Cognition Controls

FACILITIES HERO
FACILITIES

A FIELD GUIDE FOR FACILITIES HEROES

SPEAKING CFO

Facilities manages assets. Finance allocates capital. This is how you connect the two.

#FACILITIESHEROES ♥

START HERE

CFOS DON'T APPROVE EQUIPMENT. THEY APPROVE PREDICTABLE FINANCIAL OUTCOMES.

Good requests fail all the time, rarely on merit. They fail because they arrive as an equipment problem when the reader is allocating capital.

A CONVERSATION

The situation. Which you already know cold.

AN INVESTMENT CASE

The same situation, priced, quantified, and compared to the alternatives.

THE CHAIN YOU'RE BUILDING

MAINTENANCE DATA > **BUSINESS EVIDENCE** > **BUSINESS CASE** > **FINANCE REVIEW** > **FUNDING**

AND UNDERNEATH IT

EQUIPMENT > **OPERATIONAL PERFORMANCE** > **FINANCIAL PERFORMANCE** > **CAPITAL ALLOCATION**

> Nobody else can build this. Finance doesn't have the numbers; your contractor has fragments. About an afternoon of work, and the alternative is a question you can't answer.

01 EVERY REQUEST COMPETES FOR CAPITAL

Not against other facilities work. Against every use of the company's money this year.

- New store openings
- Marketing
- IT projects
- Payroll
- Equipment
- Remodels
- Strategic bets

ANSWER THIS IN YOUR FIRST TWO SENTENCES

WHY SHOULD THE COMPANY INVEST HERE INSTEAD OF SOMEWHERE ELSE?

MISTAKES THAT COST YOU THE ROOM

"We've been asking for years." Signals persistence, not return.

"The team is overwhelmed." Real, but unpriced. Convert it to overtime and turnover cost.

"Everyone is frustrated." Not comparable to a remodel's return per square foot.

02

POSITION IT HIGH ON THIS LIST OR IT WAITS A YEAR

Where you sit on this list matters more than how well you write.

01	**SAFETY AND REGULATORY COMPLIANCE**	Non-negotiable. If your request lives here, say so first and stop selling.
02	**REVENUE PROTECTION**	Keeps the doors open and the tills running. The strongest place a facilities ask can sit.
03	**CUSTOMER EXPERIENCE**	Easier to fund when tied to traffic or repeat visits.
04	**ASSET PROTECTION**	Preserving what the company owns. Strong when paired with capital timing.
05	**OPERATING EXPENSE REDUCTION**	Credible and common. Needs a current and a projected number.
06	**STRATEGIC GROWTH**	New capability or markets. Occasionally where a facilities ask should sit.
07	**NICE-TO-HAVE IMPROVEMENTS**	Real improvements, no quantified return. Funded last, in good years.

TAKEAWAY

The same refrigeration job is **revenue protection** at a high-volume store and **expense reduction** at a slow one. Pick the honest higher tier and argue only that. Landing at tier 6 or 7? Find the risk underneath it, or wait for a quieter cycle.

03 THE FOUR THINGS THAT GET FUNDED

Find your bucket before you write anything.

BUCKET	WHAT IT MEANS	WHAT THEY NEED FROM YOU
Revenue protection	Makes or protects sales	Revenue at risk, and how often it's already been lost
Cost reduction	Lowers operating expense by more than it costs	Current number, projected number, reason to believe the gap
Quantified risk	Reduces an exposure that already exists	Probability, financial impact, and timing
Capital timing	Moves a large unavoidable outflow to a year you choose	What's coming, when, and the cost of arriving unplanned

NOT A BUCKET

Inconvenience · workload · frustration · comfort · being behind the industry · how long you've been asking. All real. None comparable to what else is on the desk, so none get compared at all. Each has a number underneath it. Your job is to price it.

04 THE TRANSLATION MATRIX

Same facts, different frame. Every line on the right carries a dollar figure and speaks in portfolios, not single units.

ASKING FOR **A SECOND TECHNICIAN** **COST**

DON'T SAY	SAY THIS
“We're stretched too thin.”	19 of 45 emergency calls came after hours at 1.8x, costing $31K in premium above standard rate, plus $18K of overtime. A $72K technician recovers about two-thirds of that and absorbs the 40-hour backlog.

ASKING FOR A REPLACEMENT TRUCK

COST

DON'T SAY	SAY THIS
"It keeps breaking down."	Out 14 days last year. $4,200 in rentals, plus 11 jobs pushed to emergency at $1,900 against a $1,100 standard rate, so $8,800 in premium. The breakdowns cost us $13K last year and repeat annually. A $48K replacement pays back in under four years.

