

Executive Vice President's
Report on the
“State of the State”
at APPA



Since its founding in 1914, APPA has become a premier association serving its diverse membership of international educational institutions in all areas of facilities management. APPA's programs, products, and services are designed to equip facilities professionals with the technical knowledge and necessary administrative acumen to fulfill their vital role in managing educational facilities and pursuing proper organizational alignment with the institutional vision, mission, and strategy.

This has been no easy task given the less-than-desirable global economic situation and its corresponding contribution to the funding challenges we all face. The impact of these economic challenges on your budgets and your ability to travel remains a challenge for you, your staff, and APPA. Nonetheless, deferring professional development is no more an option for you and your staff than deferring facilities maintenance and renewal is for your institution. Certainly, the continued challenges we face as educational facilities professionals, as an industry sector, and as an association will require our best collective and collaborative efforts.

In light of these conditions, APPA has kept its staffing levels as reduced in 2009 and has sought to further diversify its portfolio of programs, products, and services to meet your ever-changing needs and ensure a stable financial position. This has proven to be an effective strategy over time. I am pleased to report that we ended the fiscal year 2011-12 with a surplus balance of \$66,993 from our annual operating funds (which already includes the "realized loss" of (\$37,067) from the sale of our equities investment). APPA's Board of Directors made an appropriate policy decision to sell our equities investment portfolio late last summer.

Targeted revenue enhancements in such areas as the APPA 2011 conference in Atlanta; publication sales, Job Express and *Facilities Manager* magazine advertising sales; and the Facilities Management Evaluation Program (FMEP) contributed to an improved bottom line. Keeping a close eye on daily expenses and event management also contributed to our positive net surplus position. In addition, the value of our headquarters building (which we own outright) remains healthy at \$2.2 million. See Secretary-Treasurer Pete Strazdas' financial report on page 40 for more details.





This year we have been actively focused on the accomplishment of numerous initiatives in support of APPA's Strategic Plan. The Strategic Plan is intended to strengthen the overall position of the organization, and most importantly, its members. This plan contains Objectives that articulate the desired results, Five Leading Strategies that define actions, and Five Foundational Elements that are keys to success by further buttressing each of the strategies to achieve the objectives/outcomes over time.

By targeting our actions strategically and effectively utilizing and leveraging our resources, we should be able to achieve our stated Objectives and outcomes of:

- a fully engaged group of stakeholders,
- across an increasingly diverse membership body,
- where there is greater alignment and synergy amongst and between international APPA, its regions, chapters, and international alliances,
- thereby achieving measurable influence and credibility throughout the entire educational enterprise, and ultimately,
- increasing value to you, our members.

Our programs, products, and services provide both a professional development career continuum and an institutional development pathway that is unparalleled in the industry. Our role is to elevate educational facilities professionals into influential leaders in education who, in turn, create inviting and supportive institutional learning environments, thus increasing the credibility and influence of the facilities profession.

Hence, our vision: "To become a global partner in learning by fostering competency, collaboration, and credibility for the facilities professional and their organizations in support of the institutional mission." The 3 Cs—competency, collaboration, credibility—remain a key and consistent message for the association.

COMPETENCY

The guidelines and standards established by your colleagues over the past several years remain invaluable tools for resource allocation and strategic planning. Most notable is the significant revision of the Operational Guidelines Trilogy – consisting of the maintenance trades, custodial services, and grounds management. The launch of the digital BOK (Body of Knowledge) remains noteworthy. This gives *any and all* individuals at your institution full access (24/7) to this wealth of information. The BOK serves as the content resource for the Institute for Facilities Management and for APPA's credentialing program.

In addition, if your resource library does not include the

Web-based *Facilities Performance Indicators* (FPI) report and dashboards and our newest books—*Benchmarking & Organizational Change, second edition*, by San Jose State University President Mo Qayoumi; Harvey Kaiser and Eva Klein's *Strategic*



Capital Investment; The Green Campus, edited by Walter Simpson, and the significantly revised edition of the *Environmental Compliance Assistance Guide* (published in collaboration with the Campus Safety Health and Environmental Management Association-CSHEMA)—you should quickly ensure that it does.

Further, it is noteworthy that our FPI data, ratios, and benchmarks are being used more widely than ever before. Several large higher education systems and associations (such as Georgia, California, North Carolina, and CAUBO, respectively) have established cohort groups and are taking advantage of APPA's FPI tools and training to make their data collection and benchmarking efforts extremely meaningful and valuable. In addition, we are pleased to announce the addition of another powerful module for energy and sustainability assessment. Institutions will be able to utilize this new FPI tool to *monitor and manage* individual building energy data. Decision-making strategies based on solid ROI data is but one positive aspect of this new tool. Don't hesitate to contact us for more information on this invaluable resource. And, yes, these tools and reports are available *free to member institutions who participate* in the data collection survey phase. An incredible member value!

