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Moving From Facility Manager to FM Consultant

By Greg Zimmerman, Executive Editor

When Craig Sheehy left property management the first time back in 1995, he thought he had a million-dollar idea. "I opened an indoor roller hockey arena," he says. Unfortunately, it didn't work out. "I lost every dime I had."

So, when Sheehy decided to leave his property management gig again to start a consulting company in 2007, even with a full head of career and credibility steam, he was more than a little nervous. Sheehy had made a name for himself as director of property management at Thomas Properties Group by successfully managing the LEED for Existing Buildings (LEED-EB) Platinum certification of the Joe Serna Jr./CalEPA building in Sacramento. But sensing the opportunity to take his expertise independent, he crossed his fingers, put in his two weeks notice, and started Envision Realty Services to help large organizations achieve LEED-EB certification on their facilities.

The idea of starting a consulting business is a nerve-wracking proposition for most facility executives. There's certainly no guarantee of success, and not every facility professional is cut out to be an FM consultant. As the stories and experience of the following FM consultants show, there are many questions facility professionals should ask themselves before making the leap, and many steps facility executives can take to increase the chances of a successful business.

A Journey, Not A Destination

Many paths lead into the consulting field. There are those like Sheehy who sense an opportunity, both financially and from a career momentum standpoint, and decide to make the leap. There are those near the ends of their careers who want to semi-retire, but still keep a toe in the FM water. And, perhaps, most commonly, there are those whose job has been a victim of downsizing and who are not exactly thrilled by the idea of searching for another position in the corporate world.

The idea of starting a new company shouldn't be seen as a sort of parachute in case of a layoff. Success depends on forethought and preparation, which will help smooth the transition, especially if the job loss was unexpected.

Consider the story of Bob Cottrell. Cottrell had been working as the associate vice president of facilities at the New York Board of Trade when the terrorist attacks of Sept. 11, 2001 forced the organization, which had been housed in the World Trade Center, to take up residence at a disaster recovery site. As Cottrell worked on getting the organization up and running again, which included building a new permanent trading floor, he was informed that when the few projects he was working on were

completed, he'd be let go. But if he stayed on to finish the projects, he'd be given a nice severance package.

“So I started looking for jobs, but couldn't find anything I was interested in,” he says. And that's when he began considering his own consulting company. In July 2003, Facilities Management Partners was born. Cottrell says knowing he'd be out of work at the end of the projects helped him make arrangements for the transition into life after a regular paycheck.

Diane MacKnight, president of MacKnight Associates, also recommends some sort of transition period, if at all possible, to smooth the potentially bumpy road between the corporate world and the consulting world. MacKnight spent 17 years working her way up to vice president of facilities at Gannett Company, leaving in 2003 to take a position at Trammell Crow in the company's facility management outsourcing group. She worked there for 15 months, before her position was eliminated. MacKnight says that in those 15 months she took great strides toward her ultimate goal of being a consultant.

“I was really encouraged to run my department like a business unit,” she says. “This was a fantastic experience for going into consulting. When I took that job, I always knew consulting would be the next step, and without my exposure to the sales process and the experience of having to convince clients we could bring value to their operations, I would have been ill-prepared to launch MacKnight Associates.”

General business skills may seem like minor things compared with the value of knowledge about facilities, project management, and operations and maintenance, but if you don't like public speaking, or aren't good at communicating in writing, or rely on your administrative assistant to tell you where to be and when, then running your own company will be a struggle — at least at first.

“It takes a good year to get your hands around being an entrepreneur,” says Greg Donato, president of Facilitate Consulting, a firm he founded in 2006 after 42 years in facilities at Scholastic, Inc. “When you're an entrepreneur, you're doing everything yourself. You have to be well-organized. You have to have the drive.”

Many facility professionals, especially ones who rose through the ranks on the strength of their engineering, architecture or other technical backgrounds, may shudder at the idea of having to sell themselves and their services. But salesmanship is a critical skill.

“I had lots of sales people calling me over the years,” says Cottrell. “But I had ignored them or treated them not so well. I realized I had to eat a little crow, because I knew my biggest problem would be the sales part.” Cottrell says that he tried cold-calling for the first two years in business, but he hated it so much that he ended up hiring someone to help him. “If it's hot, based on a referral, I can handle it easily,” he says.

