2012 K-12 SCHOOLS: FACILITIES MANAGEMENT SURVEY

EXECUTIVE SUMMARY

SIX KEY CHALLENGES:

#1: Do More with Less
#2: Embracing Energy Management
#3: Expanding Cloud-Based Tools
#4: Evidence-Based Maintenance
#5: Increased Classroom Technology
#6: Maintenance Going Mobile
Introduction

In recent years, facilities departments which support schools and school districts have been reeling from a vicious economic one-two punch. On one hand, a lack of funding and other resources has made proper maintenance difficult to achieve. On the other, increased facility demands from students, faculty, administrators, and other stakeholders have intensified the need for maintenance. An independent market research firm, STS Research Advisors, launched an industry survey to learn how educational facilities professionals are responding to this operating climate, and to ascertain current and future needs.

During June 2012, over 17,500 facilities, maintenance, and administrative professionals who support K-12 schools throughout North America were invited to participate in an online facilities management survey. It included 43 questions designed to capture the current perceptions and experiences of facilities management personnel supporting K-12 schools.

Details of the responses to this survey from almost 1,100 participating facilities and maintenance personnel supporting K-12 schools, along with the insights, observations, and conclusions from STS Research Advisors are included in the respective research report.

One of the key revelations is that more facilities professionals rely on, and are satisfied with, SchoolDude than all other CMMS (Computerized Maintenance Management Systems) combined.
Survey Findings

Facilities departments supporting schools continue to be confronted with extraordinary challenges during the current economic climate. These professionals are responding to the challenges by becoming increasingly resourceful each day. Among the top challenges we have observed are:

- Sense of urgency to implement productivity improvements to respond to shrinking or flat budgets while simultaneously managing increased demands for services
- Necessity to be proactive to address expectations for energy efficiency and sustainability improvements
- Increased pressure to expand cloud-based, district-wide access to facilities and maintenance tools to reduce the overall demand on facilities and technology support staff and improve the total cost of ownership (TCO) of the current CMMS
- Heightened expectations for improved analytics, failure analysis, corrective action, and reliability-centered maintenance
- Demand for innovative tools and approaches to offset the facilities, staff, and energy impact from the increased density of technology in classrooms and offices throughout each school
- Requirements for CMMS solutions to capitalize on dramatically increasing functionality of smartphones, tablets, and other mobile devices.

Each of these challenges will be individually addressed in an upcoming series of reports from SchoolDude.

Detailed Survey Results

PARTICIPANT DEMOGRAPHIC INFORMATION

<table>
<thead>
<tr>
<th>Job Responsibilities</th>
<th>K-12</th>
<th>Institutional Representation</th>
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<tbody>
<tr>
<td>Facilities Management</td>
<td>75%</td>
<td>Public Schools 87%</td>
</tr>
<tr>
<td>Energy Management</td>
<td>7%</td>
<td>Private/Independent Schools 11%</td>
</tr>
<tr>
<td>Administration, Finance, &amp; Technology</td>
<td>18%</td>
<td>Charter 1%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>State Offices &lt;1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facility Footprint Managed</th>
<th></th>
<th>The geographic range of participants roughly aligned with the population distribution of North America.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 500,000 Square Feet</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>500,000 – 2,500,000 Square Feet</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Over 2,500,000 Square Feet</td>
<td>30%</td>
<td></td>
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| Student Enrollment/FTE's Served          |      |                                                                     |
|------------------------------------------|------|                                                                     |
| Up to 5,000                              | 57%  |                                                                     |
| 5,000 – 20,000                           | 24%  |                                                                     |
| Over 20,000                              | 19%  |                                                                     |
Background on Current CMMS System

The survey confirmed the market leadership of SchoolDude in the education market for CMMS and related operational solutions. Solutions from SchoolDude were the most prevalent CMMS in use, representing over 72 percent of the survey participants in K-12 institutions.

**MODULES:** As anticipated, Maintenance was the most prevalent CMMS solution, used by over 90 percent of the survey participants. Other widely used modules included Preventive Maintenance, Utility Bill Tracking, and Inventory. In the K-12 arena, the results indicated that larger school districts are considerably more dependent on the full suite of CMMS modules.

