Facility Management Must Become More Proactive

European Facility Management Conference (EFMC), 4 to 6 June 2014, Berlin, Germany

- Fight for more recognition and visibility of FM
- Added value, service excellence, sustainability, and workplace design are key topics
- Alignment of strategy, values, and services is crucial to success
- FM is relationship management and complementary to business administration

Berlin, June 2014 – “A professional Facility Manager should know the markets and trends in his industry and should advise his company or customers how to increase and improve services. Thus, Facility Management must go from a reactive to a proactive attitude; because FM is the clue of an organisation.” With this statement, Gerard Beelen, Facility Manager at EuroPol, summed up an important outcome of the European Facility Management Conference (EFMC) which took place from 4 to 6 June 2014 at Andel’s Hotel in Berlin (www.efmc-conference.com).

550 Facility Management (FM) professionals from Europe and abroad had come together to listen to the presentations of more than 95 international speakers and to exchange their experiences with fellows, colleagues, and friends. The Business Conference, the Research Symposium, and the exhibition were held under the motto “Innovation, Integration, Vision”, and the event was being hosted by the European Facility Management Network (EuroFM) and the International Facility Management Association (IFMA), with the German Facility Management Association (GEFMA) being the local host.

FM identity and visibility

Aside from Beelen, other speakers at EFMC 2014 pointed to the “hidden role” of FM as well. Jon Seller, Chair of IFMA Board of Directors, said that “most of what FM does is silent”, and Tony Keane, IFMA President and CEO, stated: “FM is still one of the best kept secrets.” He called on the audience to “spread the word”. Johnny Dunford, Global Commercial Property Director of RICS, affirmed: “FM deserves global recognition.” Professor Christian Coenen of Zurich University of Applied Sciences took up a question by a delegate who had asked why the FM function or contact person was only rarely to be found on a company’s website. Coenen made clear that FM professionals who were hiding themselves could not complain about a lack of attention and esteem. There was a considerable need for enhancing the visibility and...
accessability of FM, he said. "FM has to fight for awareness and appreciation externally, facing the market, as well as internally, within the company", Coenen explained. He also brought up the question of identity: "The definition and self-understanding of FM are diverse in different cultures and nations." Professor Andrea Pelzeter of Berlin School of Economics and Law confirmed that there were differences in "living" FM between the European countries.

Dr Suvi Nenonen of Aalto University even went one step further in the identity discussion and asked metaphorically: "Is the FM industry searching for its own continent or is it meant to build bridges between continents?" There was no clear answer to this question, but Ron van der Weerd, Chairman of EuroFM, also spoke about "building bridges" when he alluded to Berlin’s role as a symbol of integration in the heart of Europe. "EuroFM is united in diversity", he stated, and EFMC helped to connect people, cultures, and ideas. He also contributed to the topic of identity and definition of FM: "I'm often told that Facility Managers knew a little about a lot. So what is FM specialised in? My answer is: FM adds the linking of space and infrastructure with people and organisation to business administration." And hinting at GEFMA’s corporate slogan, van der Weerd gave a short version: "FM is enabling things."

Rune Johannessen, Executive Director at EY, suggested that EY’s claim "Building a better working world" also suited for FM, and he presented five interrelated parts forming a concept of supporting future FM needs of the core business: FM strategy and goals, a governance model, internal cooperation and communication, service delivery, and performance and cost management. Johannessen pointed out that a concept like this would only be successful when it was thought through and described elaborately. EY had applied it at Norwegian oil service company Aibel.

Examples of proactive FM
With regard to a proactive attitude of FM, Gunnlaugur Hjartarson, Department Director at Iceconsult, reported on "Ready Steady Reykjavik", an initiative by the city of Reykjavik launched in 2008 to involve the municipality’s stakeholders in the FM processes. In order to identify the needs of the citizens, the administration set up a web portal where citizens could create and pinpoint incidents on a digital city map. In this way, the citizens suggested what they wanted to have done and voted on the various projects. Within five months, 2,300 suggestions
and 16,300 votes were placed (against the background of a city population of 120,000). "By this initiative, the citizens become active participants in creating a better city", said Hjartarson and highlighted that "Ready Steady Reykjavík" provided a better decision base for FM projects. In the end, ten projects for each neighbourhood were selected and realized under the motto "Betri hfví" (meaning "better neighbourhood"). In the meantime, the next generation of the initiative has been launched and is called "Mayor for a Day". "All FM projects are presented on the website with information about the budget, the location, and a short description. The citizens can then spend their virtual budgets on different projects", explained Hjartarson.

