



# A Path to Sustainable **Building Operations**

Building a Business Case for Facility Management-Driven  
ESG and Sustainability Initiatives

FROST & SULLIVAN EXECUTIVE BRIEF

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# Introduction

In the past 2 years, the sense of urgency around environmental, social, and governance (ESG) has dramatically increased. Organizations are reaching critical phases of their decarbonization journeys as net-zero targets get ever closer.

While most large organizations have made carbon pledges, ESG objectives, decarbonization goals, and net-zero achievement dates, many have yet to develop clear roadmaps or action plans and need support to achieve their visions. Complex estates and property portfolios, and diverse business goals make it challenging to develop clear ESG pathways and choose the right technology, especially when organizations face increasing pressure to accelerate their route to net zero.



**Understanding the evolving regulatory environment, measuring the right things, and using the right technology platforms are key to accelerating the journey to success.**

Facility management (FM) teams play a fundamentally critical role in making this happen. Selecting the right partner and solution(s) can seem daunting and complex, but looking at the right things, fully understanding what you're trying to achieve, aligning all the stakeholders, and grasping the multiple benefits will accelerate the journey.

In this Executive Brief, we introduce a 6P Framework (from Policies to Platforms) that provides a holistic approach to evaluating the full ecosystem of opportunities and building a compelling business case to enhance your business through ESG investment.





# Why Now?

Because buildings account for 40% of global CO2 emissions and more than 50% of electricity consumption, optimizing the built environment is critical to ESG strategy success. For organizations of all sizes, this means FM and maintenance operations—whether in-house or outsourced—must be at the front of ESG and sustainability initiatives. Simply put, better FM means better ESG and a stronger chance of achieving net-zero goals.

Policies, regulations, and organizational goals drive a clear and pressing focus on sustainability.

In particular, this requires ESG software to meet compliance and reporting requirements and to improve energy and resource cost efficiency. Complex ESG data (often from diverse sources) needs to be captured, analyzed, recorded, reported, and audited accurately with confidence.

However, compliance and reporting are only half the story. ESG is a complex topic that goes beyond energy and sustainability and includes user experience, business productivity, and workplace optimization, which means investing in ESG brings wider business benefits. This also means a whole ecosystem of platforms play a role in ESG, including asset management, space management, and workplace solutions.





This is why real estate management, FM, maintenance operations, sustainability, energy management, and personal user efficiency are all converging. It's also why the target audience for ESG and the stakeholder network is widening, which means collaboration and alignment are critical if ESG goals are to be met. Alongside the FM and maintenance teams managing the performance of buildings, there needs to be full buy-in from the board and C-level in addition to day-to-day involvement from all business operations, including IT, HR, and finance.

An ESG strategy requires an organization-wide approach, underpinned by technology platforms and data to ensure smooth implementation.

For in-house FM and maintenance teams, that means having the right tools at their fingertips to align with business objectives, track key metrics, and identify current and future gaps. For outsourced FM service providers, it means acknowledging sustainability as the fastest-growing segment of the FM industry, intimately knowing their clients' sustainability goals, and recognizing that ESG reporting has become a critical competitive factor in selecting a service provider.

When considering a platform or partner, the route to making the right decision on a solution for ESG involves deep collaboration to achieve goals. That includes close working with organizations, outsourced service providers, and their customers. The business case is compelling but needs to be presented powerfully to a whole raft of stakeholders to accelerate the ESG journey and ensure success.





# Using the 6P Framework for a Holistic Approach

Frost & Sullivan’s 6P Framework maps how a successful ESG strategy should focus on six core components: Policies, Products, Processes, People/Personas, Partnerships, and Platforms. Integrating these Ps enables efficient and transparent ESG reporting, creates growth opportunities for FM companies and their customers, and develops new operating models that increase efficiency and productivity on the path to net zero.

The 6P Framework is also a great tool to show what an executive decision-maker should consider when evaluating the business case for investing in platform software solutions for compliance with ESG directives and maximizing business value.

