

WHAT IS FACILITY MANAGEMENT?

‘What is Facility Management (FM)?’ is a question that is often asked by building owners and occupiers as well as professionals in the property industry. Well, here are some definitions taken from various websites:

- ‘All services required for the management of buildings and real estate to maintain and increase their value.’
- ‘The means of providing maintenance support, project management and user management during the building life cycle.’
- ‘The integration of multi-disciplinary activities within the built environment and the management of their impact upon people and the workplace’.

All of these definitions are correct; essentially Facility Management or *Facilities* Management as it is commonly called in Europe is quite simply the management of buildings and services. This sounds suspiciously close to Property Management (PM) and of course so it should as FM developed from PM and the two are fundamentally linked. However, FM has a much wider definition than traditional PM services.

The International Facility Management Association (IFMA), the Worlds leading FM professional body, defines FM as, ‘A profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process and technology.’ That sounds a bit long winded but it accurately identifies the management of multi-disciplines through people, process and technology.

Typically FM might be split into two areas of ‘hard’ and ‘soft’ services. The hard services relate to the actual fabric and building systems and might also be considered as the more traditional PM services. These include:

• Building fabric maintenance	• Air conditioning maintenance
• Decoration & refurbishment	• Lift & escalator maintenance
• M&E plant maintenance	• Fire safety system maintenance
• Plumbing & drainage	• Minor project management

Soft services could include:

• Cleaning	• Recycling
• Security	• Pest control
• Handyman services	• Grounds maintenance
• Waste disposal	• Internal plants

Additional services might also include:

• Move management (churn)	• Utility management
• Pace planning	• Meeting room services
• Business risk assessment	• Catering services
• Business continuity planning	• Vehicle fleet management
• Benchmarking	• Printing services
• Space management	• Postal services
• Contract procurement	• Archiving
• Performance management	• Concierge services
• Information systems	• Reception services
• Telephony	• Health & Safety advice
• Travel booking	• Environmental management

Traditionally FM has been provided in-house by a FM, Property or Corporate Services department and depending on the size of the organisation and the scope of services the in-house department could range from a few janitorial employees to a multi-disciplined team managing technical, security and cleaning staff.

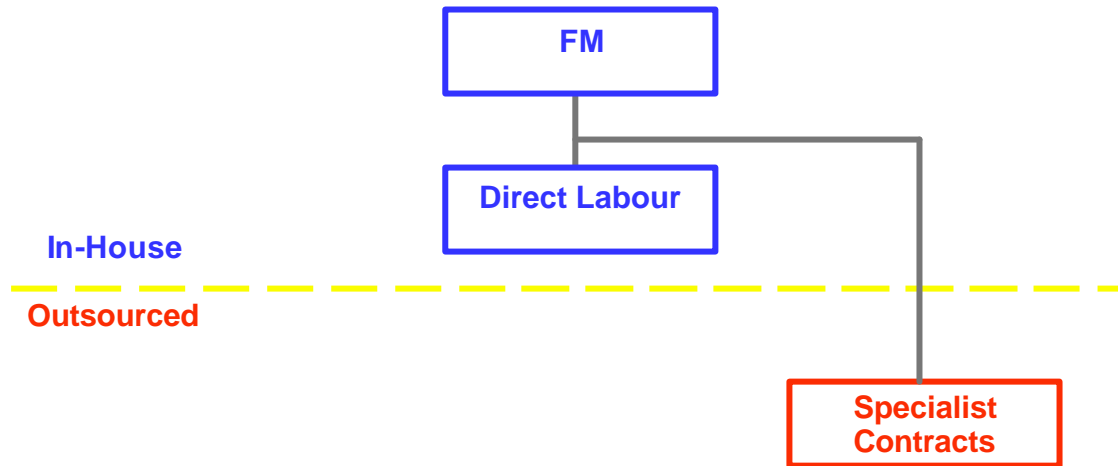
Since the 1980's the trend has been for organisations to concentrate on their core business and hence consider outsourcing support services which of course includes all FM services. This outsourcing trend was led by the US with Europe lagging approximately 5 to 10 years. In the last 5 years outsourcing of FM has become more common in SE Asia with Hong Kong being an early innovator particularly in the financial services sector. The FM market is still immature in the PRC but the potential is enormous particularly with the large economic growth rate and amount of property development.

Major FM companies in the Hong Kong market include Kai Shing, Hong Yip, ISS Eastpoint, Urban, Jones Lang Lasalle, EC Harris, Johnson Controls, JP Savills, and of course Synergis. Many of these companies and similar FM providers began by offering the traditional PM services by managing service contracts on behalf of their clients. Now the leading FM companies are able to deliver a much wider range of services via their own resources or through a partnered supply chain.