David Rademacher, Head of Operations EMEA for General Services, Security, and Real Estate at BMW Group, referred to EFMC 2014’s motto in his speech, stating that "Vision, Integration, and Innovation" fully applied to BMW’s strategy. BMW Group operates more than 300 sites worldwide comprising 12 million square meters gross floor space, almost 60 per cent of which account for production. "All services at key sites are consolidated into one organisation spanning seven countries and over 1,000 internal associates", Rademacher reported. "FM is organised partly by services ‘technology’ and partly by region." He went into the factors influencing FM: legislation, space limitations, new products, changes in corporate culture, time and cost optimisation, sustainability targets, the international production network, and the brand.

"According to the process scheme ‘plan – build – run’, BMW follows the 'build to run' principle with a stronger integration of the ‘run’ requirements into the plan and build phases of any project", he explicated.

Sustainability will stay a key factor of FM

Rademacher also alluded to sustainability. In 2007, the board had defined sustainability as a core element of what BMW Group stands for throughout the value added chain. "We have shifted from 'It's good to be green' to 'We have to be green'", Rademacher said. "Sustainability directly impacts the reputation of today's businesses." As to BMW, sustainability was responsible for 18 per cent of the Group's reputation.

Dr Guido Hardkop, Head of FM Consulting NRW at Drees & Sommer, remarked that sustainability was a dominating topic not only concerning the real estate (RE) sector and that the FM industry focused on sustainable solutions. "The value add regarding sustainability is
important, and we must show the influence of sustainability on the life cycle of a building", Hardkop stated. "Managing the life cycle of a building means FM, and the impact of sustainable FM on the company’s target must be transparent." He summed up the requirements of sustainable FM: to make FM influence tangible and transparent, to implement FM know-how to the sustainability certification process, to ensure the professional transfer of certified buildings into operation, to implement life cycle engineering, and to enhance the FM impact on the Corporate Social Responsibility (CSR). "Sustainability implies an immense potential for FM", Hardkop concluded.

Alexander Hadzhiivanov, Senior Engineer at the European Bank for Reconstruction and Development (EBRD), and Martin Oor, Head of Facilities at Van Gogh Museum in Amsterdam, gave some examples of sustainable FM. "Sustainability and resource efficiency are a critical feature of a well-functioning market economy", Hadzhiivanov said. EBRD had launched a Sustainable Energy Initiative in 2006 and a Sustainable Resource Initiative (SRI) in 2013. 13.7 billion Euros had been invested in sustainable energy, and carbon dioxide emissions had been reduced by 63 megatons. SRI focused on the efficiency of energy, materials, and water. At Van Gogh Museum, sustainability was a part of the corporate strategy, Oor explained. "We improve energy efficiency for example by a new entrance that collects heat during summer which can be used in winter."

**Added value of FM has to become more tangible and measurable**

These considerations show that sustainability is one of the values FM can add to the core business. Professor Theo van der Voordt of Delft Technical University presented six performance areas regarding the added value of FM: stakeholder perception, financial health, organizational development, productivity, environmental responsibility, and cost efficiency. He reported on a study based on ten interviews with senior FM or CREM professionals from private companies in different sectors, five each in Denmark and the Netherlands, who were asked for the values added by FM. The answers were classified according to the FM Value Map by Professor Per Anker Jensen of Technical University of Denmark. This map indicates six value parameters with regard to the core business: satisfaction, cost, productivity, reliability, adaptation, and culture. As to the surroundings, the value parameters are broken down into economic, social, spatial, and environmental respects. "The most important values for the
interview partners were satisfaction, cost, and productivity”, van der Voordt revealed. “Sustainability turned out to be less important than we had expected. “He also mentioned a similar research which had been carried out in hospitals and had disclosed satisfaction, innovation, and cost as the most important values for those interview partners; sustainability had almost been neglected by the respondents. "The conclusion is: The added value of FM is a trade-off between benefits and sacrifices. It is a complex, multidimensional concept with different stakeholders, and there is a need to make the value added easier to manage and to measure”, van der Voordt pointed out. When asked for the aim of the research, he explained: "We want to harmonize the various models of added value, reduce the number of KPIs, and make sure that we all talk the same language.”

