

Facilities Management – An Introduction



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For the last three decades, Facilities Management (FM) has developed faster than almost any other professional discipline. FM provides property and related services to enable businesses to optimise its working conditions. Its rapid rise has outpaced criticism that it is simply a marketing platform, or an attempt to exaggerate the importance of the group of specialist middle managers. The facilities management movement is gathering pace in a truly international sense: from its North American origins, it has now spread to Europe, Australasia and all eastern countries such as Japan Hong Kong, Singapore, Thailand, Malaysia, Indonesia and the Middle Eastern countries. The role of the facilities manager is recognized as something more pro-active than that of the traditional Premises, Building, or Maintenance Manager.

So what is facilities management? It is the structuring of building plant and contents to enhance the creation of the end product, which in other words is to get the best out of the facility. As with all systems it is the generated benefit to the business or activity that matters, not the system itself. The end product can, in this case, be a tangible manufactured item or a service.

Well designed, well built, well operated buildings/facilities are a pleasure for the inhabitants and the owners. In the best circumstances they enrich the environment of the people who use these facilities. The best facilities are the ones whose operations are not noticed because they run so well. When analyzed, the life cycle entails two major sectors. Those are the Project Cycle and the rest is the economic real Life Cycle of the Building or the Facility. Ideally, the Facility Manager should take over the Building or the Facility at the tail end of the Project Management.

Facilities Management Improves Business Performance

The Integrated Strategy

Each modern organisation is complex and highly individual, so it is vital to understand how its various parts fit together in the jigsaw and how these parts interact with each other. The organisation's individual parts must be effectively managed if performance is to be maximised.

The facilities manager has a very important role to play in this by understanding a broad range of aspects: acquiring and setting up suitable premises; managing staff moves into space; the workplace environment; health/safety; fire precautions; insurance; churn (i.e. office change); thus, organising all the support services and infrastructure in a timely manner to ensure Quality, Cost and Performance to achieve BEST VALUE FOR MONEY is necessary.

To ensure the ideal balance, it requires an integrated approach by a professional with the necessary breadth of knowledge and skills – and a realistic, practical ability to implement changes smoothly. A combination of high level specialist expertise with an emphasis on flexibility is essential.

Cost Effectiveness

The cost of facilities represents a significant element of most organisations' outlay. Ensuring that the facilities provided are appropriate and delivered at best cost will benefit the organisation at every level.

By offering a full understanding of the way these elements interact, the facilities manager will not only ensure that specifications for the support services are appropriate,

but will go on to ensure that services are monitored, service levels maintained and budgets adhered to. The balancing of facility cost and service quality is crucial to an organisation's effectiveness.

Performance measurement

One important aspect of FM is the comparison of costs and techniques with similar businesses. But these techniques can also offer the realisation that better ways of doing things do exist out there, and that the employment of new techniques can make a huge difference to the effectiveness of an organisation. A good facilities manager will be aware of best practice in the facilities industry and be able to integrate new methods into an organisation.

Outsourcing

Many organisations have been looking at outsourcing as a way of saving cost. But is this a good solution? How does any one select the right supplier, get the right services, deal with problems and endure that standards are kept?

While outsourcing may often offer a solution, there are many alternative routes to consider, each with its own advantages and disadvantages. Organisation needs to consider all the issues, and decide how the solution will be managed within the organisation. A vital balance comes into play here; enough control must be retained for the organisation to stay at the helm, yet enough must be outsourced for the arrangement to be worthwhile.

The scope of the Facilities Management is extremely wide and varied. The following list indicates the range of services covered in Facilities Management

Business Management

- Business Planning
- Strategic Advice
- Business process re-engineering
- Disaster recovery planning

Real Estate

- Property Reviews
- Asset Management
- Property Management
- Maintenance and Repair
- Rent Reviews
- Lease Negotiations
- Acquisition & Disposals
- Service Charges

Security

- Security Systems and Managements
- Risk Management

Support Services

- Catering Vending
- Cleaning and Refuse Disposal
- Building Services and Equipment

Project Management

- Change Management
- Construction Management

Financial

- Preparing Operating Budgets
- Operating and Reporting Cost Analysis

Workplace

- Space Planning
- IT & Telecommunications Infrastructure
- Energy Management and Conservation
- Post Occupancy Evaluations

Health & Safety

- Health & Safety Law
- Fire Safety Requirements and Procedures

Procurement

- Tendering of Goods & Services
- Assessment of Goods and Services
- Contract Administration

Operations

- Managing Operational Services
- Analysis of Requirements
- Preparing Specifications
- Benchmarking

The economic principles and the business objectives which apply to any organization that receives funding through income, grants or proceeds of sales should balance that income with its expenditure.

The most beneficial cost controlling activities within facilities management are:

- Space Planning and Costing.
- Asset Tracking.
- Maintenance.
- Life Cycle Costing.

The space, like time, costs money. The provision, servicing and maintenance of accommodation are large costs for many organisations. Without efficient space management the resources tied up in property are not used to the company's best advantage.