ASKING FOR A ROOF

TIMING

DON'T SAY	SAY THIS
"It's leaking."	Two water events, $9K in damaged stock and one closed shift. Membrane repair is $18K now. A full tear-off once the deck goes is $74K.

ASKING FOR A PM CONTRACT

COST

DON'T SAY	SAY THIS
"We need preventive maintenance."	We are 37/63 planned to reactive and spent $52K reactively last year. A $38K PM contract moves us to 60/40 and stops roughly $19K of after-hours premium.

ASKING FOR MONITORING OR CONTROLS

COST / RISK

DON'T SAY	SAY THIS
"We need visibility."	$23K in after-hours premium, plus $84K in product loss and closed hours nobody traced back to equipment. A $9K six-site pilot shows how much of that $107K was visible in advance.

ASKING FOR EQUIPMENT REPLACEMENT

TIMING

DON'T SAY	SAY THIS
"The units are old."	34 of our 240 RTUs hit median service life within three years, weighted toward our highest-volume sites. Planned replacement runs $14K a unit against $23K in an emergency. Scheduling them protects roughly $300K.

ASKING FOR ALMOST ANYTHING NONE

DON'T SAY	SAY THIS
"It would make my job easier."	Nothing. Delete the sentence. It's true, and it's the fastest way to the bottom of the pile.

05 OPINIONS DON'T GET FUNDED. EVIDENCE DOES.

Judgment gets funded once it's attached to something countable. These are the eight sources finance treats as evidence.

EMERGENCY DISPATCH FREQUENCY
How often something forced a call, and what timing cost.

HISTORICAL REPAIR COSTS
Already paid, already through finance. Hard to dispute.

FAILURE TRENDS ACROSS THE PORTFOLIO
Direction of travel beats a single bad month.

EQUIPMENT AGE AGAINST SERVICE LIFE
Turns "old units" into a replacement forecast.

UTILITY TRENDS
Consumption drifting up is equipment telling on itself.

WORK ORDER VOLUME AND BACKLOG AGE
Capacity as a number instead of a feeling.

DOWNTIME AND IMPACTED LOCATIONS
Hours you couldn't operate, and where. Revenue language.

THIRD-PARTY ASSESSMENTS
For the case you can't build from invoices.

WEAK VERSUS STRONG

"Maintenance costs are increasing."

> "Annual repair costs went from $4,200 to $11,300 across three years while emergency calls doubled, concentrated in our eight oldest locations."

06 ONE AFTERNOON, EIGHT STEPS

A maintenance request, start to finish. Same shape for anything else.

01	**PULL TWELVE MONTHS OF INVOICES**	Every HVAC and refrigeration invoice from AP. The longest step, and the only one nobody can do for you.
02	**SORT WITH ONE QUESTION**	Did we schedule this, or did something make us call? Three piles: planned, reactive, reactive after hours.
03	**TWO RATIOS, KEPT APART**	Count-based is what you benchmark. Dollar-based is what you budget with. Never average them.
04	**BENCHMARK HONESTLY**	Target is 80 percent planned; reactive-leaning teams run near 64 percent unplanned. Near 60 makes you typical, not an outlier.
05	**PULL THE CAPITAL OUT**	One budgeted replacement can inflate planned spend ten points. Report both ways before a CFO asks.
06	**PRICE THE PREMIUM YOU PAID**	After-hours runs 1.5–2x, weekends 2–3x. The difference is what timing alone cost you. Usually your most persuasive number.
07	**RUN IT ACROSS MULTIPLE YEARS**	A rising ratio isn't you getting worse. It's the portfolio aging, and it's a capital forecast in disguise.
08	**BORROW ONE OUTSIDE CITATION**	DOE's FEMP finds reactive-heavy facilities can save above 30–40 percent moving to condition-based decisions. Now you're not the only source in the room.

EVERY NUMBER HERE ALREADY EXISTS

Planned versus reactive ratio and after-hours premium come from twelve months of AP invoices. Replacement forecasts come from nameplate data against service life. Capacity comes from work orders per tech, backlog age, and the overtime line. No new system required.

THE EMAIL THAT STARTS IT

> *"Can you send me a vendor spend report for [GL account or vendor list], last twelve months, with invoice date, vendor, location, description, and amount? A spreadsheet or CSV is ideal."*

07 RISK, IN THE THREE DIMENSIONS FINANCE USES

"It might fail" is not a risk statement. Supply all three and you've done the analysis for them.

PROBABILITY

How likely, on what basis? Age against service life, failure history at comparable sites.