Tudor Trita, CEO of Archibus Solution Center Romania, already saw a progress in harmonisation: "We still debate about what FM is, but almost we do it in the same terminology.“ Together with Procos, Archibus had won the "EuroFM Partners Across Borders Award 2013“ for reducing facility cost and improving efficiency at Turk Telecom. "The key success factor to projects like these is communication – which is more about listening than about speaking“, Trita stated. "There is a kind of "international meta language of FM" provided by associations, standards, and certifications."

The FM Value Map was also the background of two studies on the internal organisations of financial institutes, presented at EFMC by Doranne Gerritse of Saxion University of Applied Sciences. The most important issues to the interview partners of the first study were reducing and controlling costs, productivity, customer satisfaction, image, risk, and sustainability. The respondents of the second study identified risk, satisfaction, productivity, culture, and sustainability as the most important issues concerning the added value of FM. Gerritse drew three major conclusions from her presentation and yet agreed with Theo van der Voordt: "We have to make the added value of FM more measurable and manageable, determine the intervening factors of added value, and develop generic FM strategies, i.e. find optimal combinations of strategies and values based on the type of primary process or on the corporate strategy."
Integration of FM into the construction process

Simon Ashworth of Zurich University of Applied Sciences explicated that FM even could add value to the construction process. He saw FM in charge of the transition management from construction to operation and argued for involving FM professionals in the whole life cycle of a building as early as possible: "The later the FM function is involved, the more time and money they have to spend afterwards to adapt the building to the needs of the company or customer."

René Sigg, Managing Director at Intep, affirmed that FM had to be involved in the construction project organisation. He presented the "Guidelines for FM orientated building design and construction" and outlined the goals: optimisation of the building design from an operational perspective, preparation of the organisational tasks and processes, optimisation of life cycle costs, and clear structure of the information and data management.

Service excellence is about staff expertise and motivation

Professor Keith Alexander, Director of the Centre for Facilities Management at Salford University, chaired a panel discussion on FM service excellence which covered different perspectives on service excellence, considerations all along the value chain, business drivers and values, operations and service delivery, cultural change, service excellence models, relevant theories, and evidence from research.

Bruce Barclay, EMEA Facilities Operations Manager at EMC, gave his idea on the subject: "Service excellence includes enabling and enhancing the company agility and performance, values and vision alignment, a customer experience focus, and the scalability of service solutions." To him, the foundation stones of FM service excellence were trust (provided by quality), reliability (achieved by standards), engagement (demonstrated by shared values and communication), a "wow" effect (meaning moments of surprise and delight), and innovation (implying collaboration and business process review).

Alan Williams, Managing Director at Servicebrandglobal, stated: "FM is a virtual organisation. The brand of an organisation was service practices plus value, and service excellence was determined by "end user advocacy" (i.e. the service received by and environment provided to
the customer), measurement in quantitative and qualitative as well as in rational and emotional respects, and the alignment of the organisational values and the business strategy. "An excellent service that is not aligned can't be truly excellent", Williams argued.

Simon Jacobs, Communications and Marketing Director at ISS UK, referred to the ISS Service Excellence Model that considered service quality, customer experience, employee engagement, and service culture. "Service excellence is only seen during unexpected events", he said and added a rhetorical question: "So if we can only show our excellence during unexpected events, why don't we create more of these? " However, he made clear that one major task of FM was to make working life more secure, and that the real question was "how to make ordinary people do extraordinary things on a daily basis". Jacobs emphasised that the mind set of the employees was a crucial prerequisite for service excellence. Patricia McCarroll, Lecturer at Sheffield Hallam University, remarked: "Excellence isn't luxury and excellent is more than just quality of consistency."

