



Thought Leader Interviews

Mark Friedman
CEO and Founder, Accruent, Inc.



In our “Thought Leader Interviews” series iwmsnews.com interviews all important Thought Leaders from the IWMS industry.

In our tenth interview we have interviewed Mark Friedman, CEO and Founder of Accruent, Inc.

You can also read the interview on our website by visiting:
<http://www.iwmsnews.com/2009/06/thought-leader-interviews-mark-friedman/>

1. Please introduce yourself to our readers

My name is Mark Friedman. I am founder and CEO of Accruent, Inc.

2. Can you explain a bit about your background and your career?

My background is a mix of software, business and commercial real estate. My formal education and early employment were in software development, and then I worked at a couple of the large commercial real estate services firms. For the last 14 years, I've been able to marry the two at Accruent. So for me, IWMS brings together two disciplines I'm passionate about.

3. Can you elaborate a bit more about your company? What makes your company unique?

Accruent has four primary differentiators.

First, the pioneers of the real estate and facilities management software industries (1989 and 1982 respectively) still work for Accruent today. These individuals envisioned and executed the earliest conceptions of IWMS and continue to drive the vision and definition of the space. Accruent has customers who have used our solution continuously for over 20 years, providing us a unique perspective on how we got to where we are today - and where things are going in the future.

Second, Accruent is the only company in the IWMS space that has successfully executed a consolidation strategy (5 acquisitions). Some vendors believe they can be the smartest and best in every product category for every industry or organization. We don't. We'll freely admit when someone is better at something, and we will respond by bringing in the most talented people in that area - which often happens through acquisition.

This ultimately gives us a collection of people and products that are the best of the best. For example, when we consolidated the lease administration industry, we brought together three companies that had 90% of the lease administration market and had worked separately on the lease administration problem for 10 years, 15 years and 12 years - bringing all three together created the best of the best.

Similarly, our recent acquisition of FAMIS Software added a world leader in Facilities Management.

Next, our longevity and acquisition strategy have resulted in unparalleled domain expertise that manifests in our products and services. Our products have been widely adopted and our people have the most experience in the marketplace, and so are better at solving customer problems. Best practices are incorporated into our products through many years of customer use and feedback, which means we not only have the depth and breadth of functionality they require, but also make our software faster and easier to implement. Some members of our services team have been with us for over twenty years, and can see around corners to solve problems for our customers and provide unparalleled advice.

Lastly, we are the only company in the IWMS market that is backed by institutional financial investors focused on the software industry. This allows us to attract a higher caliber of talent (employees, board advisors and board directors), fund growth and acquisitions, and engage in a level of product investment that outpaces our competitors. In the software industry, better capitalized software companies are much more likely to get ahead of their competitors - and once they are ahead, the positive momentum continues.

4. What motivates you as a person?

Results. It's one of our core values at Accruent and our company has a distinct, achievement-oriented culture. We relentlessly drive results for our customers and for ourselves. And since the results are tangible and material - this naturally drives a high level of customer and employee satisfaction that is extremely rewarding for me and everyone at Accruent.

5. How do you want to be seen by your employees, the competition and independent business analysts?

I really want Accruent to be seen as visionary, which is why I was particularly proud to see our placement as the vision leader in the 2008 Magic Quadrant. We want Accruent to be known as the pioneer in defining the IWMS market and the best long-term partner for our customers.

6. What does the term Integrated Workplace Management System (IWMS) mean to you?

Defining IWMS was an important step in focusing customer attention on this market. However, like many enterprise software markets, it needs to evolve and become more strategic. Just as HRM has developed into HCM and sales force automation has become CRM, we believe there is significant opportunity for IWMS to evolve to the level of an enterprise standard. It's a high-class problem for the IWMS community to solve.

The original definition of IWMS is office and facilities-centric, and it solves tactical issues associated with these workplaces. We see potential for a broader market definition that crosses a variety of industries. For instance, organizations need to manage workplaces, but they also need to track locations such as cell sites, land, easements, classrooms, hospital rooms, stores, kiosks, ATMs, refineries, gas stations, power plants, R&D locations, production facilities, health clinics, campuses and whole cities or regions. All of these critical real estate and facilities assets need to be strategically managed in a single system of record for locations - but many of them do not fit the workplace description.

We think of IWMS as a 1.0 definition of the market. We anticipate an evolution into something larger that addresses not only all real estate and facilities issues, but also enables organizations in all industries to holistically manage locations of every type - and unlock their potential to positively impact overall performance.

7. What do you think of the Credit Crunch? What impact does it have on FM and RE?

We could spend the whole interview on that question, but I'll give you the Reader's Digest version. In this environment, organizations are triaging their expenses, and we have seen many organizations taking rapid action on their human assets. They are trying to ensure that the best use is made of reduced budgets. Those changes have direct real estate and facilities implications and many organizations are being caught flat-footed. They do not have the tools they require to assess the impact of these changes and cannot form and execute the right strategies to address them.

We see a tremendous opportunity in this market. In our conversations with customers, some see an unprecedented chance to reduce rent, expenses, and overall occupancy costs - and they are implementing comprehensive programs to act on and capture those opportunities. This is also forcing senior executives to realize that IWMS is strategic to their organizations and this is good news for everyone in the space.

8. What is your opinion about Sustainability and IWMS?

Sustainability is a vitally important and key component of IWMS. Aspects of sustainability can be found at every stage of the real estate lifecycle, and a large number of an organization's overall sustainability initiatives and measurements are location-based. So we are approaching sustainability as an intrinsic requirement within each of our applications and solutions, and we expect it to become a basic market requirement over time.

9. How do you see IWMS in the year 2015?

We see IWMS having a new name and a broader definition that encompasses all industries, all types of real estate and facilities, and enabling organizations to manage locations as a core component of their business strategy. The vendor landscape will look entirely different. We anticipate tremendous consolidation over the next five years; new purchases of point solutions that address only one area of the lifecycle will be anomalies. Having an enterprise solution will be as commonplace as having a CRM or HCM system is today – and we believe the market opportunity is just as large..

10. What would be your Million Dollar Tip for our readers?

Pick the right long term partner, not the right software features. Software features will be replaced by new ones every six months. The right partner will be with you for many years.

Thank you very much for participating in our Thought Leader Interview Series Mark!

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Yours Sincerely,

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