

1

Diversity and Balance in Facilities Management

1.1 Introduction

1.1.1 *Scope of the chapter*

The aim of this chapter is to help facilities managers take an objective view of their facilities management systems to gain a fuller appreciation of the various interactive elements. This is intended as a useful precursor to an assessment of whether the various aspects are in balance and to see if there is room for improvement. A general model and a discussion of the issues around the key dimensions are provided. This is followed by a number of case studies providing real life examples of existing facilities management organisations. The case studies do not necessarily demonstrate good practice; indeed in some cases they show how not to do it. They are intended to show the wide variety of approaches that can be employed. Any suggestions for good practice should not be followed to the letter; they are intended purely to stimulate the facilities manager into thinking about the different possibilities. No two facilities departments are likely to be identical as they will be designed to meet the needs of their parent organisations.

1.1.2 *Summary of the different sections*

- Section 1.1. Introduction.
- Section 1.2. A generic model is presented that shows how the elements of an ideal facilities management department would interact.
- Section 1.3. This section draws together general conclusions from the case studies in Section 1.5, suggesting where the problem areas in facilities management may lie. The section goes on to consider suggestions for good practice within facilities management.
- Section 1.4. Different models are presented allowing facilities managers to identify their organisation with a particular model. Each model is accompanied by a pointer to a particular case study in the next section, which provides a real life example(s) of that model.

- Section 1.5. Case studies are used to illustrate how different organisations operate within the different models.
- Section 1.6. Conclusions.

1.1.3 How to use this chapter

The material in this chapter can be used in a number of ways:

- It can be read sequentially.
- You may wish to go straight to the suggestions for good practice.
- You may be able to identify with a specific facilities management (FM) model and go straight to the appropriate case study.
- You may be particularly interested in a specific area, such as the structure of the facilities department and hence may wish to compare across the case studies (to make this easier each case study follows the same format).
- You may find a useful reference within the text and decide to go straight to another chapter.

1.2 Generic FM model

Facilities management is complex and involves many interactions. One of the main objectives of considering a diverse set of case studies (see later in this chapter) is to extract the key interactions at a general level. Therefore, although there are many different practices at large there are also certain regularly occurring functions that have to be addressed if facilities management is to be effective.

The generic model shown in Figure 1.1 is based on a combination of systems theory and information processing perspectives (Galbraith, 1973; Beer, 1985; Kast and Rosenzweig, 1985), linked to the practical material of the case studies. It illustrates the general range of continuing interactions that are involved in facilities management. The generic model shows how an 'ideal' facilities department would interact with the core business and the external environment. The model differentiates between strategic and operational facilities management, highlighting the need to consider the future situation, as well as the current one. In each of the following examples, the term facilities manager is referred to, but, as the case studies demonstrated, it is unlikely that any one person could be responsible for all of these areas and a facilities team is more likely, quite possibly with different people responsible for the strategic and operational areas.

The different interactions are as follows, with the numbers cross-referencing to Figure 1.1.

1.2.1 Operational facilities management

1. Interaction within the facilities department itself, between the facilities manager and the different functional units. The latter are the actual operational units of the facilities department and are likely to correspond