## The 6P Framework for Building an Effective ESG Strategy 6P Framework for the Future of ESG, Sustainability, and Circular Economy—A Pathway to Net Zero





## Policies

Compliance is the most powerful ESG driver for most organizations, and this journey begins with policies. For the built environment and real estate, the most pressing need for action is on regulations for the reduction of energy consumption and carbon emissions, including reporting. The key here is to always know the policies and regulations your organization should be monitoring so you can report in alignment with the correct external frameworks.

For example, **European policies** include the EU's Fit for 55 plan, the European Sustainability Reporting Standards (ESRS), the Green Taxonomy, and the Corporate Sustainability Reporting Directive (CSRD). The CSRD is a game changer and obliges **over 50,000 large EU-based companies** to report on ESG performance from January 2024, with many smaller firms **beginning in 2026**.

Other examples include the UN's Sustainable Development Goals (SDGs), the GRI Global Reporting standards, and the Sustainability Accounting Standards Board (SASB), and there are many more at a global, country, regional, and even sector level.



## Products

This component includes the buildings and all products, materials, and equipment that must be selected, installed, maintained, and operated effectively. Getting this right ensures optimal facility performance and maximum environmental performance, comfort, convenience, safety, and productivity of corporate employees, service providers and visitors. Just think of the huge range of systems including BMS, automation, IoT devices, HVAC, lighting, plumbing, security, and other operational components.



## Processes

Every organization needs to deeply understand the processes that have an impact on achieving ESG goals, including mapping activities and facility workflows. This needs to cover all FM activities and services, as well as maintenance processes for reducing energy usage, water consumption, waste, and carbon emissions.

In most buildings, maintenance processes are driven by both internal technical staff and external services providers, making this a key area for collaboration and finding synergies between workflows. Additional processes



include space management for understanding how space use impacts energy consumption, monitoring and understanding energy use, and determining actions required to reduce consumption. Last, this includes the processes required to effectively report and communicate progress towards ESG goals at a real estate portfolio, building, or even asset level.



### People/Personas

Here it's all about maximizing the value of sustainable building operations for people who are internal and external to the organization. That means understanding stakeholders' roles in delivering the ESG strategy and mapping how different personas (e.g., employees, customers, suppliers, visitors) will benefit from better sustainability outcomes.

It is also important to recognize that different ESG stakeholders will have different information requirements from the outputs. Some may need more sophisticated technical data, while others will need more top-level strategic insights. The ESG strategy needs to have tailored outputs for each persona.



### Partnerships

Collaboration will always be key to ESG success, and this includes internal partnerships (such as with the IT department for platform integration or the HR department for employee engagement) and external partnerships (with facility and field services providers). The key here is to structure and implement collaborations around the common aim of achieving ESG goals.