The availability and flow of relevant information regularly occurs via APPA's bimonthly magazine, *Facilities Manager*; our biweekly electronic newsletter, *Inside APPA*; our website, www.appa.org; and the APPAinfo discussion list that boasts over 1,100

CFaR | Center for Facilities Research

subscribers. The APPA website represents our updated, transformational brand identity. The site is indeed becoming the go-to resource for educational facilities questions worldwide.

CFaR, APPA's Center for Facilities Research, is also resident on our website and fills a vital need by integrating the development, collection, and delivery of research in the education environment. Active participation in and involvement through CFaR by facilities professionals, allied associations and agencies, and other education community stakeholders is increasing the quality and quantity of credible data and information you need to make knowledgeable and informed decisions for your institutions. Over 30 research projects have been completed to date.

The content and appeal of APPA's vast array of educational programs are now available practically under one roof. We call this co-location of programs "APPA U" consisting of the



Institute for Facilities Management, the Leadership Academy, Credentialing Prep Course, and Supervisor's Toolkit. These programs provide members with the professional career development and personal growth needed to compete and collaborate effectively in today's environment. These educational programs are truly cutting-edge. And, to meet your continuing education/ licensure requirements, look for the CEUs and PDHs available for many of the courses offered at APPA U.

Our newest development—Drive-In Workshops—continues to expand and flourish. These programs are offered locally and completely supported by the business partner community. What better way to connect with educational facilities professionals locally to “lunch and learn?” If you are a business partner, take advantage of the opportunity to sponsor one of these deliveries. The visibility and exposure is unbeatable.

Of particular note is APPA's annual conference, including our most recent successful program in July in Denver, Colorado. We have featured best-of-breed panelists and speakers who focus on future solutions to your most pressing issues. The enhanced framework consists of several general plenary panel sessions, followed by breakout sessions designed to provide practical tools and technologies for current and future projects, to bolster your skills, and to prepare your organization for the next generation of facilities management practices. This approach strengthens this offering in a number of ways and ensures differentiation from regional and state or chapter meetings.

Also, we continue to deliver a distinct and successful program for senior facilities officers and their senior leadership through the SFO Summit. This one-day program, co-located with the APPA annual conference as a high-level “pre-con” session, is hitting the mark. These activities are considered essential by the volunteer leadership to provide for a continuum of professional development career opportunities for the educational facilities professional.

To add to this continuum of professional development career opportunities and to complement our competency-based programs and services, APPA offers a credentialing and certification program comprising *two* credentials. The first is a knowledge-based credential called the EFP (Educational Facilities Professional) targeted to the less experienced/emerging educational facilities professional. As a result, more than 300 individuals have now achieved the status of EFP.

But the real end game in credentialing is the CEFP (Certified Educational Facilities Professional). This second credential is a *full certification* for the more experienced educational facilities professional incorporating both the body of knowledge of educational facilities management and successful demonstration that the knowledge has been applied at the institutional level. More

than 100 individuals have received the CEFP designation.

These credentials are essential for the future engagement of our emerging facilities professionals in the educational workplace and to increase the credibility of the facilities profession at educational institutions. The associated, combined preparatory course will continue to be delivered locally upon request, and we will soon provide it online as well. The exams are already offered online, so you can sit for the exam right now at your institution! For more information, visit the credentialing section of the website today.

COLLABORATION

Strategic collaboration and partnering continues to occur on a number of fronts and increases the depth and breadth of research and information and ultimately the value you receive as part of your membership. APPA's work with the University of Maryland, NACUBO, and AASHE through the annual Smart & Sustainable Campuses Conference, and with HEASC (Higher Education Associations Sustainability Consortium) are expanding the collective knowledge and network for institutional sustainability programs. Articles in NACUBO's *Business Officer* magazine support facilities professional's efforts in numerous ways.

The joint ACUHO-I/APPA Housing Facilities Conference remains a successful annual program offering for both the campus housing and facilities professional. The Women's Leadership Institute is offered collaboratively each December by 19 higher education associations. In addition, we have targeted K-12 schools with SRAPPA's regional efforts and through the Virginia Schools Plant Management Association (VSPMA) for delivery of the FPI, Toolkit, and our credentialing program. Our international efforts remain strong through our international strategic alliance agreements (AUDE-Association of University Directors of Estates/U.K.; TEFMA-Tertiary Education Facilities Management Association/Australasia; and HEFMA-Higher Education Facilities Management Association of Southern Africa).