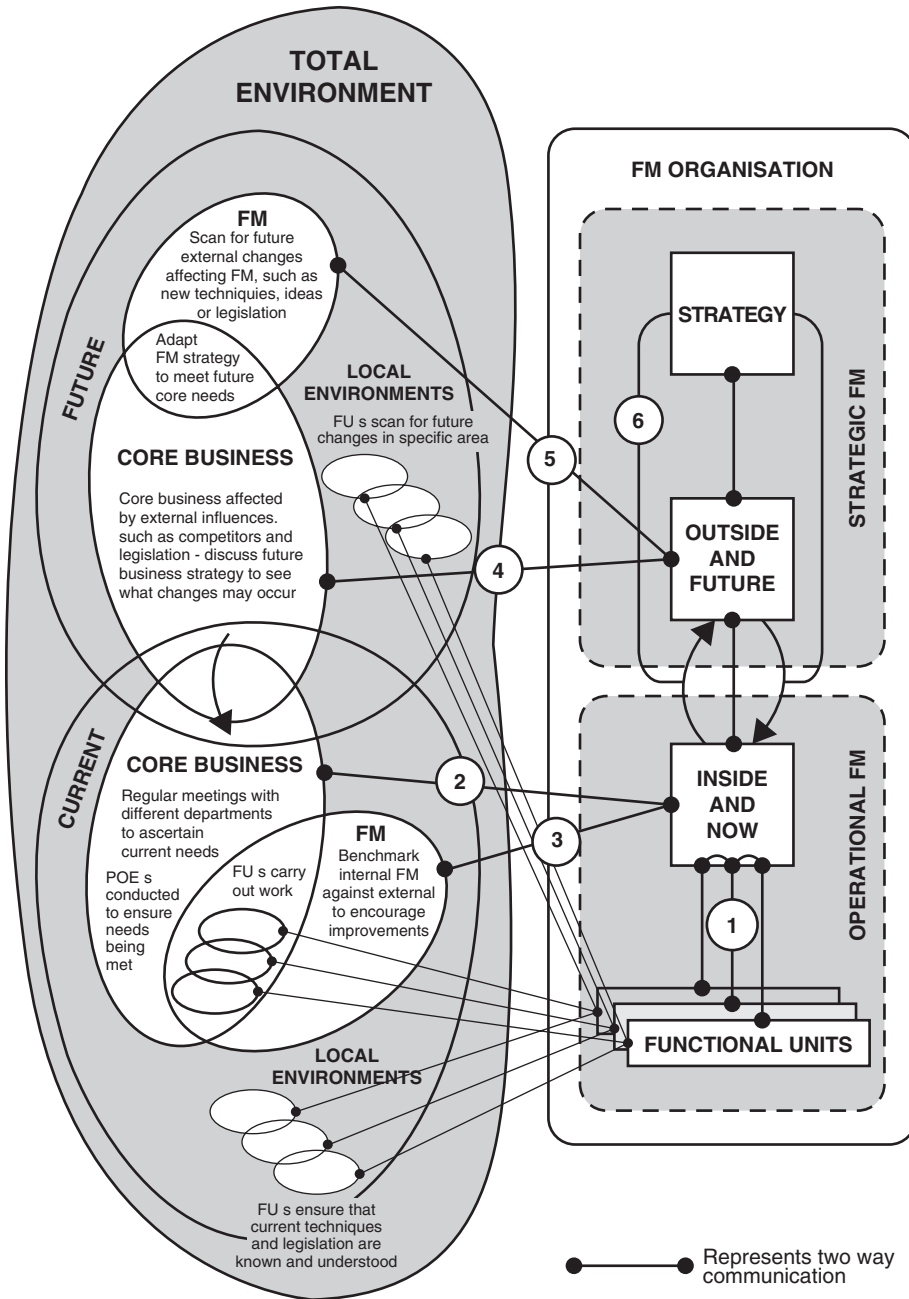


Figure 1.1 Generic model for facilities management systems.

to functions such as: maintenance, interior planning, architecture and engineering services, etc. It should be noted that the functional units can either be in-house or contracted out. With reference to this particular relationship, the facilities manager is acting in the role of coordinator, rather

than implementer. The functional units are expected to carry out their duties as directed, only referring major exceptions back to the facilities manager. In this way, the latter can concentrate on the other interactions. Each of the functional units should be fully aware of current techniques and legislation relevant to their specific area. They should also scan for possible future changes and inform the facilities manager as necessary.

2. The facilities manager interacts on a regular basis with the core business to identify current facilities requirements. This could be achieved on a formal or informal basis, depending on the organisation. Audits or post-occupancy evaluations should also be conducted to ensure that these needs are actually being met and to identify areas that could be improved.
3. The facilities manager benchmarks existing internal facilities services against other facilities management organisations, so that possible areas for improvement can again be identified.

1.2.2 Strategic facilities management

4. The facilities manager interacts with the core to ascertain what future changes may occur to the business, as a response to external influences, such as competitors' plans.
5. The facilities manager will also scan for possible developments within the facilities management arena.
6. Strategy is the policy framework, which provides the context for decision-making within the facilities department. Interaction occurs between strategic and operational facilities management, the aim being to synergistically balance current operations with the needs of the future.

1.2.3 Discussion

It should be noted that the generic model should be used as a framework of the aspects a facilities manager aims to keep in mind. In reality, how the issues are handled will vary for each organisation, as will the emphasis given to particular activities. What matters is that the facilities management organisation handles each of the six interactions *appropriately* in the context of their particular circumstances. Many facilities organisations are firing on two or three cylinders, not all of the six given above. This means less power, with the dormant interactions not contributing, or in fact acting as a drag on the active interactions. For the facilities function to achieve its full potential all six interactions must be dealt with appropriately. For most organisations this will mean some scope for improvement.

Much of this book is focused on the dynamics of facilities management and, in particular, Chapters 2 and 5 focus on excellence in FM and enhancing FM performance respectively. The generic FM model stresses how facilities managers need to be responsive to the core business, but also to developments in facilities

management practice and society more generally, whilst all the time having to manage the practicalities of service delivery. The remainder of this chapter turns to practical illustrations of the richness of these elements of practice across the various aspects of the model.

1.3 Illustrations of facilities management systems

1.3.1 Overview

Within the context of the above generic FM model, this section begins by summarising the findings of the case studies and first highlights the potential problem areas within facilities management systems in Section 1.3.2. The section goes on to consider suggestions for good practice within facilities management. Whilst conducting the interviews for the case studies, a standard checklist was utilised so that comparisons could readily be made across the organisations. This checklist was derived from the generic FM model set out in Section 1.2. The checklist expanded upon the following basic themes:

- facilities management structure;
- management of facilities management services;
- meeting current core business needs;
- facilities management and external influences;
- strategic facilities management.

This provides the structure for Sections 1.3.3 to 1.3.7 where suggestions for good practice are given.

1.3.2 Potential problem areas in FM

The case studies presented later in Section 1.5 provide an indication of the varied nature of facilities management. Even though eight organisations are considered, facilities management is viewed very differently by each one. In some of the organisations, for example, facilities management is expressed primarily as a maintenance function, whereas in others the scope is very much wider, including services such as catering or security. Another area where the organisations differ is whether services are provided in-house or contracted out.

Such differences are not surprising and are to be expected, as facilities departments are necessarily tailored to meet the individual needs of their particular organisation. In addition, it is still a relatively new discipline and as such is still trying to find an agreed identity. The case studies, however, do draw attention to a major issue, which is neglected by many organisations, namely the strategic relevance of facilities management. In several of the organisations, facilities management is considered to be a purely operational function. Hence, the facilities departments exist to provide a day-to-day service, not to

consider how facilities could benefit the core business in the long term. In these organisations, senior management fail to comprehend that their facilities personnel possess valuable knowledge that could be utilised when making major corporate decisions.

In two of the cases, for example, the organisations had relocated. In each case the facilities department was not involved in the decision-making process and was only brought in to advise after sites had been purchased and new buildings designed. Hence, certain important factors, such as churn, were not taken into consideration and problems have occurred as a result.

The organisations that do not consider facilities management to have a strategic role are therefore neglecting a source of information that is just waiting to be utilised. However, it is not only at the strategic level that opportunities for improvement are being wasted, but also at the operational level. Communication actually within facilities departments was normally effective and the different functional units generally worked together to provide an integrated service. On the other hand, communication outside of the department, i.e. with the rest of the organization, was often ineffective, as the facilities department waited to receive instructions rather than actively asking their users what they required.

The preceding analysis indicates that there is often room for improvement within the facilities management field and so the following sections make suggestions on how these could be achieved. Even though the case studies highlight problems, they also provide many examples of well-designed facilities management systems and so the proposals can be regarded as a synthesis of good practice, as demonstrated by the case study organisations. It should be remembered, however, that all organisations are different and not all of the proposals will be applicable to every organisation.