Asset tracking may not be instantly recognizable as an activity, but it is a logical development and replacement of traditional inventories. Companies dependent on external funding of working capital through banks, venture capitalists or shareholders are deeply interested in the net asset valuation of their work; it is the basis of much bank-based financial support and together with profit/dividend potential earnings sets the level of share value in a floating market. A strong net asset value gives confidence in long-term stability which, together with a strong share value, presents one of the least costly funding routes for raising development or expansion capital.

Maintenance and life cycle costing are interrelated with maintenance planning, which is often thought to be the facilities manager's principal task. Reality is not quite the same, for in fact the facilities manager's task, if properly developed, covers a wide range of activities relating to the provision and use of buildings and contents. Maintenance should be reviewed with references to total quality management (TQM). But experts have observed that **'periodic maintenance allows the Building capability to be recovered to a level comparable with the Building's initial condition. However a gap continues to emerge throughout the Building's life because user expectations increase and indeed change in nature & Technology'** and this was seen as a technological and functional driver of Facilities Management. Also, Life Cycle Costing needs to be examined and monitored throughout in order to balance cost against life expectancy.

Facilities Management is not just about controlling cost; there are several significant services that can be managed through FM systems to ensure the smooth operation of a company or organization. These services are:

- Health and safety monitoring (no full stop)
- Component specifications
- Systems and software
- Services

Property is a finite resource that needs to repay the capital cost of its creation on an investment basis. Those

buildings that serve a public need but cannot satisfy the investment return principle can only be funded with grant, government or other non-commercial assistance. Buildings have a value cycle whereby they are developed to satisfy current and perceived future demand. If the developer makes the correct judgement the building will grow in investment value, driven by demand. Progress, however, changes demand and in time most buildings will have matured to their peak value and will slip into decline. The application of active facilities management that studies the use of the building and adjusts it and the occupation to best match current demands will slow down the value decline. Refurbishment, alteration and even change of use all prolong the life of the building. Most cities have easily recognizable examples of fine architectural buildings that have changed use. This all helps to preserve heritage, as well as conserve building stock.

Some buildings will have a defined lifespan and will be constructed accordingly; here the facilities manager's task is different. In this case the objective is to extract the maximum benefit from the property over its planned life, without incurring excessive cost in keeping it running towards the end of the period and therefore, life cycle costing is very relevant to any manager in this position. The ultimate conclusion for any building at the end of its economic life is demolition, which then releases a site for a new development, thus starting the cycle over again.

The facilities manager, while dealing with day-to-day occupational demands, has a long-term influence on property economics.

The economic benefits of facilities management results in improved productivity, better product quality and overhead control. The control of overheads generates a return to the organisation year after year, but engaging a full-time facilities manager or even setting up a department adds directly to the overhead. It is important therefore, to ensure that the financial benefits more than justify the cost of a full-time, in-house service.

The use of a professional facilities management consultant can sometimes solve these problems by supporting an over-stretched in-house manager on specific projects like market testing outsourced support services, or for system development, in order to add more management functions or update records and technology. However difficult the

generalisations remain, a common thread binds facilities managers together and reinforces their contribution to overall business performance. For as coordinators of such a wide range of technical skills, facilities managers are in a unique position to set and maintain quality standards in the working environment, and to help improve briefing and decision-making by providing data on how their buildings are performing. They also have an increasing important role to play in terms of accountability for safety standards and for ensuring that staff and occupants are protected from potential health hazards, and that the building is not a 'Sick Building'.

The profession of facilities management is gaining respectability through the interest of various professional bodies and educational establishments. The Royal Institution of Chartered Surveyors has a skills panel and a separate faculty on the subject and there are bodies like the British Institute of Facilities Management formed out of the amalgamation of the Association of Facilities Managers with the Institute of Facilities Managers where membership leads to an interchange of current views.

The most encouraging sign that this is evolving into a recognised professional discipline must be the creation of structured study and examinations leading to degrees and corporate membership of several recognised professional bodies.

Facilities Management - By Chartered Surveyors

The Royal Institution of Chartered Surveyors (RICS) is the world's leading professional body concerned with the management of property and construction and it has a Facilities Management Faculty representing over 9000 members worldwide.

Chartered Surveyors are educated to degree level and then trained to develop practical skills necessary to manage complex property and construction related issues. They are educated and trained to take 'the wider view' of the issues to ensure their clients get sound advice about the range of choices available to them.

The development of Facilities Management education and training has been driven by demands primarily at graduate level and University of Moratuwa, Sri Lanka, has initiated timely action in introducing a four year BSc Degree programme in Facilities Management, which is accredited by RICS. The first batch of graduates will take up their position as FM professionals when they pass out in June 2010.

RICS is now offering alternate designation or the status, 'Chartered Facilities Management Surveyor', for these professionals who could demonstrate stipulated criteria of this global professional body.

Chartered Surveyors recognise the importance of facilities management to business today and RICS Facilities Managers ensure their clients receive consistently a high standard of professional advice and the world class support demanded in today's global economy. Many Chartered Surveyors practice and companies provide facilities management services globally. Clients have found that their expert professional knowledge and practical management skills are unrivalled in this field, enabling them to reduce their facilities costs and enhance the productivity of their business.

Viking Grain Storage v T H White Installation (1980)

The contract concerned the supply of grain silos. The grain developed mould whilst stored, due to inadequate ventilation.

Held that the defendants were liable for not providing goods fit for their purpose.