

Case Study: Luxury Goods Retailer

Fendi Implements 'Game Changing' Health & Safety Auditing Across EMEA with ServiceChannel Service Automation



Highlights

SIMPLIFIED, MORE ACTIVE SITE AUDITS, exceeding regulatory standards

ENHANCED VISIBILITY AND CONTROL OF FM OPERATIONS for more efficiency and improved cost containment

IMPROVED CONTRACTOR PERFORMANCE MANAGEMENT AND ANALYSIS for retention of top performers and consolidation of laggards

Customer

FENDI
ROMA

Fendi is an Italian luxury fashion house founded in 1925, renowned for its fur and fur accessories. Today it produces fur, ready-to-wear, leather goods, shoes, fragrances, eyewear, timepieces and accessories. A member of LVMH group, Fendi operates 270 company stores and store-in-store locations in 35 countries, including 85 retail locations in the EMEA region. The facilities management team of two is responsible for repair & maintenance of all stores as well as related regulatory compliance and site inspections.

Quantifiable Results

95%

ELIMINATION IN CRITICAL ISSUES BETWEEN AUDIT PERIODS

88%

DECREASE IN ISSUE RESOLUTION TIME

95%

TIME FM TEAM SAVED IN PROCESSING INVOICES

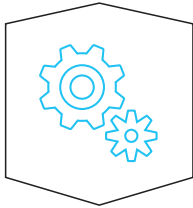
Challenges

As a luxury brand, Fendi made the upkeep of its stores a business priority, which included big investments to maintain its premium brand image toward the goal of making the stores "perfect."

However, as a global company, it was difficult for Fendi to maintain consistent brand standards for its facilities across the diversity of cultures, languages and legacy practices in different countries and regions. Further compounding the problem was the company's highly manual FM operations and site auditing process leading to issues such as:



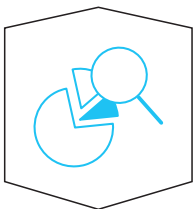
Luxury Goods Retailer



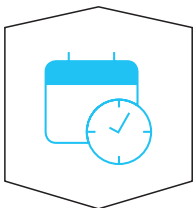
Service Automation



Site Planning
Manager



Analytics Custom



Planned Maintenance
Manager



Invoice Manager

- Zero visibility into the more than 3,500 work orders per year from over 100 service providers, making it difficult to manage spending according to a budget plan
- Little to no accountability of contractor performance due to lack of data to evaluate the spending, quality, results of each service provider
- Different countries have different requirements for site audits, which often meant creating a unique store review checklist for each country
- Long processing times to generate the results from the health & safety audits, as well as high degrees of complexity in taking multiple corrective actions at once

Goals

Fendi looked to modernize its site auditing and its facilities management operations through technology solutions. The company's initial attempts included modifying its ERP (enterprise resource planning) platform for FM work orders and site audits, though that did not produce the results the Fendi team wanted. The company eventually issued an RFP for FM-specific solutions with stated goals such as:

- Simplifying the semi-annual health & safety inspection process for both Fendi EMEA and its H&S consultancy, *THSP Risk Management*
- Implementing a real-time and historic analytics program that replaced time-consuming reviews of spreadsheets
- Making it easier for stores to initiate necessary work orders that could be routed directly to the FM team
- Accelerating invoice reviews and approvals, which had required manually processing more than 1,500 invoices per year
- Arming the company with contractor performance data so that the company could optimize the number of its core service providers

"We were looking for a proven system that could unify our facilities management operations and improve our health & safety auditing process. This included finding a system that was flexible enough for anyone to initiate facilities work orders based on the audit results in real-time."

—*Francesco Fassio*
Facilities Manager, Fendi EMEA



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Solutions

After evaluating its options, Fendi selected and implemented ServiceChannel **Service Automation** to modernize its FM operations, and simplify and improve its site auditing & inspection program:

- **Site Planning Manager** was a critical solution for Fendi and its UK-based partner, *THSP*, for customizing and automating required detailed health & safety inspections, with a checklist of 25 to 50 items per store. Key benefits included:
 - Enabling *THSP* to initiate work orders through **Service Automation** during the audit in order to expedite necessary repairs and maintenance work
 - Ability to prioritize the audit checklist through **Site Planning Manager's** rating system for each item
 - Significantly accelerating the overall site auditing process, including gathering findings and results
 - Being able to analyze checklist results to identify common failures and frequently recurring issues
- **Analytics Custom** provided Fendi new levels of visibility of its FM operations such as overall costs that could easily be tracked against budget forecasts and historic data
- Further enhancing Fendi's FM Operations with **Planned Maintenance Manager** to schedule routine work orders such as servicing HVAC, lighting and elevator systems as well as managing janitorial services
- Automating many aspects of Fendi's invoicing and payment process for facilities service providers through **Invoice Manager**, which eliminated the FM team's having to do manual reviews and approvals of thousands of invoices

Benefits

Overall, implementing ServiceChannel's platform made Fendi's **FM operations more efficient** and provided **greater control of its third party outsourced health & safety auditing program**. Specific benefits included:

- Cost containment through enhanced visibility into work orders and invoices that provided insights into spending trends and outliers
- Improved contractor performance management that helped Fendi identify and retain top performing service providers and eliminating underperforming ones with high degrees of confidence
- Better working relationship between Fendi and its auditing firm *THSP*, including empowering *THSP* with the ServiceChannel software to initiate necessary work orders on-the-spot, during an audit
- Influencing refurbishment of existing stores, and design and building of new stores through FM insights and quantifying issues gained from existing locations

"ServiceChannel is now one of our biggest drivers in how we manage facilities services. It's a highly efficient way to keep our stores up to the same luxury brand standards as our products. As the 'owner of our information,' we can now spend less time to accomplish more at a higher quality than was possible before."

– Francesco Fassio
Facilities Manager, Fendi EMEA



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Results

With the ServiceChannel platform in place, the Fendi FM team was able to establish a benchmark of key performance indicators for the first time in its operations history. These KPIs included:

- Eliminating 95% of critical issues (Level 1 & 2) identified between annual audit periods
- Cutting share of on demand service requests (vs planned maintenance) from 60% to 35%, due to improving planning and optimizing intervention
- Reducing reaction time from problem occurrence to resolution 88%, from 12.5 days to 1.5 days
- Reducing percent of invoices with costs and supporting data (who requested, resolution status, etc.) not clearly associated to work order results from 30% to zero
- Slashing invoice processing times 95%, from 20 minutes per invoice down to one minute, saving the FM team more than 1,000 hours per year

"With ServiceChannel we are able to conduct 'active audits,' which is a game changing way to address our facilities issues. We are now able to outperform regulatory standards for auditing, even with the different requirements across the many countries and regions where we operate."

– Francesco Fassio
Facilities Manager, Fendi EMEA

About ServiceChannel

ServiceChannel provides facilities managers with a single platform to source, procure, manage and pay for repair and maintenance services from commercial contractors across their enterprise. By delivering unprecedented transparency and data-driven analytics of service quality, across all trades, locations and contractors, facilities managers drive significant brand equity and ROI for their organizations without outsourcing or investing in new infrastructure. The world's leading global brands use ServiceChannel solutions daily to help optimize millions of transactions and billions of dollars of spend annually.