1.3.3 Facilities management structure

The facility management models and the case studies show that there are various ways to organise the facilities department; basically there is no one method that will guarantee success. Bearing that in mind, the following points should be taken into consideration when organising a facilities department. The size of the organisation is the starting point for deciding how any facilities department is to be structured. Different sized organisations will require different staffing levels. If an organisation is quite small and located in just one building, for example, there is probably no need for a full-time facilities manager, as the amount of facilities work undertaken will be minimal. At the other end of the scale, a large organisation may need a correspondingly large facilities department.

Location is also important. If a facility department is dealing with multiple sites it will undoubtedly require a different approach to one operating on a single site. With a multiple site organisation, the facilities manager will have to decide whether services are to be provided on a centralised or decentralised basis. It is likely that a certain amount of autonomy must be granted to each site to make

Table 1.1 Typical facilities management activities.

Facility planning	Building operations and maintenance
<ul style="list-style-type: none"> • Strategic space planning • Set corporate planning standards and guidelines • Identify user needs • Furniture layouts • Monitor space use • Select and control use of furniture • Define performance measures • Computer-aided facility management (CAFM) 	<ul style="list-style-type: none"> • Run and maintain plant • Maintain building fabric • Manage and undertake adaptation • Energy management • Security • Voice and data communication • Control operating budget • Monitor performance • Supervise cleaning and decoration • Waste management and recycling
Real estate and building construction	General/office services
<ul style="list-style-type: none"> • New building design and construction management • Acquisition and disposal of sites and buildings • Negotiation and management of leases • Advice on property investment • Control of capital budgets 	<ul style="list-style-type: none"> • Provide and manage support services • Office purchasing (stationery and equipment) • Non-building contract services (catering, travel, etc.) • Reprographic services • Housekeeping standards • Relocation • Health and Safety

everyday facility decisions or else services could grind to a halt. For example, in the case of the professional group (Case Study 4), an assistant facilities manager is located at each site to deal with day-to-day operations, leaving the head facilities manager free to address major problems.

Another major consideration for the facilities manager is what services should be provided by the facilities department. Again there is not a definitive guide as to what should be included. The case study organisations, for example, vary considerably in their choice of functions; some concentrate primarily on maintenance, whilst others include general office services. As a rough guide, any facilities department is likely to perform some of the activities listed in Table 1.1 (Thomson, 1990). However, facilities managers should not just select items from the list at random, but provide only those services that are needed by their particular organisation. Once established, facilities departments do not have to limit themselves to their original activities and so the list can be extended as necessary. It is notable that in its survey of Facilities Managers' Responsibilities 1999 the British Institute of Facilities Management (BIFM) (1999) identified 29 distinct functions that a significant number of its membership carried out.

A trend in many organisations seems to be that the *conception* of what should come within the ambit of facilities management is changing. Therefore, although, for example, an organisation may have traditionally used an architect

to do major refurbishments as something separate from a maintenance orientated role for the facilities department, it may decide to put all of these activities under the facilities banner. The architect may well still do the major refurbishments, but his point of contact will be the facilities manager and the building related issues of the organisation will be more closely integrated.

A further decision to be made relating to the choice of services is whether they are to be provided in-house or contracted out. The latter has gained in popularity, but as the case studies demonstrate there are no hard and fast rules concerning what should be kept in-house and what should be contracted out. Some organisations favour a totally in-house option, while others literally contract every service possible, and then there are those that will use a combination of both. Due to the number of possibilities and issues involved, contracting out is contextualised and discussed further in Chapter 4.

The background of personnel may be another influential factor when deciding how to staff a facilities department. As facilities management is still a relatively new profession, there are a limited number of people as yet who possess qualifications in this specific field. Most facility managers, therefore, will have previously trained or worked in other areas – sometimes in related professions like surveying, but often in totally different areas like human resources. A lack of technical skills is not necessarily a problem, as the facility manager's role is to coordinate work, not implement it. Indeed, several of the case study organisations had chosen to appoint existing staff as facilities managers. The reasons put forward to support these decisions included: they had proven track records as managers and they were already familiar with the operations and culture of the organisation. These organisations complemented these existing skills by sending their facilities managers on courses to acquire the necessary basic technical knowledge. Another approach used by some of the organisations, where there were assistant or regional facilities managers, was to employ people from different disciplines who could support each other.

1.3.4 Management of facilities management services

A facilities manager can be responsible for the provision of many varied services, as Table 1.1 shows. A common mistake made by many facilities managers is to think that they have to be involved at every stage of the delivery process and know every last detail about what is happening, but it should be remembered that it is a facilities manager's role to coordinate or, as the name implies, manage these services. Only when facilities managers learn to manage effectively and efficiently will they be able to turn their attention towards strategic issues, which is where facilities management may really be of use to its core business. So how can facilities managers make time to consider strategic considerations?

Information overload is a major problem for many facilities managers, who find that they spend all their time attending to basic operational problems. Hence, the facilities manager should empower other members of the team to

make decisions, encouraging problems to be addressed at lower levels in the hierarchy. Depending on the nature of the problem, this could mean either the functional units or assistant facilities managers. For example, in the case of the school (Case Study 2), the different functional units worked together initially to sort out problems and only approached the facilities manager (bursar) with major difficulties. In organisations with various sites, such decentralised decision making will be essential if operations are to be maintained.

A further way to ease information overload is to ensure that all of the facilities team, both in-house and contractors, know exactly what is expected of them. Thus it is often worth establishing procedures to address this issue. In larger organisations this will probably mean making use of formal work programmes, service level agreements, maintenance schedules, etc., as briefing tools. Regular meetings to discuss workloads and performance may also be useful. It should be remembered, though, that informal methods can be utilised as well and may be just as effective, particularly in small firms. In the school (Case Study 2), for example, the bursar held formal weekly meetings to discuss workloads, but he also checked on progress while he walked around the school attending to other duties. Consequently problems could be sorted out on the spot, rather than waiting for the next meeting.