Professor Christian Coenen of Zurich University of Applied Sciences declared that successful FM comprised the management of facilities, services, and relationships. Regarding the management of services and relationships, FM was service value management. Coenen presented the Service Profit Chain: The internal service value influences the employee who is decisive for the external service value, and this one influences the customer who is decisive for the profit; FM activities affect all of these elements. "Excellent service starts by delivering the promise. The next steps are dealing with problems, providing a personal touch, and finally going the extra mile. What is important: You must ensure the basis first", Coenen said. "Excellence is about being easy to do business with", he defined and explained: "In the term 'facility', there is the term 'facilis', which is Latin for 'easy'."

**FM is relationship management**

Asked what was most important to achieve service excellence, Coenen named "people" and Patricia McCarroll the "awareness of things happening around". Alan Williams focused on the employees 'attitude and their "mindset of wanting to be better than standard service": "People must do what they do from their heart." Bruce Barclay specified: "People need to understand their own companies. And the client needs to be transparent about his expectations. Clients can
Johnny Dunford of RICS tied in with this subject by saying: "FM is all about people, and Strategic FM is clearly defined by the customer." He advocated a new FM service model based on staff engagement and taking into account the current developments in Strategic FM: "Flexible working conditions effect an end of daily commute, which also reduces the impact on environment, cost, and stress. Less office space will be needed, and FM will increasingly see to enhance the performance and well-being of working people." Ron van der Weerd of EuroFM affirmed that FM was about relationship management, competence management, and personal leadership.

David Rademacher of BMW pointed out that relationship management was expectation management. "Sometimes FM is kind of a black box, so there is need for transparency", he stated. "We must improve integration and come closer to the core business. We have to make the added value transparent. We must explain why we do or demand things by our core business colleagues or our customers. We need a change in people's minds. It's not 'them' and 'us', but it's 'we'.' With regard to collaboration, the prioritisation of projects and the escalation lines had to be clearly defined, Rademacher recommended.

**External and internal image of FM**

Daniel von Felten, Lecturer at Zurich University of Applied Sciences, again referred to FM as service value management with customer satisfaction being the driver. He distinguished between the external and the internal image of a company brand, i.e. brand image and brand identity: The brand image influences the quality expectations of the customer, the brand identity influences the employees, the external service value and finally the quality perception of the customer; customer satisfaction results from the fit of expected and perceived quality. "The customer will be satisfied when the perceived service quality is at least as high as the expected service quality", von Felten explicated.

His colleague Manuel Böhm reported on a couple of surveys on FM identity and image carried out in Switzerland in 2008, 2010, and 2013. Externally (image) as well as internally (identity), FM was attributed to be professional and state of the art, to provide customer-oriented service,
to ensure reliable work, to show increasing demand in the future, to offer secure jobs, and to prove a good earnings potential. "The major result was that FM identity is more positive than FM image", said Böhm. He deduced that there was a demand for communication and for individual leadership: "Every Facility Manager is an ambassador of the whole sector. FM is a service management discipline, and image is crucial to the industry." Böhm appealed for more similar studies in different countries in order to gain deeper insights into the matter on an international basis.

Jim Whittaker, IFMA First Vice Chair, recapitulated that the FM focus increasingly lay an adding value and people instead of cutting cost.

Workplace design and management

Johnny Dunford of RICS noted that workplace design was crucial to productivity, and Doranne Gerritse of Saxion University of Applied Sciences jumped in: "The working environment is a key factor to productivity, and this key factor is in the hand of FM." In addition, the significance of innovative workplace concepts was underlined by the fact that the winners of this year’s EFMC Student Poster Competitions for Bachelors and Masters had focused on alternative workplace strategies and third workplaces.

Gerard Beelen of EuroPol illustrated the importance of workspace concepts by means of EuroPol’s strategic housing management concept. "The purpose of FM is to add value to the business processes and to support the people and the organisation to fulfil the strategic goals of the Agency", he said. "Structure follows strategy, and workspace – not only housing – follows structure", he defined. Aspects affecting the strategy were the hardening of international society, the environmental focus and sustainability, innovation and trends like new technologies, economic growth and reduction, regulations and policies, demography, and the political agenda. Aspects affecting the structure were organisational growth, the diversity and culture of the staff, the leadership and management style, and the collaboration between people. "The organisational structure at EuroPol changes constantly", Beelen remarked. Aspects affecting the housing were the public infrastructure and accessibility, the organisational image, work styles, flexibility, efficiency, and effectiveness, and workspace concepts. "Strategic planning is alignment", Beelen pointed out.
Marc Seguinot, Head of Technical Services and Building Management at the Office for Infrastructure and Logistics (OIB) of the European Commission (EC), mentioned permanent organisational changes as well: In 2013, there were 9,000 workplace moves in the 67 EC buildings. OIB’s task was to make the EC facilities in Brussels “safe, comfortable, and environmentally friendly”.