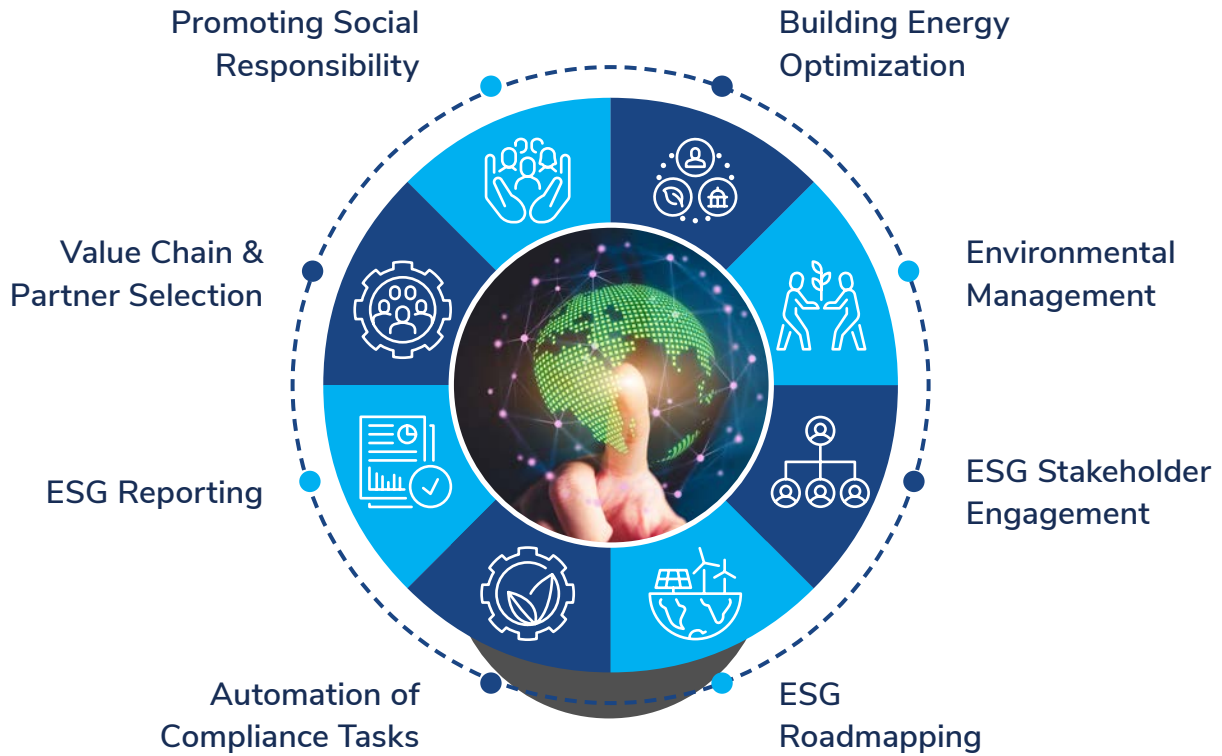
### Platforms

Last, we have the suite of digital platform solutions for measuring, monitoring, reporting, and verifying a strategy's progress. The solution must support both the real estate ecosystem and the wider business objectives.





Technology platform Opportunities for ESG in FM outcomes



Source: Frost & Sullivan

Most importantly, sustainability processes and systems are not restricted to energy, carbon, and environmental domains. ESG increasingly needs to be seen as part of an integrated technology suite that includes solutions for asset and maintenance management, space and workplace management, real estate portfolio management, stakeholder engagement, future roadmapping, compliance management, and reporting.

**Roadmapping** can be especially important because it plans for the future by identifying performance improvement opportunities, managing projects and programs, and tracking progress toward ESG goals.

An integrated solution suite supports activities and processes to drive sustainability across each of these domains to ensure full process governance.





# Targeting the Right Metrics with Integrated Solutions

While organizations increasingly recognize that ESG strategies and platforms are a critical element in their transition to a net-zero future, two key lingering questions remain: What technology and data should they use to measure their ESG performance in a holistic, consistent and reliable way? And how does ESG benefit the wider business to create a solid return on investment?

While each organization needs to find its own answers to these questions, every ESG business case must be underpinned by considering both angles.

To answer the question on technology and data, each organization needs to determine the metrics and objectives they are trying to achieve and what success looks like. For most organizations, the primary metrics are environmental impacts (such as energy consumption, Scope 1, 2 and 3 carbon emissions, air and water pollution, material use, recycling and waste). Success is about being able to demonstrate measurable progress on these, so FM and maintenance teams need to be aware of and have access to data for actively monitoring and reporting on such metrics. They also need holistic and integrated data to prove the value and success of their sustainability activities.



However, despite the short-term dominance of environmental issues in ESG strategies, the future of sustainability outcomes includes much more than today's headline issues of energy and carbon. For example, more progressive firms are increasingly focused on social impacts such as diversity ratios, equity and inclusion, supply chain management, employee health, and working conditions. So in spite of the short-term dominance of environmental issues in ESG strategies, the future of sustainability outcomes is about so much more than today's headline issues like energy and carbon.



This also shows us why platform strategies must be holistic, not modular. This includes the criticality of data and integration opportunities, such as collaborative open integration with third-party solutions (e.g., outsourced maintenance management solutions or smart building systems).