Investment in information technology may be another way to make information processing easier. This is becoming a popular option and there is an ever increasing number of specialist facilities management software packages appearing on the market. These packages offer a variety of different features and so the facilities manager should evaluate possible systems to ensure that they meet an organisation's particular needs. In some cases, the facilities manager may find that IT solutions are just not appropriate, as in the case of the corporate headquarters (Case Study 3), when the facilities manager found that all of the systems he reviewed were far too complex for his requirements. In order to help the facilities manager make appropriate decisions regarding this subject, the issues involved are covered in more detail in Chapter 8.

Even though facilities managers have easy access to a variety of information sources, opportunities to utilise or manipulate information are frequently wasted. Facilities managers are often responsible for a number of buildings and therefore they should perhaps consider making comparisons across buildings to identify where improvements or savings could be made. Such internal benchmarking can be used in a variety of ways. Many facilities managers, for example, will have data relating to energy consumption of their buildings. These figures could be compared to see if certain buildings were performing better, reasons for this could be established and perhaps applied elsewhere. In a similar vein, the hospital (Case Study 5) used internal benchmarking to see if it was more cost-effective to employ in-house staff or contractors to perform a specific function.

1.3.5 Meeting current core business needs

Even though facilities management exists to support the core business, it is often this relationship that runs into difficulties. As it is a support service, many

facilities managers have taken on a reactive role, waiting for instructions before they perform any action. This often means that dialogue will only occur when problems arise. The result is that the facilities manager has to remedy the situation quickly, rather than assessing what would be the best long-term solution. It would be far better in some cases if the facilities manager had time to discuss the various implications. Such a lack of consultation is likely to result in a facilities management service that does not necessarily support the core business to the best of its capabilities. A typical example of this lack of communication would be an office move. Ideally in this situation the facilities team would consult with the users to find out how each person worked and who they needed to be located next to. However, facilities groups are rarely given enough time to do this and so the users are often moved into an impersonal office space that does not support their particular working patterns. Consequently the whole department is likely to be demoralised and productivity may be reduced.

One of the ways to improve facilities services therefore is to become more proactive, i.e. actively seek out problems and requirements before they become critical. In several of the case study organisations, this meant arranging regular meetings to discuss the services provided by the facilities management group. In Case Study 3, for example, formal meetings are held every two months, which are attended by the facilities team and representatives from each department, who will have been briefed prior to the meeting. Furthermore, proactive behaviour could include addressing emerging areas of significant activity, such as environmental management and business continuity planning.

In some organisations, staff are not the only people who will be on the receiving end of facilities services. In the private healthcare group (Case Study 5), for example, facilities management efforts are directed towards making a patient's stay as pleasant as possible. In a situation where the users are not part of the organisation, it is not always possible or sensible to try to ascertain what they think of facilities management services. Therefore, facilities managers should try to target people that will provide them with useful information. In the case of the hospitals, it can be argued that it makes more sense to discuss the provision of services with people who are there full time and who can speak on behalf of the patients, namely the nurses and consultants. Even though meetings are a useful way of gauging satisfaction with facilities services, there is generally not time to discuss things in great detail and only certain people's views will be represented. Facilities managers should therefore consider developing an audit system that seeks to improve services through feedback.

A variety of techniques have been developed to allow facilities managers to do this and can be grouped together under the title of post-occupancy evaluation (POE). At its most basic level, POE is a formal assessment of a building by its occupants after it has been completed or occupied, to identify areas that do not meet users' requirements. However, despite its title, POE is also useful when planning new facilities or altering existing ones, as data generated during an evaluation can be used in the briefing process for a new project. Due to its flexibility, POE is a tool that will be useful at various times for many facilities managers and hence is covered in detail in Chapter 3.

1.3.6 *Facilities management and external influences*

Facilities management is a very wide field and consequently a continually changing one. New legislation and new techniques are appearing all the time and it would be virtually impossible for one person to keep track of all the different changes. Therefore, the facilities manager needs to employ certain methods to make this information processing task easier.

Firstly, the facilities manager should utilise the expertise that already exists within the department. The facilities manager's role is that of coordinator; therefore, each of the functional units should ideally ensure that it is fully aware of developments within its own area of expertise and report any significant changes to the facilities manager. This should apply to both in-house personnel and contractors. The facilities manager will often have to take positive action to enable the functional units to acquire this knowledge. For example, one of the case study organisations sends its maintenance technicians on regular courses to guarantee that they are fully aware of the latest techniques and legislation.

Secondly, another way for the facilities manager to keep abreast of changes is to make use of existing external contacts. Facilities managers have to deal constantly with many different specialists as part of their work, such as insurance firms, fire officers, building control, etc. Therefore, it makes sense to maintain good communications with these people so that they can advise on new developments in their areas. In the case of the school (Case Study 2), for example, the facilities manager has established a strong working relationship with the local fire service, which carries out frequent fire inspections to check that current standards are met and also advises on potential changes. In this way the school can plan refurbishment work with the new changes in mind.

Thirdly, facilities managers may also find it helpful to make contact with other local businesses and exchange ideas. One of the case study organisations (Case Study 3), for example, is located in a business park and so the facilities manager attends residents' meetings to discuss mutual concerns. As a result of these meetings, the facilities managers have established a local benchmarking group, whereby they visit each other's buildings to study at first hand how different organisations operate. With benchmarking the number of possibilities for gaining information is almost limitless and depends purely on the nature of the relationship between the participants. Benchmarking could be used to compare processes, services, performance of plant, etc.

Finally, the facilities manager can take advantage of the growing number of specialist information sources dedicated to facilities management. These include:

- professional associations, such as BIFM (British Institute of Facilities Management);
- books;
- periodicals;
- conferences;

- short courses;
- postgraduate degree courses;
- collaborative research projects (joint academic and industry).

1.3.7 Strategic facilities management

Some of the organisations had come to realise that facilities had an important role to play in strategic planning. The private healthcare group (Case Study 5), for example, had recognised that they were not only judged on their medical care but also on the physical state of their hospitals and ancillary services, such as catering, both of which fell under the facilities umbrella. Therefore, in order to remain competitive, an appropriate facilities strategy was essential. Indeed, facilities issues have become such a major concern in this organisation that the facilities manager has been appointed to the board, so that he is involved fully in strategic decision making.