**LONGEVITY/SATISFACTION:** Up to 12 percent of the participants had been using their CMMS for over 10 years, while over 83 percent of the participants in K-12 had their systems up and running for at least two years. While respondents were typically satisfied with their systems, SchoolDude led the way in client satisfaction. Over 70 percent of respondents reported being very or extremely satisfied with SchoolDude. No other CMMS vendor in either survey exceeded 50 percent.

**CMMS VALUE:** 55 percent of participants indicated that their CMMS solution has delivered value that exceeds or far exceeds the investment they made in the software.

**PRODUCTIVITY:** 75 percent of respondents indicated that they believe they have generated at least a 50 percent productivity improvement from their investment in a CMMS. Participants overwhelmingly indicated that their CMMS solution satisfies their minimum school and campus facilities management requirements (97 percent in K-12).

CMMS System Complexity

When simplicity versus complexity is the question, SchoolDude is the answer. 85 percent of K-12 respondents rated SchoolDude favorably regarding ease of system use. They were clearly impressed with SchoolDude’s balance between functionality and ease of use.

Once contracts are signed, system implementation is the next step in the CMMS process. SchoolDude solutions were shown to have a significant advantage over other vendors regarding implementation speed. In most deployments, Maintenance is typically the first CMMS module implemented. In K-12, 70 percent of respondents were using the Maintenance module within one month of contract signing. Two-thirds of the participants noted that they currently have little to no reliance on their district or campus technology services personnel to support their CMMS solution.

Almost 60 percent of participants in the survey indicated that their preference would be to have their CMMS delivered by their vendor through a “Software as a Service” (SaaS), or cloud model. Only 8 percent of K-12 participants preferred a custom solution developed by their internal IT organization.
We anticipate that even more schools will embrace the SaaS model for delivering software applications in the next few years.

The top three most important features as noted by respondents serve to illustrate the benefits of SaaS. Those features include ubiquitous access, ease of use, and improved access and communications with internal customers, and are among the primary advantages of employing a SaaS or cloud system. Each of these features helps sustain a collaborative workflow, wide accessibility, and good communications with customers. Those benefits are difficult to attain with older legacy systems, especially those that are not Internet-native applications. Total cost of ownership (TCO), additional system features, and scalability were ranked considerably lower in relative importance in the survey.

CMMS Vendor Support

Overall, the current level of satisfaction with the services delivered by each of the CMMS vendors represented was quite high. The leading scores were represented by customer service, responsiveness, installation support, and training which received over 70 percent or higher of satisfied or extremely satisfied favorable ratings in the survey. Product enhancements and product upgrades received over 74 percent favorable ratings in K-12. SchoolDude users indicated high levels of satisfaction, with 83 percent of respondents stating that they are happy with their current solution over the long-term.

A key indicator of strong vendor support is the degree to which facilities and maintenance departments are dependent on their organization’s IT staff to provide support. In K-12, over half of SchoolDude clients needed only a minimal level of internal IT support (10 hours or less per week).

Facilities Customer Service and Reporting

CMMS solutions used by almost 85 percent of K-12 survey participants support electronic submissions and communications with faculty, staff, and students. The vast majority of the participants indicated that their CMMS supports on-line requests (84 percent in K-12) and various other communications options including email, web links, and surveys. Almost 93 percent of respondents noted that they are satisfied to extremely satisfied with their CMMS’ ability to interact and communicate with their internal customers. Almost one-third of participants responded that their staff, administrators, and teachers can submit work orders directly into their system.

Over 35 percent of K-12 participants shared that their CMMS provides them with powerful reporting and analytical tools. About 15 percent of responses indicated that their CMMS does not include effective tools to retrieve information from their CMMS database and many of these participants noted that they use a spreadsheet to satisfy their reporting and tracking requirements. Almost one-half of participants described their reporting capabilities as easy to learn and use.
Some of the survey results were quite interesting as participants noted that they were also satisfied with the in-house and paper-based CMMS solutions from a reporting perspective, where most often custom-developed solutions lack many of the reporting features that commercial vendor solutions offer. While we suspected that more of the negative responses would have been generated from the larger institutions, there was no significant difference.

Almost 60 percent of respondents indicated they are ad-hoc users, designing and running reports as needed to conduct their job or respond to requests from management or internal customers. The response profiles roughly fit a bell curve where close to 20 percent of the participants were “power users,” while 25 percent of K-12 users were infrequent users or had no need for system reports.

