

Property Management During Times of National Crisis

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CHANGING TIMES

About now some property professionals may be asking themselves what significance property management might have since the horrible events of September 11, 2001. I know I've been asking myself questions along these lines. I've also come to some conclusions, perhaps the same ones that you have.

THE CAUSE AND EFFECT

Not only were the attacks on September 11, 2001 the most outrageous terrorist attack to occur in America's history, but they were acts of aggression on our own soil, turning our own resources and technology against us. The events of that morning in New York City, Washington, D.C. and in a field in Pennsylvania, caused several effects to occur. The events have served to galvanize our Nation to move toward a common goal – to globally eradicate terror-

ism. It has brought people together in ways that were unimaginable. Someone recently said to me, "People who were complaining about not receiving their tax rebate checks one week were giving the money away to total strangers the next." Some effects were immediate, for example, disbelief that something of this magnitude, something this sinister and evil could actually occur in the United States. I think all of us felt unimaginable sorrow for the victims and their families. We have felt sorrow for the heroes we have come to know – and a sense of pride in their accomplishments and their willingness to serve others before themselves. Some effects are only now being realized, some won't be realized for some time.

Like most Americans as portrayed in a recent television public service spot, I too have wondered what's expected of me? We've been told to "Get on with the business of America" (George W. Bush - 2001). In an attempt to do this, first we must understand how our society has changed

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and how those changes will dictate how we do business in the future. Immediately, I observe things occurring in our economy resulting from those events. Realistically, the economy drives the activity that we see in our daily professional lives. Secondarily, I want to stress the need for good property management practices in the days ahead. Emotions will run high, as is to be expected. Some segments of our society will be driven to produce goods and services in support of our response to September 11th. Some of us will be looking for innovative measures to support our business units with assets as we watch funding being curtailed.

The attack has served to deepen concerns with an already faltering economy. Three weeks after the attack, "Citing the aftereffects of the terrorist attacks, the Fed (Federal Reserve Commission) cut its federal funds target rate on overnight loans among banks to 2.5 percent from 3 percent, putting the rate at its lowest level since 1962" (Pittsburgh Post-Gazette, October 3, 2001). Since that time the Fed has cut the interest rate again. Who really knows where or how far this recent crisis in our country will take us? At this point we do not know how long it may last, to what extent America's national resources may be committed, or how it may fully impact our professional and personal lives.

Property professionals in private enterprises may understandably have concerns about how the months that follow will affect their way of doing business. Some businesses in the defense industry may see an increase in business, thus an increase in property and material acquisitions, while those in the travel and tourist industry witnessed an immediate decline in business, and months later are still trying to recover.

Suffice it to say, the attacks on September 11th have had a dramatic effect on our economy. It may take years to fully appreciate the extent of the effect. However, we can see some immediate results. One interesting effect, which has served to trickle-down to other areas, is that Americans have generously contributed to a host of special funds, such as the United Way's September 11th Fund. As a result of this unprecedented giving, some charities are voicing concerns that the influx of donations in support of the attack victims has adversely affected their fall campaigns. Even the local Food Bank has seen a dramatic reduction in both food and financial contributions, resulting in a decline of both storable food inventories and available cash.

The already slowing economy, further affected by the attacks, has resulted in declining tax revenues. This has prompted some states, such as Florida and Iowa, to recon-

vene their legislatures to cut budgets. Higher education has been targeted for some of those cuts, as well as other state agencies and tax supplemented institutions.

If the news coming from Capitol Hill and the White House is accurate, property professionals in the service of the federal government will face some unique challenges in the months to come. It is entirely possible that federal agencies not immediately engaged in national or homeland defense may encounter budget constraints. Other agencies, such as the Department of Defense, the Justice Department, and certainly the Border Patrol, will experience a marked increase in funding. Either way, property professionals will find new challenges in their careers.

NOW WHAT?

The Gulf War was a significant national effort. However, it did not last very long nor did it have a long-lasting economic or personal impact on our lives or Nation. For about two and a half decades the United States has been operating primarily in a peacetime mode. Not since the close of the conflict in Viet Nam has America been in a major national campaign. The way that property professionals conduct business in the future, compared to how we have conducted business in the past, may be questioned now that our country is gearing up for a protracted war. Many of us in property management weren't on our current career path then. Some of us were in other professional fields, while others weren't even born yet. Essentially, a large number of property professionals have virtually no experience in property management during times of national crisis.