It should not be assumed, however, that only larger organisations can benefit from strategic facilities management. It can also play an important role in smaller organisations, as was demonstrated by the independent school (Case Study 2). When one of their buildings suddenly became vacant, the facilities manager took the opportunity to devise a comprehensive facilities strategy. This in turn led to an improved layout for the whole school, incorporating a number of new well-equipped facilities. Hence, the school has gained a certain amount of competitive advantage as it can now offer additional subject areas.

1.4 Facilities management models

1.4.1 Context

Experience has demonstrated that facilities management departments vary considerably from one organisation to another. This is due to the fact that they have developed in response to the particular needs of their organisation. Despite these differences most facilities departments generally fall into one of five categories (Cotts, 1990):

- office manager;
- single site;
- localised site;
- multiple site;
- international.

These models focus primarily on location, and therefore indirectly size, but this is only one method of classifying facilities departments.

Facilities managers may want to try to identify their organisation with a particular type and then go on to read the associated case studies to see if there are any similarities. It should be noted that the models are not core business

specific and so even if the case study is of a different organisational type, the facilities manager should still find some similarities.

1.4.2 Office manager model

In this model, facilities management is not usually a distinct function within the organization; instead it is often undertaken by someone as part of their general duties, such as the office manager. There are two possible reasons for this. In the first instance, the organisation is located in just one building, which is too small to warrant a separate facilities department/manager. Alternatively, the organisation may be located in a leased building and hence will not want to devote personnel resources for facilities management in a building that they have no real control over. Any necessary facilities work is likely to be undertaken by consultants or contractors on a needs basis. Hence, facilities management in this case is primarily conducted through the administration of service contracts and leases. Any facilities related activities are likely to be reactive, rather than proactive.



Case Study 1: Small manufacturing firm

The firm specialises in innovative equipment for the healthcare industry. The organisation is located in a factory unit that was built three years ago, specifically for them. As the building is so new and relatively small, facilities management is not a distinct function and hence facilities related activities are undertaken by the office manager, as part of his general duties.

1.4.3 Single site model

This model applies to organisations that are large enough to have a separate facilities department, but are located at just one site. Consequently, it is the most straightforward example of a full-service facilities organisation. In this category, organisations tend to own the buildings that they occupy and therefore are prepared to spend more time and money on them than in the previous example, and hence the establishment of a separate department to deal solely with facilities issues. These organisations will probably use a combination of in-house and contracted services, but the balance of the two will vary from organisation to organisation.



Case Study 2: Independent day school

The school provides co-education for over 1000 pupils. It consists of buildings of various ages, with some over 100 years old, grouped together on one site. Facilities management is the responsibility of the bursar, assisted by a small facilities team who deal mainly with the maintenance of the buildings and associated grounds.



Case Study 3: Commercial organisation's headquarters

The headquarters provide office accommodation for 600 people in a building located in a business park. A separate facilities department has been established to deal just with this site due to the large number of people housed there. Three full-time facilities staff are responsible for the coordination of a number of contracted functions.

1.4.4 Localised sites model

This model is generally applicable to organisations that have buildings on more than one site, most often within the same metropolitan area. Typical examples would be an organisational headquarters with branches located nearby or a university with several sites. However, the same principles could easily apply to an organisation with just a couple of buildings in different parts of the country.

The idea of decentralisation comes into play with this model, as it is probable that simple operational decisions can be made at the lesser sites, while problems are passed back to the headquarters. Complete decentralisation is unlikely in this case due to economic constraints. This model will probably have a combination of in-house personnel and consultants/contractors in order to deal with the time-distance factors involved. The more decentralised the organisation, the more probable it is that external personnel will be used. In all cases, however, the headquarters will provide policy, overviews, budget control and technical assistance.



Case Study 4: Professional group

The group operates from two locations: an old headquarters building in London and a regional office in a new business park located at some distance from the capital. The facilities team consists of a facilities manager based in London, who is concerned with general facilities policies, and two assistant facilities managers, one in each building, who are responsible for daily operations.

1.4.5 Multiple sites model

This model is applicable to large organisations that operate across widely separated geographic regions, probably nationally. In this model the major headquarters is primarily concerned with policy and providing guidance to subordinate regional headquarters. The principal functions are allocating resources, planning (both tactical and strategic), real estate acquisition and disposal, policy and standard setting, technical assistance, macro-level space planning and management, project management and overview. Operational issues tend to be de-emphasised, apart from when they relate to the major headquarters itself, and are dealt with at regional level.



Case Study 5: Private healthcare group

The group has 32 hospitals located around the country. Facilities management exists at four levels: board, corporate, regional and hospital. The facilities director assisted by the corporate level provides guidance on general facilities policies. The latter also oversee new/refurbishment work. The regional level undertakes a coordinating role and the hospital level covers daily operations.



Case Study 6: Historic property group

The group acts as the managing agent for over 350 historic properties, so it can actually be considered as a professional facilities management firm. Many of the properties are open to the public. The group has a three-tier management system: regional, local and site-based. At present most services are provided in-house, but there are plans for privatisation in some areas.

1.4.6 International model

This model is very similar to the previous example, but applies to large international organisations rather than national ones. The facilities department located at the headquarters will again act as policy maker and resource allocator, whilst the regional/national offices will be primarily self-managing and responsible for operational activities. It should be remembered, however, that allowances will have to be made to accommodate possible differences between the countries involved, such as legislation and language.

1.4.7 Public sector model

The following public sector case studies emphasise situations where policy decisions and processes are influenced by powerful factors which are often of a non-financial nature but relate to standards of public service provision, public probity and accountability, and the need to meet the expectations of a diverse and influential collection of stakeholder interests. Organisational change is an endemic feature of contemporary public sector organisations as they seek to respond to a broad range of dynamic environmental forces.