**Mobile Device Utilization**

Just as with society at large, use of mobile devices among facilities professionals is booming. One-third of K-12 participants indicated that they have implemented mobile devices to access, approve, and close-out work orders in their CMMS. An additional 22 percent of schools represented in this survey plan to begin deploying mobile devices within the next three years.

We suspect that the deployment of mobile technologies was influenced by the school and district policies and strategies. Trends towards deployment of mobile devices are expected to continue to gain traction. The size of the school was not a significant factor relative to the mobile adoption rate and we expect that the adoption is primarily influenced through district leadership.

There is still tremendous opportunity to increase mobile penetration throughout the facilities and maintenance workforce. Almost 9 percent of participants indicated that all of their technicians are currently using mobile devices, and fewer than 25 percent of respondents in the survey have at least one-half of their technicians using mobile devices for work order management at this time.

Among facilities and maintenance departments which have adopted mobile devices, a wide variety of devices are being used. Almost two-thirds of respondents are using smartphones today with their CMMS. Over 90 percent of participants indicated that they are also using laptop, tablet, and Netbook computers to support their activities.

Over half of the survey participants shared that they have generated at least a 50 percent increase in productivity through the deployment of mobile technologies for their technicians, with 6 percent of respondents indicating that they have generated a 100 percent productivity improvement. As expected, the greatest challenge to greater mobile technology penetration throughout all facilities departments is funding. Additional factors include staff knowledge and training, limitations from their current CMMS, wireless infrastructure across their campus, and security.
Industry Trends and Challenges

Over the past several years, we are seeing more widespread adoption of cloud computing by consumers along with commercial, industrial, public sector, and education-based organizations. Almost one-third of survey participants indicated that they were currently using a SaaS-based CMMS.

Facilities professionals want their CMMS to integrate with their Building Automation Systems (BAS). Integrations with BAS functions, including Preventive Maintenance, Event Scheduling, Critical Alarm Systems, and Real-time Metering technologies were noted in a range of 19 percent to 51 percent of K-12 respondents.

Among top initiatives for the facilities and maintenance organizations during the next three years in K-12, implementing a preventive maintenance program topped the list with three-quarters of the survey participants. It was followed closely by energy management by two-thirds of the participants, and then improve customer service, deferred maintenance backlog, and real-time metering.

Our final question asked each participant to identify their top three challenges. As expected, economic and budget challenges received almost 50 percent of the votes for their respective top challenge. We also received a large number of responses in both surveys on the current level of staff knowledge and their readiness to tackle their job requirements. The next several challenges dealt with identifying methods to get better utilization of their CMMS within their department. The cost-efficient SaaS-based solutions of SchoolDude are an effective way for K-12 school districts to overcome the challenges of tightened budgets and reduced resources.

Survey Conclusions

1. Global economic challenges have had an impact on all industry sectors. The net result has been a greater demand on an already stretched workforce. Many schools have also experienced a reduction in the ratio of staff to students over the past several years, a trend which is not likely to reverse any time soon.

2. Managing and training the workforce amidst industry and technological changes is a challenge, as is capturing decades of institutional knowledge and incorporating it into the assimilation process with new Millennia staff members.

3. Substantial opportunities exist to improve the utilization of the current CMMS platform and to incorporate additional modules into the operation.

4. The majority of the CMMS vendors represented in this survey claim to have thousands of clients and focus on several key markets which include the K-12 and Higher Ed sectors. SchoolDude currently has nearly 6,000 clients representing schools and Higher Ed institutions and the survey results
affirm that they have staked a substantial leadership claim for CMMS solutions in the education market.

5. K-12 schools are increasingly accepting and adopting Software as a Service (SaaS) solutions from their CMMS provider. Many organizations are realizing a positive Return on Investment (ROI) from this hosting model. Many CMMS “users” are not aware of who is currently hosting their software, a desirable trend, as the technology should ultimately be transparent to the personnel using the system.

6. Overall, CMMS vendors are doing a good job supporting client operations. We surmise that this is a positive outcome of a mature CMMS marketplace and the fact that many of the survey participants had been using a relatively stable CMMS system for a long period of time.

7. K-12 schools are increasing the adoption of mobile technologies, which we anticipate will increase dramatically over the next several years.