To further enhance the business case, there are quantifiable benefits from the convergence of FM, maintenance management, and ESG that create wider organizational value. These go way beyond the traditional boundaries of sustainability and are exactly why FM and maintenance teams need to be critically involved in ESG initiatives. High-quality FM supported by integrated platform solutions directly affects cost savings, competitive advantages, talent attraction and retention, customer loyalty, and enhanced organization investability.

### Better FM Can Improve ESG and Business Outcomes

-  44% | Of companies globally have already reported a positive impact on **attracting and retaining talent** due to ESG strategy deployment
-  35% | Cost savings that can be achieved through **data-enabled predictive maintenance** over reactive maintenance
-  85% | Of investors believe that ESG leads to **better financial returns** and more resilient investment portfolios\*
-  80% | Of companies globally will be using ESG factors in their **executive compensation programs** from 2024\*\*
-  76% | Of companies globally have told us that they have a **competitive advantage** when sustainability is embraced at the corporate level
-  50% | **Energy cost savings** can be achieved from a fully optimized and integrated building energy management system (BEMS)
-  86% | Of companies globally have told us they view their ESG strategy as critical to **customer retention and loyalty**
-  80% | Of energy use over a building's life cycle is operational energy, highlighting the **opportunity for FM and maintenance** to impact decarbonization

Source: Bloomberg\*; WTW\*\*; Frost & Sullivan



Take staff retention and talent acquisition as an example. Frost & Sullivan research shows this is a top 3 issue for CEOs globally today. Of companies surveyed, 44% reported the positive impact that an effective ESG strategy deployment has on attracting and retaining talent. So the impact of FM and maintenance teams is easy to see when employees also tell us that their working environment and the sustainability of their employer are top concerns.

This extends to cost-saving benefits. A fully integrated building energy management system (BEMS) will not only improve energy efficiency, environmental performance, and operational efficiency, but deliver tangible cost savings of up to 50%.

An even more direct example for FM and maintenance teams could be predictive maintenance, which is increasingly used in technical services by applying data analytics to reduce downtime, improve operational efficiency, optimize procurement of parts, and extend asset life. It can also deliver up to 35% cost savings over reactive maintenance programs.

On a more personal note for senior executives, it is quickly becoming apparent that organizations are accelerating the use of ESG metrics in executive compensation packages. Around 80% of leading companies globally expect to do this starting in 2024.





# Building and Presenting a Business Case: A Checklist for Success

Having seen that the ESG strategy is deeply linked to so many business components, it is clear that getting it right and choosing the right partner and platform to meet objectives creates value for the overall organization and its stakeholders. While the urgency for ESG partly comes from the many regulations already coming into effect, the overall business case shows how an FM-driven ESG strategy reduces risks, creates opportunities, builds value, and makes the organization more attractive to employees, customers, and investors. FM and maintenance teams are at the heart of the strategy, but need to be prepared for what’s coming.

To help support your decisions and ensure success, the 6P Framework can be used to create a checklist to help accelerate the journey by mapping out what you’re trying to achieve, the key factors to consider and where you may have gaps.

## ESG Strategy Checklist—How Prepared Are You?

FOR IN-HOUSE FM AND MAINTENANCE	FOR OUTSOURCED SERVICE PROVIDERS
<b>POLICIES</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> What policies/regulations do we need to monitor and align?</li> <li><input checked="" type="checkbox"/> What are the ESG data reporting requirements?</li> <li><input checked="" type="checkbox"/> Does our vision go beyond statutory/mandatory compliance?</li> <li><input checked="" type="checkbox"/> When/how often will you report/share ESG data?</li> <li><input checked="" type="checkbox"/> Can we anticipate changes to disclosure requirements?</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Do we have full visibility of the client’s ESG policies?</li> <li><input checked="" type="checkbox"/> What regulations does the client need to monitor and align?</li> <li><input checked="" type="checkbox"/> Can we support and advise on a policy strategy?</li> <li><input checked="" type="checkbox"/> What is the critical path and timeline to net zero?</li> <li><input checked="" type="checkbox"/> Can we support future regulatory framework changes?</li> </ul>