Case Study 7: NHS healthcare trust

This NHS trust situated in the North West of England provides a wide range of services to a multi-cultural and diverse population. The trust recognised that the cultural and economic diversification of its patients and visitors required services that are timely and sensitive in approach, ensuring the delivery of appropriate local and regional healthcare services. This organisation has been deemed as representing 'best practice' amongst the different trusts investigated during recently concluded research, on account of the mechanisms provided for managing performance measurement in facilities management.



Case Study 8: University

This case is a university based within the heart of the modern centre of a major city in the North East of England. This university was recognised as the most successful UK institution for widening participation in higher education and has received substantial government funding to enhance this work. There was a large estate and its efficient operation and maintenance were very challenging due to the scattered nature and varied age and suitability of premises; this was the major function of its facilities management department.

1.5 Case Studies

1.5.1 Overview

The following case studies provide real life examples of a number of facilities management organisations. The case studies demonstrate that facilities managers employ a variety of different approaches to similar situations and problems. However, the case studies do not necessarily demonstrate good practice; indeed in some cases they positively show how things should not be done.

Whilst conducting the interviews for the case studies, a standard checklist was utilised so that comparisons could readily be made across the organisations. This checklist was derived from the generic FM model set out in Section 1.2. The checklist expanded upon the following basic themes:

- facilities management structure;
- management of facilities management services;
- meeting current core business needs;
- facilities management and external influences;
- strategic facilities management.

Consequently, to enable comparisons to be made across the case studies the same headings are used throughout.

1.5.2 Office manager example



Case Study 1: Small manufacturing firm

The firm specialises in innovative equipment for the healthcare industry. The organisation is located in a factory unit that was built three years ago, specifically for them. As the building is so new and relatively small, facilities management is not a distinct function and hence facilities related activities are undertaken by the office manager, as part of his general duties.

Background

The organisation is a small manufacturing firm that produces specialist technical equipment, particularly for use in healthcare. The firm is actually part of a larger group with five other sites located around the same city. The group as a whole is very customer driven and new products are developed in line with the latest requirements. Hence, this particular building was erected three years ago to house a new product. Even though the firm is part of a larger group it actually operates as an autonomous unit and so for the purposes of this study can be regarded as a separate entity. The building itself is a typical 'shed type' factory unit, with the majority of the floorspace dedicated to manufacturing and the remainder taken up mainly by offices.

Facilities management structure

The scope of facilities management is naturally limited within small organisations, particularly in non-office situations like this factory, where changes to layouts etc. are minimal. In this case therefore facilities management corresponds basically to maintenance considerations. A full-time facilities manager would be inappropriate and so facilities linked operations form just part of the office manager's general duties. Similarly, there is no point in employing in-house staff to actually carry out occasional maintenance activities and so the majority of these functions are contracted out, including HVAC and plumbing. However, the organisation employs a full-time electrical engineer, who is responsible for both the building and the production machinery. Cleaning is also retained in-house as it is necessary every day.

Management of facilities management services

In this particular organisation, the role of the facilities manager (office manager) is relatively straightforward: basically it is his responsibility to ensure that all maintenance work is carried out as necessary. In the case of the contractors this involves checking that they carry out regular servicing as laid down in their contracts. In addition, if any failures or problems occur, it is his duty to arrange for them to be corrected.

Meeting current core business needs

The fact that this is a manufacturing firm means that it is likely to have different expectations, as far as facilities management is concerned, to organisations whose work is predominantly office based. Most of the machinery is in fixed locations and does not need to be moved very often and so most facilities requests will concern technical failures, such as the ventilation system not working. In this particular situation formal procedures for assessing current core business needs are not really necessary. If problems occur people will go directly to the office manager to get things sorted out. However, there are certain areas within the building that are not related to production, which the facilities manager feels could be improved, such as the rest areas and the cafeteria; hence he is planning to ask the staff if they are satisfied with these areas.

Facilities management and external influences

Even small organisations are not immune from external influences and this firm is no exception. The organisation's insurance company recently conducted a risk assessment of the firm and as a consequence a new condition of their insurance was that a disaster recovery plan was drawn up. The office manager therefore had to devise a contingency plan, stating what the firm would do in case of power failures or fire. The office manager is also responsible for health and safety within the organisation. However, the subject actually gets very little attention and he relies mainly on junk mail to keep him informed.

Strategic facilities management

In an organisation of this size, certain strategic facilities considerations are likely to be automatically linked to the core business strategy. For example, the introduction of a major new product line in this organisation normally involves building a new factory. Also in this case the hierarchy is very flat and so the facilities manager is involved naturally in the strategic decision-making process.

Comment

At the moment facilities management as a whole is actually quite a minor consideration in this organisation. However, small organisations such as this one will probably have to abandon such a laissez-faire attitude in the future as further legislation relating to facilities and workers' environments is introduced. As this occurs, organisations will be forced to take a more professional attitude towards facilities management and actually plan how they are going to deal with these new requirements, without totally disrupting the core business.

1.5.3 Single site example 1



Case Study 2: Independent day school

The school provides co-education for over 1000 pupils. The school consists of buildings of various ages, with some over 100 years old, grouped together on one site. Facilities management is the responsibility of the bursar, assisted by a small facilities team who deal mainly with the maintenance of the buildings and associated grounds.

Background

The focus of this case study is an independent co-educational day school. The population of the school comprises approximately 200 junior pupils, 900 seniors, 80 teaching staff and 30 administrative staff. All of the school's facilities are located on one site and there are a number of different buildings of various ages, with some dating back to the nineteenth century. The school is not large enough to warrant a totally separate facilities department and so facilities are the

responsibility of the bursar. He is assisted by a small in-house team who are solely employed to attend to facilities issues.

Facilities management structure

In this school, all non-educational services are controlled by the bursar and are divided into two main areas: facilities and general office services. The facilities section is directed primarily at building maintenance and includes the following functional units, which are retained in-house due to the constant demand for these services:

- engineering: mechanical and minor electrical work (one engineer);
- groundwork: upkeep of grounds (head groundsman and four assistants);
- joinery: minor joinery work (head joiner and assistant);
- caretaking: security, movement of furniture (head caretaker and two assistants).