8. An opportunity exists for CMMS vendors to improve their reporting capabilities and the ability for their clients to easily and intuitively get access to their data.

9. A tremendous opportunity exists to increase integration between CMMS and Building Automation System (BAS) solutions. This is not a simple challenge to address, given the diversity of CMMS and BAS vendors and the wide variety and ages of BAS equipment.

10. The adoption of new technologies and techniques will vary tremendous from school to school and campus to campus based on culture, policies, financial resources, age of facilities, geography, staff proficiency, administration, average age of facilities personnel, technology infrastructure, etc., to name a few variables.

The State of Software as a Service in K-12

The terms Software as a Service, SaaS, on-demand software, and Cloud computing have received increasing amounts of media attention. While available since the 1960s, over the past decade such applications have become mainstream. As technology in general has become more complex, many organizations are now looking to their software vendors to design, develop, deploy, host, and support their business applications. SaaS-based service offerings currently represent a substantial percentage of cloud computing revenues and are projected to generate $22 billion in sales by 2015.

Hundreds of SaaS-based software solutions are commercially available today. Many early offerings provided Sales Force Automation (SFA), Customer Relationship Management (CRM), Procurement and Supply Chain, Human Re-
source, Payroll, Email, and Collaboration solutions. Numerous SaaS-based solutions have been developed specifically for K-12 institutions, leading examples of which are referenced throughout this survey report.

Benefits of SaaS Solutions

There are undeniable benefits that can be attributed to subscribing to a SaaS-based CMMS solution, including:

- **TIME:** Most SaaS solutions will dramatically reduce the time to get your operation up and running.

- **RISK:** Implementation complexity is greatly reduced. The success rate of meeting your target implementation goals is also greatly improved, and costs are generally more predictable.

- **SCALABILITY:** Most SaaS solutions are designed to easily scale. SaaS customers are not responsible for hardware and software lifecycle management.

- **IT RESOURCES:** SaaS-based solutions let your internal IT organization focus on strategic and mission-critical projects while your SaaS vendor manages your CMMS solution.

- **COST:** Most experts and analysts continue to agree that SaaS solutions deliver a lower total cost of ownership. SaaS solutions are executed as a subscription for a service over a period of time. SaaS solutions require lower upfront costs and offer predictable costs throughout the subscription agreement without ongoing infrastructure needs from the internal technology department of an organization.

- **SIMPLICITY:** SaaS solutions shelter clients from the technology complexity surrounding business systems today. Internal resources previously devoted to infrastructure and support can be applied elsewhere.

- **CONFIGURABILITY:** SaaS solutions typically offer many configurations to address your specific operational requirements. Enhancements can be more easily applied, with a lower Total Cost of Ownership.

- **ENHANCEMENTS:** Maintenance and enhancement release schedules are considerably shorter than internally hosted applications. Updates do not require internal validation prior to implementation.

- **BUSINESS CONTINUITY:** Successful SaaS providers have comprehensive business continuity and disaster recovery plans to ensure customers do not experience serious application outages.
The Road Ahead

Global financial conditions have impacted all economic sectors of the K-12 market over the past several years. When combined with the dynamics of the energy, facilities, and technology sector in education, the challenges that facilities and maintenance organizations are confronted with in the decade ahead are numerous.

Choosing the right people, processes, and technologies are essential parts of supporting the facility needs of K-12 schools. With these elements in place, Facilities Directors can build an efficient and effective operation.

The Full Survey

The complete 2012 K-12 Schools Facilities Management Survey Results Report is available as a download from SchoolDude. All percentages and statistics cited in this report are from the survey findings unless otherwise indicated.

Download: 2012 K-12 Schools Facilities Management Survey Results Report

ABOUT SCHOOLDUDE

Founded in 1999, SchoolDude has served as the market leader in education enterprise asset management for the past 13 years with over 1 million education professionals using our solutions. We deliver cloud-based solutions to help both small and large institutions better manage their facilities, IT and business operations. We help clients save time and money by managing support services effectively and efficiently, allowing institutions to provide a safe teaching and learning environment. Today, we’re the #1 platform of cloud solutions for public and private schools, colleges and universities. Visit us at schooldude.com or give us a call at 877-868-3833 to learn more.