Thanks to the funding received from ASHRAE, we completed a major research project focused on the Total Cost of Ownership (TCO), which should engage members, organizations, associations, and agencies across the *entire* field of facilities management.



Treasurer's Annual Report — 2011-12

Peter Strazdas
APPA Secretary-Treasurer
Western Michigan University

Our membership should be pleased with APPA's continued financial success. For the fiscal year ending March 31, 2012, APPA posted a surplus of \$66,993. The APPA staff and the Board of Directors understand the budget pressures our members are going through in this challenging economy. We are taking a conservative approach with our budget while focusing on offering value and quality services for our members.

APPA experienced an operating surplus while including payment of the "realized" loss from the sale of our long-term equity investment. We had a reasonable number of registrants for the annual conference in Atlanta last year along with significant support from our business partners. Our face-to-face educational programs did not net as well given increased expenses from our long-term hotel contracts and lesser registrants given the continued negative economic impact on educational institutions' budgets.

Additional revenue from the APPA 2011 conference, publications, job and magazine advertising sales, and the Facilities Management Evaluation Program (FMPE) contributed to this surplus. We will continue to focus on and further recalibrate all professional development programs and the cost of their delivery for this coming fiscal year (2012-13) to ensure a continued balanced budget.

Our operating and capital reserves remain at \$369,000 (with Operating at \$300,000 and Capital at \$69,000). The APPA headquarters building continues to hold its value with an assessment at approximately \$2.2 million as of February 2012 by the City of Alexandria. APPA owns its headquarters offices outright.

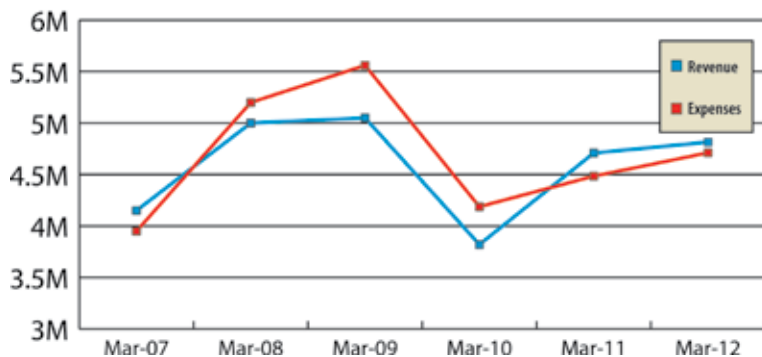
Membership expenses, totaling \$369,791, reflects the direct cost of membership department salaries and benefits, travel and outreach efforts, printing, production and mailing of promotional materials and the membership directory, and other program supplies and equipment needs. However, membership dues also support the direct cost of many APPA activities such as the website and database management; a portion of research and development; office operation; and planning and governance. Revenues and expenses are planned and monitored by staff and the APPA Board to achieve APPA's mission to support educational excellence with quality leadership and professional management through education, research, and recognition.

Given stock market conditions and the global economy, APPA's Board of Directors made a conscious decision to sell our long term equity investments last August. The year-end closing balance sheet reflects the long term "realized loss" as required given the assessed fair market values posted over the past ten years.

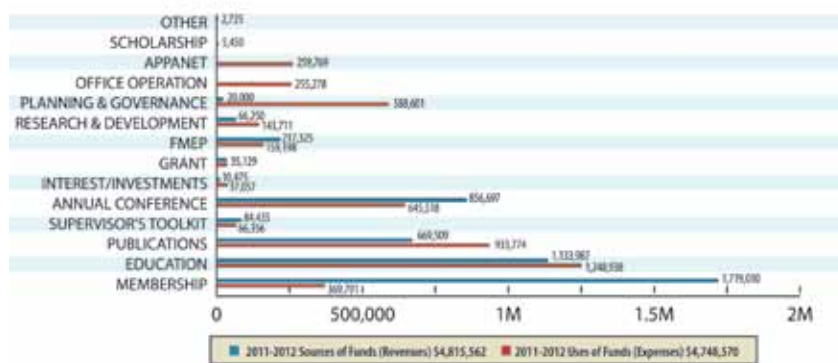
The Board and the APPA staff remain committed to delivering excellent programs, products, and services in as cost effective a manner as possible. We will focus on non-dues revenue opportunities and provide you the best value for your membership. Our financial condition is enhanced by membership that is APPA active. Please encourage your peer institutions to be engaged in their professional organization.