Other facilities related services are contracted out due to their specialist nature or fluctuating demand, such as cleaning and major building work.

Management of facilities management services: in-house services

Each of the in-house functional units is responsible for carrying out work in its own area of expertise. Once a week the bursar meets separately with the heads of each of the different units to discuss formally any outstanding work and new requirements. However, the bursar probably sees the units almost every day on an informal basis. In addition, all four functional units are encouraged to work very much as a team and are in constant communication, sorting out any minor discrepancies between them. The first three functional units work to a maintenance/refurbishment schedule, which is reviewed half-termly. However, where repair work is not urgent the school tries to accommodate work during the holidays to minimise disruption.

Management of facilities management services: contracted services

With contracted services that need to be carried out on a regular basis, such as cleaning, the contractor works to a detailed specification compiled by the bursar. Regular checks are carried out to ensure that the work is consistent with these requirements. If the contractor fails to comply then the bursar can implement the three month exit clause built into the contract.

While minor building work is dealt with in-house, major projects are contracted out. The school engages the same architect for all major works as a good working relationship has been established over recent years. Thus the school finds it easier to brief for new projects as the architect is already familiar with how the school operates. In addition, the architect is assured of an almost constant stream of work, as an increasing number of major projects are required each year in order to satisfy changing educational requirements. Major electrical work is dealt with in a similar manner, as a local electrician is permanently on call, who is also engaged during major building projects.

Meeting current core business needs

As with many organisations, there are a number of different factions at the school whose opinions have to be taken into consideration when the school is assessing current core business needs. In this case, such groups include:

- the board of governors;
- the headmaster;
- the staff;
- the parents.

To ensure that the facilities department is meeting the requirements of these groups, a series of briefing and feedback procedures have been established.

Once a term, prior to the main governors' meeting, two subcommittee meetings are held: a finance meeting and a facilities meeting. Each meeting is attended by five governors, the headmaster and the bursar. At the facilities meeting various building issues are discussed, ranging from proposed classroom alterations to the progress of ongoing building work. The bursar takes the minutes, which are distributed to the governors prior to the main meeting, so that topics causing concern can be raised and problems resolved.

The headmaster likes to keep acquainted with facilities developments through informal discussions with the bursar. However, at present this is very difficult to arrange as other school matters are taking precedence. In order to rectify this, the headmaster and the bursar are planning to formalise arrangements and hold weekly meetings specifically to discuss facilities issues.

Once a week a staff meeting is held, which is attended by the headmaster, the bursar, the administration staff and the teachers. People are free to raise any issue relating to the school that they feel needs to be discussed, including facilities topics. However, staff do not have to wait for this meeting to report problems, as people are encouraged to contact the bursar direct to request that certain tasks are undertaken. By utilising both formal and informal methods, the bursar is thus able to obtain constant feedback on facilities issues.

As parents pay for their children to attend this particular school, the headmaster feels it is important to keep them up to date on school developments. Parents are sent a newsletter once a term, which keeps them informed of all school activities, including any plans for new buildings or refurbishments. On major issues parents are given the opportunity to voice their opinions. Recently parents were sent a questionnaire that presented them with a number of possible options for future school developments. On this occasion they voted for the school to build a new information technology (IT) language building, as this was seen as a major selling point for the school. A parent association also exists, which meets once a month. This is attended by the headmaster who will refer any facilities problems to the bursar as necessary.

Facilities management and external influences

The bursar is responsible for ensuring that all legislation relating to facilities is complied with. This is obviously quite an undertaking for one person and so the

bursar has to rely, to a certain extent, on other people to keep him informed of changes. The contracted caterers, for example, are responsible for ensuring that they comply with all the relevant current legislation and inform the bursar of new developments. Perhaps more interestingly, the bursar also makes use of external contacts who are not working for the school. He has developed a strong working relationship with the local fire service, who carry out fire inspections in the course of alterations to check that current standards are met and who also advise informally on potential changes in the law. In this way the bursar can plan refurbishment work with the new changes in mind.

Sometimes facilities managers working in small organisations may not be aware of new developments in the facilities management field. In order to ensure that this is not the case, the bursar has joined the British Institute of Facilities Management. Through this membership he receives literature on new services and ideas. He also attends local meetings of the group, where he has the chance to discuss different approaches and problems with other facilities managers who can identify with his situation.

Strategic facilities management

Until last year there had been no real link between facilities considerations and the core business strategy. Facilities management was seen very much in terms of maintenance and daily operations. As long as the facilities were maintained to a high standard and problems dealt with as they arose, the school could concentrate on its core business of education and consequently saw no real need for a facilities strategy; however, the school has been forced to rethink the importance of its facilities due to a number of external forces.

Firstly, over the last few years the educational establishment has undergone major changes with the introduction of the national curriculum. The school has been forced to consider how it will meet the new requirements that have been imposed on it. For example, new subject areas have been introduced which the school now has to offer. This will have both physical and financial implications, as additional space will need to be found to accommodate the new subjects and new teachers will also be required. Therefore, the school had to decide whether it could utilise existing classrooms or build new ones.

Secondly, the school is independently run and so it has to attract pupils in order to maintain an income. Increasing competition in private education means that the school now has to try harder to get new pupils. As a consequence, the school not only has to provide a high standard of education but has to back this up with modern first class teaching facilities. The school had to decide whether this could be achieved by upgrading some of the buildings or whether new ones would be necessary.

Thirdly, the school had always offered a boarding option in addition to daily attendance, but last year the number of boarders at the school dropped so dramatically that this mode of attendance was dropped. Consequently, the boarders' building became vacant and so the school suddenly had extra space to play with. This had two major implications for the school: firstly, refurbishment work could

be carried out more easily as the space could be used as temporary accommodation; secondly, taking account of the extra space, the layout of the school could perhaps be rearranged so that departments were located more logically and new specialist areas created.