Typically there are five models for delivering FM services. These are:

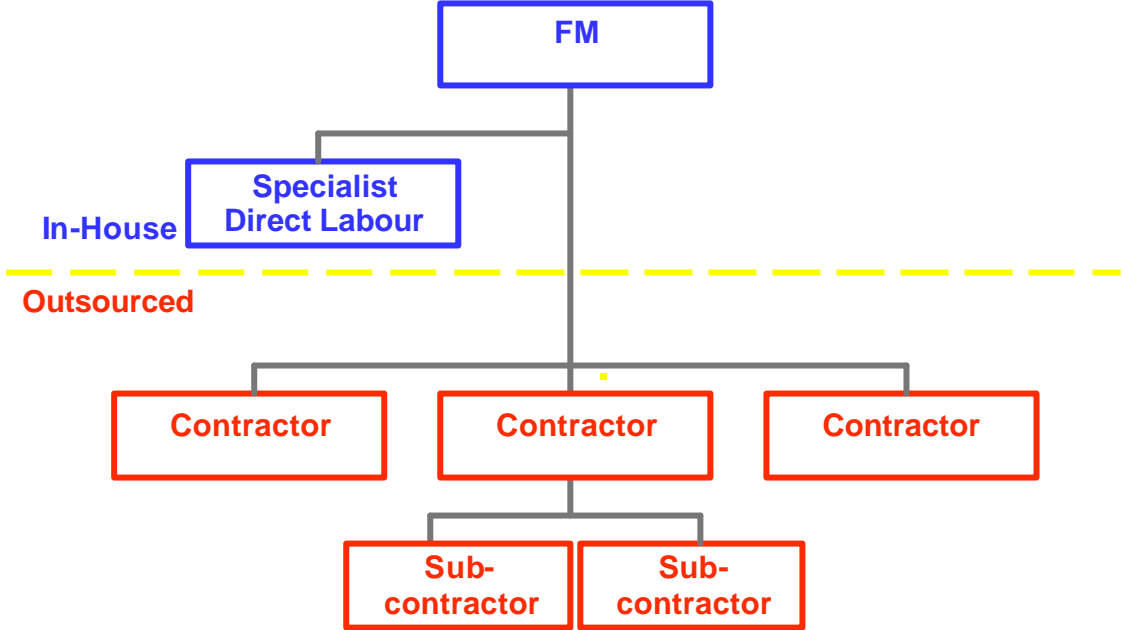
In-house FM department

Here the organisation has its own dedicated management team and in-house employees to deliver all FM services. Some specialist services, where there is no expertise in the company, will be outsourced to simple service contracts. These might include areas like lift and escalator maintenance. This arrangement is often found in public sector and educational organisations.



Out-tasked service contracts

This is where an organisation has an in-house team of FM professionals who procure and manage a series of outsourced contracts. There may be a small team of in-house non-management staff such as maintenance technicians to run high risk operations or maintain vital M&E plant.