FINANCIAL IMPACT

Repair, plus the revenue, product, labor, and goodwill that go with it.

TIMING

When is exposure highest? Peak season crossed with your oldest assets.

EQUIPMENT CONDITION

"The RTU is old."

BUSINESS RISK

"This RTU serves one of our five highest-volume stores and is three years past median service life. A July failure costs a day of trading plus emergency replacement at premium pricing."

THE COST THAT'S FILED UNDER SOMEONE ELSE'S NAME

One walk-in failure, four line items. Repair hits maintenance, product hits food cost, closed hours hit sales, overtime hits payroll. Only the first has your name on it, and it's the smallest.

$23,000 in after-hours premium sat next to $84,000 in product loss and lost trading from the same failures.

THE COST	WHERE IT LANDED	WHAT TO ASK FOR
Product loss	Spoilage, shrink, food cost, waste, write-offs	Inventory variance by site, week of the incident
Time you couldn't operate	Lost sales, cancelled appointments, closed hours	Revenue that site and day versus prior four weeks
Overtime during the event	Payroll	Overtime hours by site, that pay period
Making it right	Comps, discounts, credits, refunds	Comp or credit totals for that day
Turnover after a bad season	Recruiting and training	Cost per hire, turnover by site

LOG IT YOURSELF

Date, site, what failed, hard cost, estimated soft cost. Two minutes an event. Ninety days makes it defensible.

CAPTURE IT AUTOMATICALLY

If equipment reports its own failures, the timestamp exists regardless. Hand finance a date and a site. It stops being an estimate.

Cognition Controls does this for HVAC and refrigeration across multi-site portfolios. Our only mention in this guide.

08 RETURN ISN'T THE ONLY QUESTION. CASH FLOW IS.

A project can have an excellent return and still be declined over when the money leaves.

STATE THIS	WHY FINANCE ASKS
Upfront investment	The number that has to be found this year, in this budget.
Timing of the outflow	All at once, or staged across quarters? Staged is easier to approve.
Monthly operating savings	What the run rate looks like once it's in place.
Payback timing	When cumulative savings cross the investment. Months, not "eventually."
Budget impact	Which line it hits, capital or operating, and in which period.

LABEL YOUR SAVINGS HONESTLY

Mixing certain and speculative numbers into one total loses credibility. Separating them earns it.

GUARANTEED	Contractually fixed. A vendor rate lock, an approved rebate. Name the source.
ESTIMATED	Modeled from your own history with a stated method. Give a range, not a point.
AVOIDED COSTS	Spend that doesn't happen: emergency premium, rental days, expedited freight.
SOFT SAVINGS	Hours freed, fewer interruptions. Real, rarely bankable. Name them, don't total them.
ASSUMPTIONS	Rates, run hours, service life. List them where the reader can see them.

TAKEAWAY

A CFO will discount your soft savings. Let them. Show the case still works on guaranteed and avoided costs alone, and you've removed the main reason to say no.

09 THE FIVE-PART BUSINESS CASE

Every request, any size, answers these five. One page. Numbers beat paragraphs.

THE BUSINESS PROBLEM	One sentence a CFO would recognize as their problem, not yours.
WHAT IT COSTS TODAY	One number from your own records, with the method named.
WHAT CHANGES IF APPROVED	The investment, the cash flow shape, the expected outcome.
HOW SUCCESS IS MEASURED	One metric, one cadence, agreed before anything is spent.
IF WE DO NOTHING	What arrives anyway, when, and at what price.

10 EIGHT QUESTIONS. ANSWER THEM BEFORE YOU'RE ASKED.

None are hostile. They're the standard tests every request gets.

CFO QUESTION	ANSWERED?
Why now, and why not next year?	☐
What happens if we wait?	☐
What's the financial impact, in dollars?	☐
What's the risk of doing nothing?	☐

What evidence supports this? ☐

Can we phase the investment? ☐

How will success be measured? ☐

What are we assuming, and how confident are you? ☐

CFO PERSPECTIVE

Stating confidence beats a single clean figure. "Confident in the invoice numbers, estimating product loss within twenty percent" tells the reader which parts to lean on. That reads as rigor, not hedging.

11 WHEN TO ASK, AND WHAT TO DO WITH A NO

ASK WHILE THE BUDGET IS BEING BUILT

Month eleven means asking someone to reopen a locked plan. Find out when your organization builds next year's numbers.

A SPECIFIC WEEK BEATS A QUARTER

"In place before summer" is a reason. "Sometime this year" is a preference.