Source: Frost & Sullivan



FOR IN-HOUSE FM AND MAINTENANCE	FOR OUTSOURCED SERVICE PROVIDERS
<b>PRODUCTS</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Are we integrating our entire building ecosystem &amp; portfolio?</li> <li><input checked="" type="checkbox"/> Have we identified all products key to our ESG strategy?</li> <li><input checked="" type="checkbox"/> Which products/assets can deliver the biggest ESG wins?</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Can we integrate the whole building ecosystem &amp; portfolio?</li> <li><input checked="" type="checkbox"/> Have we identified all products key to our ESG strategy?</li> <li><input checked="" type="checkbox"/> Which products/assets can deliver the biggest ESG wins?</li> </ul>
<b>PROCESSES</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Have we mapped all FM &amp; maintenance activities/workflows?</li> <li><input checked="" type="checkbox"/> Do we have mechanisms for oversight of all key metrics?</li> <li><input checked="" type="checkbox"/> Can we automatically add ESG data to company reports?</li> <li><input checked="" type="checkbox"/> Do we guarantee data integrity for auditing ESG disclosures?</li> <li><input checked="" type="checkbox"/> Can we effectively report and communicate on progress?</li> <li><input checked="" type="checkbox"/> Can we identify and quantify additional business benefits?</li> <li><input checked="" type="checkbox"/> Are we linking ESG to business and operational outcomes?</li> <li><input checked="" type="checkbox"/> How do we manage and monitor risks associated with ESG?</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Are our service delivery workflows optimized for ESG?</li> <li><input checked="" type="checkbox"/> What can we automate to be more efficient?</li> <li><input checked="" type="checkbox"/> Does our value proposition deliver benefits beyond ESG?</li> <li><input checked="" type="checkbox"/> Do our processes focus on reducing the client's ESG risks?</li> <li><input checked="" type="checkbox"/> Are our delivery plans driven by reliable integrated data?</li> <li><input checked="" type="checkbox"/> Do we foster continuous feedback and dialog?</li> </ul>

Source: Frost & Sullivan



FOR IN-HOUSE FM AND MAINTENANCE	FOR OUTSOURCED SERVICE PROVIDERS
<b>PEOPLE/PERSONAS</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Have we defined all internal and external stakeholders?</li> <li><input checked="" type="checkbox"/> Who has ESG responsibilities at department and group level?</li> <li><input checked="" type="checkbox"/> Is there a governance structure with roles &amp; responsibilities?</li> <li><input checked="" type="checkbox"/> What ESG insights and data do the stakeholders need?</li> <li><input checked="" type="checkbox"/> Can we demonstrate benefits for all stakeholders?</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Have we defined all internal and external stakeholders?</li> <li><input checked="" type="checkbox"/> Are we fully engaged with the right people?</li> <li><input checked="" type="checkbox"/> Do we have leading-edge ESG expertise in client-facing teams?</li> <li><input checked="" type="checkbox"/> How do we tailor our reporting for different personas?</li> <li><input checked="" type="checkbox"/> Can we deliver benefits for all stakeholders?</li> </ul>
<b>PARTNERSHIPS</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Are we bringing all internal stakeholders together?</li> <li><input checked="" type="checkbox"/> Is inter-function collaboration encouraged and facilitated?</li> <li><input checked="" type="checkbox"/> Who do we benchmark ourselves against?</li> <li><input checked="" type="checkbox"/> What external partnerships do we have or need?</li> <li><input checked="" type="checkbox"/> Are our partners aligned on the ESG goals?</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> How do we facilitate cross-functional collaboration?</li> <li><input checked="" type="checkbox"/> Are we viewed as a strategic ESG partner to the client?</li> <li><input checked="" type="checkbox"/> Do our supply chain partnerships need to change?</li> <li><input checked="" type="checkbox"/> Can we benchmark the client against similar organizations?</li> <li><input checked="" type="checkbox"/> Do our collaborations deliver 24/7 support?</li> </ul>

