance with output service levels	Site audits	Bi-monthly	90%
3	Service cost	Invoiced vs forecasted cost	VELUX controlling reports	Monthly	Forecast or saving target
4	User satisfaction	Survey satisfaction outcome score relative to satisfaction target	Survey of customers (e.g production managers)	Quarterly	TBD
5	Compliance with statutory maintenance & legislation	Pass/ fail	Compliance with schedule of activities	Quarterly	100%
6	Complaints and satisfactory response to complains	Index based on number and severity and/or corrective actions plan	User generated content	Quarterly	TBD
7	Is the application running at all sites?	yes/No	Audits	31-12-2015	Energy Monitoring system implemented at all PCo's in EU
8	Are review reports in place?	Yes/No	Manual	31-12-2015	Energy Review accomplished at all PCo's in EU
9	Has internal audit been carried out at 80% of the sites?	yes/No	Manual	31-12-2015	80% of PCo's in EU ready to certification
10	Are the EnPI's reported to the monitoring system?	Yes/No	Monitoring system	31-12-2015	All PCo's in EU have outlined EnPI's
11	Consumption, reported to the monitoring system are compared to 2014, based on a fixed unit price of energy.	Kwh/m2	2014 consumption vs consumption from monitoring system	31-12-2015	Energy Costs reduced DKK 2.5 M in 2015

The image shows three overlapping pages of a service measurement tool. Each page contains a table with columns for 'Service kvalitet' (Service Quality) and 'Vægt score SLA' (Weighted score SLA). The 'Service kvalitet' column includes a 'Service kvalitet' header and a 'Vægt score SLA' sub-header. The 'Vægt score SLA' column includes a 'Vægt score SLA' sub-header and a 'Måltidsregning' (Time accounting) sub-header. The pages also feature a 'Page' watermark and a 'Kommentar per service' (Comment per service) field at the bottom.

# Balance scorecard set-up: (Will be managed in Share Point)