MOST OF THESE GET A NO THE FIRST TIME

Treat it as a spec, not a verdict. Two questions turn a rejection into a target:

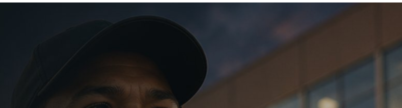
> *"What would need to be true for this to get funded next cycle?"*
>
> *"What number would you need to see?"*

Ask what it lost to. Not to argue. Knowing it lost to a POS upgrade tells you how the company ranks capital.

Keep the log running. Next cycle you'll have twelve months of evidence instead of an estimate.

A request that returns with the exact number they asked for is very hard to decline twice.

THE BOTTOM LINE



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FACILITIES MANAGES ASSETS. FINANCE ALLOCATES CAPITAL.

Great budget requests connect the two. A well-defined financial problem competes fairly against everything else asking for the same dollars.

Baseline it first. If this works, nothing happens, and nothing happening is impossible to claim credit for.

Shrink the ask until it's boring. A six-site pilot with a measurement window is a decision someone can make alone.

Say the quiet part. Emergency repair clears in an afternoon from operating budget; replacement takes a quarter of capital. The easy option wins even when it costs more.

Companion tool: the Budget Request Checklist, one page to fill in before every ask.

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APPENDIX · OPTIONAL

USING AI TO SPEED UP THE SORT

Everything above works without this. Sorting invoices is tedious and exactly what these tools are good at. If your organization restricts them, skip it.

INVOICES	WHAT MAKES SENSE
Under 100	Sort by hand in an afternoon. This saves time but isn't necessary.
100 to 500	First pass here, then review what it flags. Expect 10 to 40 items needing your judgment.
500 or more	The only realistic option. Sorting 560 invoices by hand is a week you don't have.

THE ORDER MATTERS

Tool sorts and flags → you fix the flagged ones → math runs on verified data. Computing ratios before correcting flags means publishing errors you already knew about.

PROMPT A SORT AND FLAG

Here are twelve months of HVAC and refrigeration invoices from a multi-site operator.

Classify each one as Planned, Reactive, or Reactive-Emergency using this rule: was the work scheduled, or did something happen that made us call? Reactive-Emergency means after hours, a weekend, a holiday, or same-day dispatch.

Do not calculate any ratios or totals yet. I'm going to review your work first.

Give me a table with every invoice, your classification, and a "Needs Review" column marked Yes or No. Mark Yes where the description is too vague, the invoice covers more than one kind of work, it might be a return trip, it covers multiple sites or a billing period rather than one visit, the date and description disagree about timing, or it isn't HVAC or refrigeration at all.

For every Yes, write one line explaining what's unclear. Then tell me how many you marked and what percentage of total spend they represent.

If it flags nothing, that's a warning sign. Ask it to look again.

YOUR PART

Filter to the flagged rows and answer what only you can: what actually happened at that site? If you can't recall, leave it out rather than guessing. Update the file before moving on.

PROMPT B RUN THE NUMBERS

Here's the corrected file. I've reviewed the flagged items and updated the classifications.

Give me the count-based ratio and the dollar-based ratio, stated separately, and don't combine or average them. Then both ratios again with capital items excluded, and tell me which invoices those were. Also the average invoice amount by category, and total invoices alongside estimated distinct failure events after accounting for return trips.

Show the arithmetic so I can check it. Confirm your category counts sum to the total and your dollars sum to total spend.

Don't calculate payback, savings, or ROI. I haven't given you the cost of anything.

PROMPT C

STRESS TEST

SAME CONVERSATION

Now try to poke holes in this before I take it to a CFO. What's the weakest part of this analysis? What would a skeptical CFO challenge first? If the invoices I couldn't classify all went the other way, does the conclusion change? What did you assume that I should verify myself?

FOUR CHECKS, NO TECHNICAL KNOWLEDGE REQUIRED

1 READ THE EMERGENCY LIST

You know which calls were emergencies, you took them. A routine Tuesday flagged as an emergency shows up in ten seconds.

2 CHECK THE TOTAL

Does it match what you spent? A gap may have a good answer, but you want it stated rather than silent.

3 CHECK THE COUNT

Does the number analyzed match your file? Anything dropped should be named.

4 SPOT-CHECK FIVE

Pick five you remember well. Two wrong means run it again.

BEFORE YOU PASTE ANYTHING

Check your policy. Many organizations restrict outside tools; public-sector operators have records rules. Strip vendor names, account numbers, and site addresses first.

Verify every number. A confident wrong total costs you more than not bringing one at all.

Expect to run it twice. The first output is rarely the one you use.