Pete Strazdas is associate vice president, facilities management at Western Michigan University, Kalamazoo, MI. He can be reached at peter.strazdas@wmich.edu. This is his first article for *Facilities Manager*.

REVENUES & EXPENSES 2007-2012



SOURCES & USES OF FUNDS 2011-2012





These strategic alliances and partnerships help APPA leverage its resources to provide cost-effective and focused research, information, and educational programming, and at the same time, ensure an increased information flow to our members and provide opportunities for more meaningful engagement. Visit our website for more details about our combined offerings to take advantage of these relationships.

Finally, we have begun efforts to target the emerging facilities professional—someone who has recently begun a career in the field of facilities management at an educational institution. APPA has established a regular “exchange” with these individuals to gain insight from younger and new or recent members of the organization. Their ideas and perspectives are being readily adopted. For example, Kunal Chitre of Digital Energy developed an APPA “app” that debuted at the APPA 2012 conference in Denver. We have also begun posting regular podcasts on various topics of interest. And this is just the beginning...this exchange group is on fire!

CREDIBILITY

As part of our strategy to expand knowledge and research, APPA, with generous support from both UGL Services and Jacobs, convened our seventh annual Thought Leaders Symposium last April 2012. In essence, a group of key higher education stakeholders consisting of chancellors, presidents, regents, business officers, facilities professionals, and representatives from the business community are assembled annually and engage in a day-long discussion of several drivers of change expected to shape the future of higher education and their impact on facilities. The specific trends in higher education and the top critical facilities issues identified for fiscal years 2006 through 2011 have been published as monographs and disseminated to facilities professionals and senior institutional officers. The 2012 Thought Leaders Symposium focused on the criticality of one specific issue in higher education: space management,

with the corresponding impact of the economy and the need for innovation on this major trend. The 2012 monograph is now available through the APPA bookstore as a downloadable PDF. In addition, we are publishing the monograph in two parts, in this issue of *Facilities Manager* as well as the November/December issue.

It is just this type of research that will brand APPA as the go-to resource for educational facilities questions. And, it is through these research findings and thought-provoking symposia that we will increase the awareness of the facilities profession with senior institutional officers and enhance the credibility of the educational facilities professional.

Environmental issues and compliance concerns remain an important part of our public policy agenda. The explosion of regulatory issues and code compliance drove the establishment of a Code Advocacy Task Force, which the APPA Board has revamped as the Standards and Codes Council. The group has already successfully advocated a variety of positions with the NFPA, NEC, and ASHRAE thereby avoiding additional costs and/or saving educational institutions millions of dollars. Look for more information on these important developments during the coming year through the APPA website and in the Code Talkers column of *Facilities Manager* magazine.

COMPREHENSIVE
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FACILITY MANAGEMENT METRICS

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Engagement in a Facilities Management Evaluation Program (FMEP) review is yet another way to assess your organization and its delivery system and

attest value to senior institutional officers. More information about this valuable program is available on the APPA website.

The clarity of APPA's brand purpose "to transform the educational facilities professional into influential leaders who, in turn, create supportive and inviting learning environments" is integral to all we do. And, APPA's role in increasing the awareness of the facilities profession with senior institutional officers will remain a strategic driving force on behalf of the education facilities profession. Our brand identity in education is reflective of this purpose and role and its ongoing attainment. Our commitment to programs, products, and services that improve the facilities professional's competency remains unparalleled in the field of educational facilities. By coupling this increased competency with our collaborative strengths, the credibility of our members and the profession is further enhanced.

APPA's competitive advantage in this rapidly changing and challenging world stems from your active engagement across our professional development career continuum and institutional development pathway where you will find programs, products, and services of great value as you wisely choose membership in this association. The decisions you face and the priorities you make must be strategic. We are pleased to be part of your strategy for your individual professional development, the training and development of your organization's staff, and for continuous institutional improvement. Through the vast array of educational offerings, print and electronic information, research, and publications, and this rich network of professionals, APPA can help you gain that competitive edge and enhance your professional image.

All these programs exist to position us, you, and your institutions for a brighter future. Your contributions will be key in helping to shape the future of education. APPA's contributions will be key as a significant voice on strategic institutional issues for the educational facilities profession. 

Lander Medlin is APPA's executive vice president and may be reached at lander@appa.org.



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