As Cottrell suggests, in a perfect world, the business just flows in on its own based on the network you've spent your whole career cultivating. Sheehy, for instance, had several leads in place when he began consulting from his jet-setting around the country to present about the LEED-EB Platinum certification he'd worked on. Most facility professionals aren't that lucky and will be required to do marketing on their own.

MacKnight says when she started her company, she took three facility consultants out to dinner and just listened to them talk — about everything from how to create an effective Web site to how to close a sale.

The point is, never is it more important to leverage your network than when you first go into consulting. That's because your former colleagues are now your potential customers.

"Stay connected to past as well as new people in the industry," says Kit Tuveson, an IFMA Fellow and founder of Tuveson and Associates, a firm he started at the end of his corporate FM career in 2007 and stay engaged. "If you're going to be a consultant, you need to send out a lot more Christmas cards."

It's critically important to stay active in industry groups like IFMA and BOMA to make yourself as visible as possible, say the experts. "The FM industry is lucky," says Sheehy. "We have such an unbelievable network of organizations and people to draw from. You have to use them."

Defining Your Business

One of the other advantages to maintaining a dependable network of facility friends — especially other consultants who are ostensibly the competition — is that work can flow back and forth (perhaps on a subcontract basis) between consulting companies if a project falls outside your sweet spot. But that assumes you've specifically defined what kind of work you're willing and able to do.

There are facility consulting businesses that can do everything from project management to development. And then there are those that have a particular niche. When starting out, you just have to ask yourself what you are willing to do and how available the work will be.

"You can't assume you're going to consult in the same industry you worked in," says MacKnight. "When you start your business, really be open to opportunities. You can't be a one-trick pony."

For instance, Donato says that his vision for his company was to be a "one-stop shop for organizations that don't have a facilities department." He expected that with a broker's license he could do everything from negotiating a deal for space to finding an architect to bringing in water coolers. Donato says that, as it's turned out, because of the down economy (see "The Downturn: Consulting in a Recession" on page 22), the brokerage piece of his business is what has helped him survive where many other facility consultants may be struggling.

Similarly, Carol Farren, who started Facility Management World Wide nearly 22 years ago, thought she'd be specializing in relocation and renovation. But that soon changed.

"What happened very quickly was that I was asked to do a consulting study," she says. "I hadn't really considered being a consultant until then. But that experience opened my eyes. I could talk to companies about how they operate facilities. What is it that could save them money and make them more efficient? We will save you our fee and more just by driving efficiency."

But don't give in to the temptation to take on contracts that require expertise you don't have.

"It's really important to remember that if you can't figure out how to add value, then you should skip it," says MacKnight. "I've said no to work that wasn't in my sweet spot. It's critical to shut up and listen to the client."

Listening closely has another advantage: It helps you see whether you and the potential client will form a good partnership. In addition to making sure you understand the work in detail, examine a potential client's business model and corporate culture very carefully. Almost every consultant has a story about a nightmare client — and in many cases there were early signs that trouble lay ahead. Horror stories

around: Well-meaning clients that went out of business and didn't pay their bills. Well-meaning clients that did pay but were more trouble than worth because of their too-detailed oversight. Dishonest clients that simply knocked \$5,000 or so off a bill because they knew the consultant wouldn't be willing to take the time to go to small claims court.

When work isn't a good match for a consultant, there's always the opportunity to garner a favor and pass the client on to a colleague. In the short term, it may be difficult to see a competitor take the business, even if on a subcontract basis, but in the long term, that strategy works out best for everyone involved.

Rewarding Successes

Given the uncertainties involved, why would anyone who has a job give it up to become a consultant? Greater financial benefit is certainly one reason. "All the people I know who are financially successful own their own business," says Cottrell.

But financial gain is just one benefit. Consultants who have been in business for several years report many other advantages, such as freedom, flexibility, variety and challenge.

"You don't have hot/cold calls anymore," says Cottrell. "You don't have to deal with minutiae, like kids in the mailroom calling in sick. You don't have to work for a boss, and you get to meet and work with lots of nice people."

Those non-financial benefits appealed to MacKnight as well. "I knew that the work would be rewarding and a good opportunity to use all my knowledge and skills," she says. One challenge of in-house work is that even on a good day, veteran facility executives will only use a fraction of their skills, she says. "It's not quite as intellectually challenging."

Sheehy agrees: "We trained as FMs for so many years, but we never get to fully use our expertise," he says. "I get to sell. I get to talk to CEOs, but I also get to get my hands dirty. We get to use all the tools we learned."