

FM - an Ugly Duckling?

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Facilities management is in that sometimes awkward, still-growing phase. How is it doing and what can we hope for as it continues to grow up?



To start with, the sector still seems to be suffering a level of uncertainty about its identity (perhaps due to growing pains and a level of immaturity). To some, FM is the team of people who clean the toilets and mend the air conditioning; others stand further away on the spectrum, referring to the function as ‘property outsourcing and asset management’. The industry body, the BIFM, has adopted the following definition: ‘Facilities management is the integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities’. But comedian Dara O’Briain offered a more succinct view at the BIFM’s own annual dinner: “If it weren’t for us, you’d be working in a feckin’ field.”

Perhaps we are better served to consider the impact that the facilities management sector has, rather than what it is.

How do we define what we do?

The most common approach is probably to focus on the financial impact because investment in property is often an organisation’s second largest cost (after payroll). Understandably, there has been particular focus in recent years for organisations to drive down real estate costs and realise supply chain savings. These efforts have often delivered sizeable cost savings, but perhaps this has been a distraction from understanding the true potential of FM to perform a more central role in an organisation’s business strategy.

There is a case to be made that good workplace strategy can optimise an organisation’s investment in people. A well referenced study by Gensler ⁽¹⁾ estimates that poorly designed offices cost UK businesses £135bn a year. The Commission for Architecture and the Built Environment and the British Council for Offices ⁽²⁾ found that 24% of staff satisfaction is influenced by comfort, air quality, temperature, noise, lighting and office layout. A Sheffield Hallam University study ⁽³⁾ found that about 60% of HR managers feel that the office environment has an impact on the effectiveness of staff. They believed that collaboration, knowledge sharing and the development of ideas were affected by workplace design. So FM can provide an important competitive advantage in the war for talent, save costs in recruitment and training by helping to retain employees for longer and improve employee productivity in the workplace.

Another lens through which to view FM is the marketing perspective. The workplace is a highly visible, symbolic representation of an organisation's brand and culture (visible to all stakeholders). It is real and cannot easily be masked by marketing and PR activity. This is increasingly relevant in our age of social media where organisations are no longer what they say they are, but rather what others (including employees) say they are. FM can therefore be viewed as a central part of the internal and external brand strategy to provide a transparent, aligned, consistent brand experience to all stakeholders. Additional complexity is brought to this by the heavily outsourced nature of facilities management. Services are often provided by a range of different companies with little focus on seamless service delivery and representation of the client organisation brand and values – outsourced, out of mind?

The environmental agenda provides another perspective. FM usually has responsibility for performance in this area, minimising consumption of energy and water, maximising recycling performance and driving overall carbon footprint strategy. The increasing importance of all this is well-documented.

Finally, there is the area of risk management and compliance, ranging from commercial considerations such as maintenance of critical environments (eg data centres, trading floors and control centres) to more general workplace matters (eg fire, health and safety) to specific compliance issues (eg building regulations, certification) and business continuity management. Reputational risk is also becoming of increasing importance due to the impact of social media as referred to above.

Time to stretch FM's wings

All these considerations represent a value-based assessment of FM as opposed to a cost-based focus, with each representing a different nuance of the function. This approach is supported by a joint BIFM and BDO Stoy Hayward study⁽⁴⁾ which highlights a number of features of facilities management including the broad remit with significant budgets, the different reporting routes and level of seniority in organisations and limitations with analysis of supply chain effectiveness. This study cited a number of enablers of change, focusing on demonstration of the value of FM and introduction of common standards, methodologies and compliance processes.

Some people in the industry suggest that FM could have increased scope and become more central to core business strategy. CoreNet, the corporate real estate professionals group, coined the term IRIS (integrated resource and infrastructure solutions) for a model whereby support functions such as HR, IT and FM would be more integrated. Furthermore, FM has a track record for responding to requirements, driving efficiency and leading on project management, and is therefore well placed in terms of practical realisation of the synergies of such integration.

None of the above is new, but there is now a general atmosphere of a mandate for change in the way we work in our workplaces, with converging forces of energy supply, climate change and economic challenge. Such times call for real innovation and so this is a great time for the sector to step up and show its real worth.

Where to start?

We could do a lot worse than to start with a strategic impact assessment, placing the customer experience at the centre of our thinking. Insight for all stakeholders is needed (employee, customer, community, supplier) and a measurement framework would assist comparative efforts. Analytics (rather than pure opinion) would then drive business strategy and the business planning process - including employee productivity. However, caution will be needed in communication because people behave according to what is measured and reported – the call centre service level of answering within three rings might be met...but at the cost of callers being cut off in mid call to achieve this! A more transparent, scientific approach would also facilitate service delivery re-engineering from a customer journey perspective to realise efficiencies and reduce silo structures.

However, science is not the full answer. FM is also the custodian of the organisation brand and is well placed to play a central role in creating a strong 'service brand' by alignment of strategy in the areas of customer experience, employee engagement and brand itself. This approach is based on the well-respected service-profit chain model⁽⁵⁾. Culture and emotion are key considerations: companies like Zappos, the online retailer, and the Four Seasons hotel group recognise that if the culture is right, many other organisational issues simply do not arise. However, culture needs constant nourishing, attention and referencing to flourish and be strong. Consideration also needs to be given to the emotional perception of visitors, customers (employees) and service providers as this is a major contributor to the overall perception of a service transaction. Inclusion of emotional factors makes measurement more of a challenge but, if ignored, can make any assessment at best flawed and potentially meaningless. Clearer understanding in this area can also assist in prioritisation and resource allocation.

In summary, FM has performed well in some areas recently but should not be limited to these in the future. The sector has the opportunity to claim a position at the centre of overall business strategy. It has already demonstrated a capability in some of the related areas essential to performing an effective role in a more central position. Naturally, some support and encouragement will be required for this to happen - but perhaps the most important factor is whether FM, just like the ugly duckling, can realise its own identity, grasp the opportunity and demonstrate what it is capable of doing.

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