**International expansion opportunities for FM**

“Raising the bar and advancing the profession”, as Jim Whittaker of IFMA put it, also means expansion into new markets. Jon Seller of IFMA stated: “FM is in its infancy in the developing countries, so this is a huge opportunity or us as profession.” Alexander Hadzhiivanov of EBRD identified an investment opportunity for FM service providers in the emerging markets in the European Union.

András Bajai, CEO at Thermo Control FM, analysed the opportunities for FM in the Middle East, i.e. the states of the Gulf Cooperation Council (GCC) comprising Saudi Arabia, Qatar, the United Arab Emirates (UAE), Oman, Kuwait, and Bahrain. GCC was a 23 billion US-Dollar market, Bajai declared, and had proven substantial growth in the last ten years, which meant both challenges and investments to the construction industry. The flagship countries were Dubai and Abu Dhabi. With the Middle East Facility Management Association (MEFMA) having been established in 2009, FM in the GCC region was becoming more and more important. FM outsourcing already was on a European level in Dubai and Qatar; in Saudi Arabia, Oman, and Kuwait there was less than 30 per cent of FM outsourcing, in Bahrain it was still insignificant. The typical FM category in the region was that of single service providers; bundled service providers were coming, but the integration role was still in the hand of the customers. So far, in GCC there was only one Integrated FM service provider, located in Qatar. There were even already sustainability standards: LEED had been established in 2009, and some countries had national certification programs such as the Qatar Sustainability Assessment System in Qatar and Estimada in Saudi Arabia.

Furthermore, Bajai went into the FM purchase criteria: “Price and quality are very important, but references and reputation are essential, too. Specialization is another substantial factor.” For the future, he expected an overall growth in the region, being significant in Dubai, Saudi Arabia.
and Qatar and first focusing on hospitality services. Bahrain, Kuwait, and Oman were nascent markets, Bajai said. He concluded: “GCC is a large market worth going, there is room for Europeans to make money, but you have to be willing to take some risks and accept the cultural differences and different rules. Competence and competition are different in the Middle East.”

**Chances and challenges in Europe**

However, that there is still a huge potential for FM within Western Europe, showed the very example of Berlin, the hosting city of EFMC 2014. Michael Müller, Senator for Urban Development and the Environment of the City of Berlin, described the German capital as an attractive and growing city: “250,000 people are expected to move to Berlin within the next years. So the municipality has to organise the infrastructure for this gain of population with regard to mobility, energy, healthcare, housing, education, culture, and sports.” Berlin was in the special situation to have urban open space for investors in excellent sites. "The 'smart city concept' can only be realised by an active design of the infrastructure – which is the task of Facility Management”, Müller declared.

EFMC 2015 will take place in Glasgow from 1 to 3 June next year. Returning to the city that had been the venue of the first EFMC 25 years ago, the event is going to be hosted by the British Institute of Facilities Management (BIFM), and referring to the sentence of Tony Keane of IFMA, Chris Moriarty, Head of Insight and Corporate Affairs at BFIM, encouraged the audience to do their best that “FM may become the world’s worst kept secret”.

The Platinum Sponsor and Solution Provider of EFMC 2014 was IBM, the Gold Sponsor was ECS, and the Associate Sponsor was Compass Group. The event was also being supported by Conject, Saint-Gobain Ecophon, RESO Partners, Axon Active, Bilfinger HSG Facility Management, WISAG, and McFelder Translations. In the trade exhibition, Archibus, CenterMine, Condeo, MainManager, Manhattan Software, MCS, and TOPdesk presented their particular services for the FM industry. EFMC was being organised by Informa Exhibitions and EUROFORUM. Further information is available at [www.efmc-conference.com](http://www.efmc-conference.com).