Source: Frost & Sullivan



FOR IN-HOUSE FM AND MAINTENANCE	FOR OUTSOURCED SERVICE PROVIDERS
<b>PLATFORMS</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> What are we using today?</li> <li><input checked="" type="checkbox"/> Are we looking for an add-on or new solution?</li> <li><input checked="" type="checkbox"/> What tools do we need to implement the defined processes?</li> <li><input checked="" type="checkbox"/> Does the solution meet our compliance and reporting needs?</li> <li><input checked="" type="checkbox"/> Does it have open integration with third-party solutions?</li> <li><input checked="" type="checkbox"/> Can we integrate isolated, unstructured data?</li> <li><input checked="" type="checkbox"/> Does it support our full real estate ecosystem?</li> <li><input checked="" type="checkbox"/> Is data collected at a granular enough level for our portfolio?</li> <li><input checked="" type="checkbox"/> Can we model scenarios and run ESG forecasts?</li> <li><input checked="" type="checkbox"/> Does it support processes across multiple domains?</li> <li><input checked="" type="checkbox"/> Does the system automate our compliance tasks?</li> <li><input checked="" type="checkbox"/> Does the solution have dashboards for real-time monitoring?</li> <li><input checked="" type="checkbox"/> Do we need additional planning and roadmapping tools?</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> What are we using today?</li> <li><input checked="" type="checkbox"/> Are we looking for an add-on or new solution?</li> <li><input checked="" type="checkbox"/> Does the solution offer seamless integration of our systems?</li> <li><input checked="" type="checkbox"/> Does it have open integration with third-party solutions?</li> <li><input checked="" type="checkbox"/> Can we integrate isolated, unstructured data?</li> <li><input checked="" type="checkbox"/> Does it support a full real estate ecosystem?</li> <li><input checked="" type="checkbox"/> Does it include intuitive dashboards and recommendations?</li> <li><input checked="" type="checkbox"/> Is the solution compatible with our supply chain partners?</li> <li><input checked="" type="checkbox"/> Is performance monitoring &amp; data management integrated?</li> <li><input checked="" type="checkbox"/> Does it support mobile field services and teams?</li> <li><input checked="" type="checkbox"/> Does it offer customer management/client communications?</li> <li><input checked="" type="checkbox"/> Does it deliver operations planning and control?</li> <li><input checked="" type="checkbox"/> Does it have billing and cost management functionality?</li> </ul>

Source: Frost & Sullivan



## Conclusions and Next Steps

In summary, an FM-driven sustainability strategy is critical to your company's ESG performance, but is also so much more than that. With the right solutions and partners, ESG platforms can help you go beyond supporting compliance and improving ESG scores. The right platforms and collaborations enable an FM-led ESG strategy to accelerate your sustainability journey and drive multiple organizational benefits.

Accommodating the 6P Framework and checklist into your decision-making process will help you see the full ESG picture, reinforce the critical role of FM and maintenance operations, and support the business case for investing in ESG. The right platform will drive the link between ESG performance, operational efficiency, and business productivity and profitability.

In FM and maintenance, you need to confidently measure and monitor the impact ESG processes and initiatives have on both building operations and the organization's overall performance. When the two come together in a holistic and integrated manner, the business case is extremely compelling.



## A STARTING POINT FOR EVERYONE: LEARN MORE ABOUT PLANON

Whether you are looking to get the basics in place to improve building sustainability or looking to find the most cost-effective and beneficial next steps in your ESG and sustainability journey, Planon has a starting point for you. [Get in touch today!](#)

Interested in discovering more resources that Planon and Frost & Sullivan have worked on together? Check out this [recent roundtable discussion](#) on new strategies for the future of work or this [virtual think tank key findings document](#) on the ability of AI to help solve FM Service Provider ESG challenges.

You can also visit the [Planon website](#) to learn more about its wide range of solutions and find valuable resources about Integrated Workplace Management Systems and Facility Services Business Solutions.

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