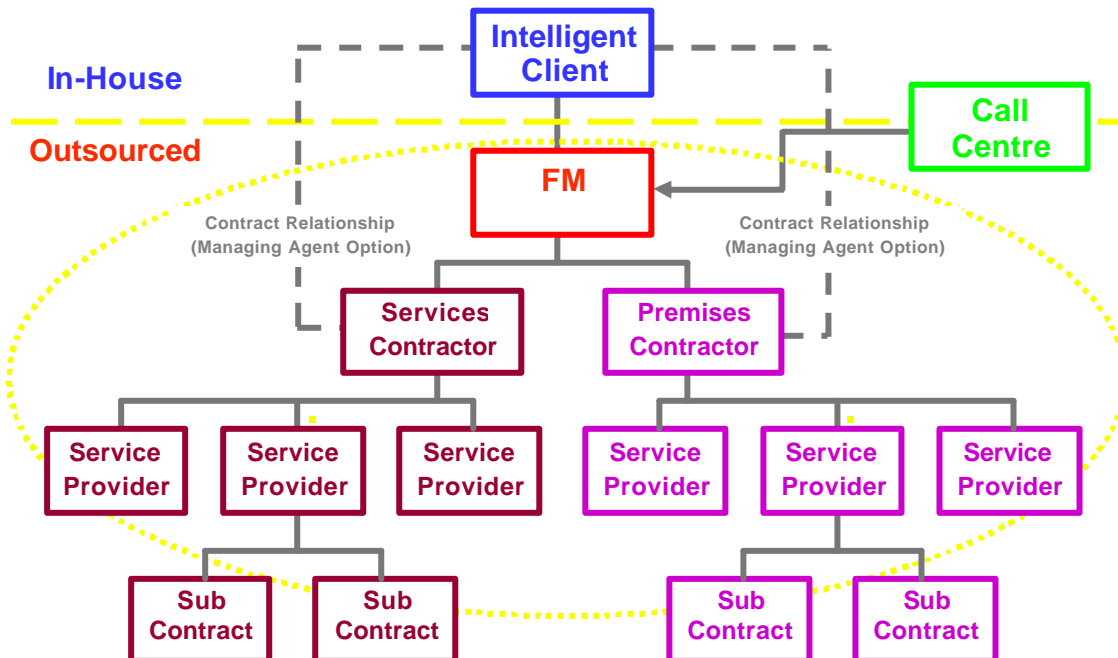


Outsourced managing agent FM contract

In this scenario the organisation will outsource most or all services on contracts and will appoint a FM company as managing agent to manage these contracts on their behalf. Here the service contracts are between the client organisation and the service providers. The client organisation is responsible for procurement and the FM managing agent will manage performance. Although the FM services are outsourced the client organisation must maintain in-house the knowledge and skill to procure and understand the delivery of FM services. This is sometimes referred to as an 'intelligent client' function. To co-ordinate services requests and collate data to manage performance it is usual to provide a centralised call centre which will operate on some form of service management software. The call centre can be provided by the FM company, a third party or the client organisation.

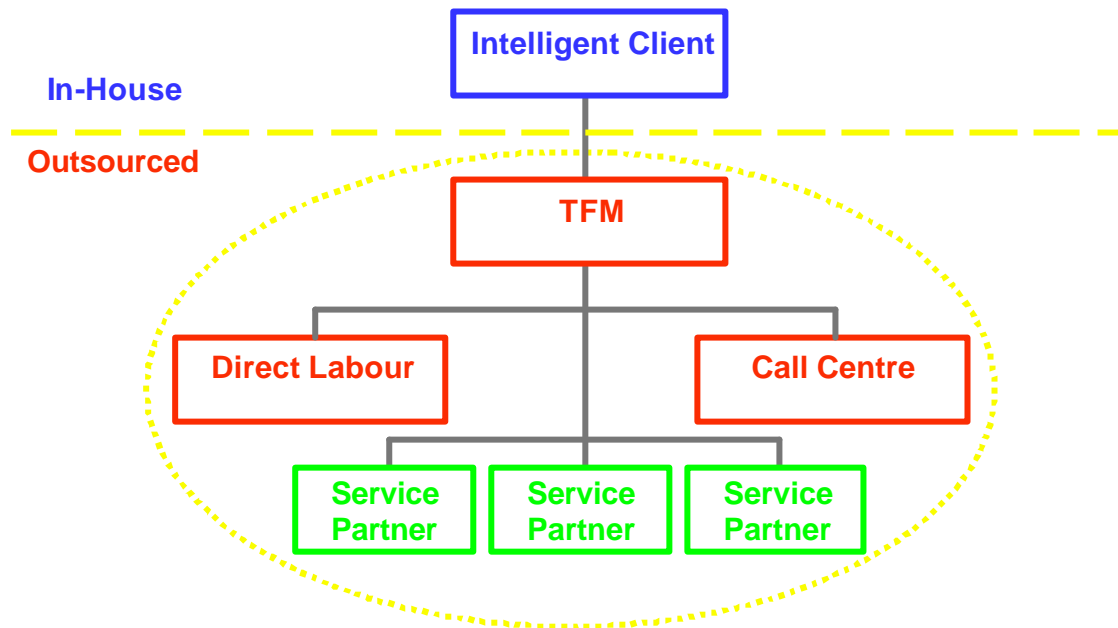
Outsourced managing contractor FM contract

Structurally this is similar to outsourcing on a managing agent contract but a step further whereby the FM supplier will deliver services to the client organisation through a mixture of their own resources and a series of sub-contracts. The client organisation only has a single contract with the FM supplier. The FM supplier develops their own supply chain and manages the risk of service delivery across all services. The diagram below can depict either the managing agent or managing contractor options. The dotted lines would represent the contract relationships between the client organisation and the various service providers in the managing agent option.



Total Facility Management (TFM) contract

This is a development on the managing contractor option whereby the FM supplier will, through strategic partnerships, joint ventures, subsidiary companies or in-house resources, deliver all or at least most FM services to the client organisation. Thus they will provide a total FM solution or 'one stop shop'. Many best practice FM companies aspire to deliver a TFM solution to clients where possible.



FM has now grown into an industry in its own right and Facility Managers can now gain academic qualifications from a number of leading institutions, Polytechnic University of Hong Kong being a local leading example. A number of bodies also provide professional qualifications and support to the industry such as IFMA, the British Institute of Facilities Management (BIFM) and the Hong Kong Institute of Facility Management (HKIFM).

In summary FM is a vital element in supporting any organisation in carrying out its core business, whatever that may be, by providing a safe and effective environment in which to operate. Experts like Synergis are leading the industry in Hong Kong and China by improving FM systems and processes, and developing FM service delivery for the future.