In our professional life it may now seem ludicrous to focus our attention on small administrative tasks. Adequately managing an item of sensitive property may seem inconsequential when the national focus is on the cleanup and rebuilding in New York City and Washington, the enormous loss of life, economic recovery, and the tremendous task of identifying, capturing and bringing to justice, those who do, or would use, terrorism to further their own goals. Our President has said several times that this will be a long and difficult war. News polls indicate that the national sentiment leans toward doing whatever is necessary to get the job done. In that context, people may tend to gloss over, or allow to fall by the wayside, mundane administrative requirements in order to accomplish the greater goal.

On the contrary, good property management techniques are needed now more than ever! Stay the course! During times of crisis it is imperative to expend resources in an intelligent manner. The road is fraught with oppor-



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Todd Beamer - September 11, 2001

tunities for waste and mismanagement, all in the name of the greater good.

In the federal government, property management regulations have been around since at least the Federal Property and Administrative Services Act of 1949. These regulations were in effect during the Korean and Viet Nam Conflicts. Property management practices in the private sector have been around at least that long as well. It’s then safe to assume that our country fought two major campaigns using existing property management practices.

Optimistically, in terms of getting the job done for the greater good, administrative functions may be used to enhance the process. Consider this analogy: You are on your way to the hospital emergency room with a non-life threatening emergency, but you need to get there quickly. Do you ignore traffic rules in order to get there sooner, thereby further endangering yourself, or do you pay closer attention to your driving to ensure you get there safely? The answer, of course, is you pay closer attention. The time spent preplanning is always less than that used to correct mistakes.

For those property professionals who may find themselves having to provide property resources to their organizations while funding is being scaled back, reutilization should be considered the password to success. We may not want to admit it, but if any property resources have been languishing around waiting to be excessed, they must now be made available to inner departments and other agencies that have an immediate need. Federal Excess Screening, a requirement within government agencies, should also become a mainstay for public institutions as a source for asset acquisition.

Property professionals can find themselves in a unique position to service their clients in ways that were not imagined until recently. Property professionals can become key players within any team that has been created to meet new challenges. The first step in establishing yourself in this new role is to advertise your capabilities to your business community. Just about every business or agency has some sort of a weekly or bimonthly newsletter of sorts. Others have business-wide electronic mail. Use one or all of these resources to remind your business community of your abilities to help them.

Be instrumental in developing methods of putting projects on a fast track. Smooth the way for rapidly emerging projects having a short lead-time. Some agencies or departments may find themselves with an entirely new mission. Other agencies or departments may find the challenge to

be simply continuing to conduct business. As a property professional make it your business to become part of the team effort. Become involved early in the project by outlining the steps necessary to acquire property to support the mission goal. Advertise your willingness to sit down in the planning stages to outline the requirements for property acquisition. Make plans or establish agreements that immediately upon arrival at the receiving dock the required data is captured, the asset is tagged and entered into the property management system, and released to the end-user in a timely fashion.

As keepers of the data, property departments can readily identify assets already in place at their facility and by making a few inquiries, determine if the property can be re-utilized by another department.

People involved in technical areas are not as familiar with administrative tasks as we might be. Some technical people may find administrative tasks distasteful, labor over them, or simply don’t complete them. Such people generally welcome assistance in administrative matters like property acquisitions, tracking, transfers or dispositions. Share your knowledge. The less time that technical experts are wrapped up in administrative efforts, the more time they can spend doing their primary function.

These are just a few of the ideas that have come to mind lately to ensure that property management is a contribution to the main mission and not simply an administrative burden. I’m certain that as you think about your business situation and how your work supports your department or organization, you’ll come up with some better ideas.

The bottom line is, as one manager said recently when asked what can we do to support this new mission, “I just need folks to do their jobs.” He’s right. We all need to continue to do our jobs – but to reach out our hand to others and to look for ways to help them do their jobs quickly and more efficiently so they, too, can “Get on with the business of America.” So, with that in mind, “Let’s Roll” (Todd Beamer - September 11, 2001).

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