

Escaping the Doom Loop

2 years ago



Jason Petsch, CEO of OUTCO discusses how technology is bringing long-term thinking back to asset maintenance

From being an occasional menace, potholes are now ubiquitous on the country's roads. Indeed, cratered road surfaces are becoming a symbol for national decline. Growing public outrage forced prime minister Rishi Sunak to commit a staggering 8bn of the money saved from cancelling HS2 to road repairs – a pledge that laid bare the sheer scale of the problem. According to some figures 2022 saw 1.4 million potholes repaired at a cost of £93.7 million. Even so, this spend had fallen short of what was needed as, in the same year, some £22.7 million was spent on compensation to motorists.

Beyond the hazard facing road users, there's a reason the pothole became a large enough bear trap for a PM to avoid. According to the Institute for Public Policy Research (IPPR) the UK has under-invested in infrastructure by half a trillion pounds. Leave aside HS2, this is enough to fund 30 Elizabeth lines and has left the UK in a "growth doom-loop" scrambling to rebuild. According to the IPPR, a mindset of investment-phobia has the UK languishing below the G8 average and ill-equipped to meet challenges such as climate change.

Yet this isn't just a public sector story. In the world of facilities management, we're seeing the very same picture play out on many commercial properties and outdoor estates. The underinvestment in maintenance can be seen to produce worse business outcomes. Ageing infrastructure, collapsing fences, and crumbling, pothole-ridden car parks as a result of reduced expenditure – we can see how inadequate investment in ongoing maintenance creates its own doom loop: customers start to go elsewhere, tenants move out, the retail park, high street or commercial property dies a death. Over time, the private sector's own investment-phobia is producing the same sense of decline and reduced productivity.

Obviously, no organisation deliberately sets out to terminally underinvest. There are three interconnected reasons; The first is when the approach to maintenance gets stuck in set ways and simply repeats what has always been done without adapting the specification for maintenance to changing needs.

The second factor is the focus on the wrong incentives to procurement departments: these have historically been rewarded for delivering year on year on savings without considering the broader long-term impacts.

The third and most important factor is the way that organisations have outsourced property and facilities maintenance services. While outsourcing to specialists delivers real efficiencies, parcelling out maintenance to multiple third parties can eventually erode an organisation's institutional memory and lessen its ability to take a long-term and sustainable approach to maintaining sites. Where once you may have had a handyman or onsite team capable of knowing everything about a site and working across a broad range of maintenance tasks, scattering this expertise and experience to multiple contractors means the knowledge at the centre becomes diluted.

This approach can be cost effective in the short-term but without a real sense of continuity and of ownership, it can become hard to stay on top of longer-term issues or plan proactively to anticipate developing issues. Such challenges are amplified for organisations with larger portfolios of sites where the direct understanding of conditions on the ground become increasingly diluted. Over time, the focus can shift towards basic routine maintenance while more complex issues of maintaining the fabric of buildings can slip.

However, just like the nation's pothole crisis, none of this is inevitable. Thanks to the increased adoption of technology and data-driven approaches in FM, outsourcing can be reconciled with a sense of sustainable, long-term care. This can be achieved through a combination of people, processes and technology.

A first step is to put in place better incentives for the teams on the ground to ensure that they are rewarded for identifying and reporting maintenance tasks that might usually lie outside of their remit.

This is where technology has already changed the game, for example, OUTCO's teams are equipped with mobile technology that makes it easy to record activity on the go to provide an audit trail of service delivery. This type of capability is vital in high-risk work like winter gritting or snow and ice clearance where you need robust and legally defensible records. It also makes it easier for grounds maintenance teams to log newly identified maintenance tasks quickly and precisely using geo-spatial tagging. Crucially, the backend technology powering the mobile apps used by our teams also automates the process of notifying the customer and delivers quotations for any remedial work.

Aside from the increased efficiency and convenience, this data-driven approach is helping to reconnect organisations with their outdoor estate and gain a better real time view of conditions on the ground. Today, technology is changing outdoor FM to allow us to respond better to new needs as they arise. However, the ability to take a longer-term view – to anticipate and pre-empt future maintenance demands – is where the real opportunity lies. In pothole terms, the true prize would be able to know when to cheaply repair the tiny cracks in a road before the surface crumbles into costly ruin.

Ultimately, the outdoor FM world needs to transition from a reactive, piecemeal, cost-based approach to a more holistic asset management approach, which will be facilitated by the data driven model. Alongside

the ability to log and track issues using geo-spatial data, the same databases can and should be used to build a digital institutional memory of each site and each asset and leveraged to enable more effective proactive maintenance.

At OUTCO, we're already embarking on this journey with clients, auditing sites, helping them embrace a longer-term view. This will help organisations optimise their resources, enhance operational efficiency, and ensure the sustained health and functionality of their estates.

Embracing this approach is the key to mitigating the risk of terminally declining assets and the potential shocks of unforeseen expenditures. Moreover, it can help to foster a culture of innovation and adaptability, positioning estate managers to thrive in an ever-evolving landscape. Ultimately, the adoption of asset management principles empowers stakeholders to navigate challenges with foresight and resilience, laying the groundwork for enduring success in outdoor estate management.

For more information on how OUTCO can bring a fresh approach to your asset maintenance, contact us on 0800 0432 911 email enquiries@outco.co.uk or visit www.outco.co.uk