The combination of all these three factors meant that the school had no choice but to consider how its facilities should be used in the future. Hence, the school has since developed a core business strategy, which covers the next ten years and a corresponding facilities programme. The latter was achieved in the following manner. Initially a building condition survey was carried out of the whole school. This identified which buildings could be refurbished and which should perhaps be demolished. From this the bursar produced a facilities strategy that established ideally in which order the buildings should be refurbished. At the same time the bursar worked with other staff members to produce a new layout for the school that took the latter into consideration, as well as the core business strategy. Finally, a ten year programme was drawn up that details exactly what building and maintenance work needs to be carried out so that the new layout can be achieved.

Comment

Even though the school is too small to warrant a full-time facilities manager, the facilities systems are actually quite well developed. Communication is the key to efficient and effective services in this organisation. Both formal and informal communication networks are utilised to ensure not only that the work is done but that the user's needs are met. Strong links have also been established with external consultants so that the school is fully aware of new developments relating to facilities management.

As regards strategic facilities management, this was really seen as an unnecessary complication until external pressures actually forced the school to consider how their buildings contributed to the overall success of the organisation. Now that the school has studied their future options they have come to realise that the rationalisation of their buildings may help them to gain a competitive edge and thus facilities management may be about more than just maintenance. Consequently facilities implications are likely to be assessed when considering core business strategies from now on.

1.5.4 Single site example 2



Case Study 3: Commercial organisation's headquarters

The headquarters provide office accommodation for 600 people in a building located in a business park. A separate facilities department has been established to deal just with this site due to the large number of people housed there. Three full-time facilities staff are responsible for the coordination of a number of contracted functions.

Background

This is a large commercial organisation. A subsidiary group has been established which is responsible for property related issues. The latter has three main divisions, with the following responsibilities:

- property: investment, development, acquisition/disposals;
- professional services: managing agents, refurbishments, valuations, rent reviews;
- facilities: house management in headquarters buildings.

The facilities department therefore is concerned solely with the day-to-day running of the headquarters, while the property division is responsible for strategic planning.

Facilities management structure

Facilities management within this particular organisation covers a wide range of activities, but the organisation has chosen to contract out the majority of these functions and so the facilities department consists of an in-house management team of only three people who ensure that the various contractors complete their duties. Broadly speaking, these contracted-out functions can be divided into two areas: building/maintenance and general/office services (Table 1.2).

Management of facilities management services

The in-house facilities management team is responsible for ensuring that all of the above activities are completed as agreed in the relevant contracts. The contracts vary according to the activity; some people work for a fixed number of hours per week, whereas others are on time plus materials. All of the outsourced functions provide quotations before they are awarded the contract to ensure that they are competitive. These quotations are compared regularly against the competition to check that the organisation is still getting value for money. As there are so many outsourced functions, procedures for briefing the contractors have to be tightly controlled and so formal work orders are issued for every job. Once work has been completed it is checked off in an order book and contractors can then issue invoices.

Table 1.2 Contracted-out functions.

Building / maintenance	General / office services
<ul style="list-style-type: none"> • Mechanical and electrical (M&E) maintenance • Grounds maintenance • Building contractors • Furniture alterations • Office moves and changes • Cleaning • Day janitorial service • Waste disposal 	<ul style="list-style-type: none"> • Security • Office administration • Reception • Telephones and switchboard • PABX • Mail room • Newspapers • Taxis • Press control • Catering

Even though the various outsourced personnel come from different companies they are encouraged to see themselves as part of the facilities team. Consequently, there is a good working relationship between the different outsourced people who work on the site. If contractors notice a problem that is not part of their job, they will then point it out to the people concerned.

In this organisation facilities management covers a wide range of activities, coordinated by only three in-house managers who, consequently, are sometimes overloaded. Hence, the facilities manager considered purchasing a facilities management software package to ease the situation. Unfortunately an analysis of the various packages available proved that they were all probably too complex for this particular site and provided a lot of features that would not be used. So the department will have to continue to rely on paper methods, although the department does make use of information technology in other ways. For example, to assist with energy management the organisation has installed a lighting control system. All of the lights are switched off automatically in the evening to save energy, but they can be turned on via the telephone if necessary by cleaners or people working late. Also an internal phone directory is on the network, so that the receptionists are not overloaded.

Meeting current core business needs

Facilities management activities in this organisation are very much user driven. Minor operational problems are dealt with on an informal basis, with users contacting the facilities team directly, who will attend to the problem as quickly as possible. However, the facilities team felt that it was important to actually seek out feedback from their users, rather than waiting for the users to approach them. Consequently more formal procedures have also been established and a facilities meeting is held every two months.

This meeting is attended by two members of the facilities management team and one representative from each department, normally an administration or finance manager. Each departmental representative acts as spokesperson voicing the concerns of people in their department, who will have been consulted previous to the meeting. The representatives are also updated on what has happened as a consequence of the last meeting and any plans for the near future. Recently the issue of staff working late and the resulting security/cost problems have been a major discussion point at these meetings. Therefore, the facilities team has had to investigate how high levels of security can be maintained, whilst allowing staff to leave the building whenever they want to.

Facilities management and external influences

As the headquarters building is located in a new business park, there are certain issues that may affect all of the organisations in the park. Hence, a residents' group has been formed that meets regularly to discuss mutual concerns. The issues tend to relate to physical problems, such as new building work or a lack of car parking and so the facilities team are the most suitable people to attend the meeting.

The meetings are also useful as they allow the facilities team to make contact with other facilities managers. Thus a local network has been set up where facilities managers visit each other's buildings to study different facilities management approaches at first hand.

Strategic facilities management

As stated earlier, facilities management in this organisation is viewed as a purely operational function providing daily services that ensure the smooth running of the headquarters buildings. The organisation believes that the facilities department has no real contribution to make to strategic planning as the property division deals with this. This is probably true as far as the organisation's other buildings go, but the facilities department is not even consulted about decisions that affect the headquarters site. When decisions are made by the core business, the facilities department is often the last to be informed, even though it will have to implement the changes. For example, when the core business decides to move a department to a smaller area within a building, it is up to the facilities department to somehow fit in all of the workstations. This means that the facilities department is forced into a reactive way of working, which makes it hard to find the time to discover what the users really want.

Such a lack of communication means that the core business sometimes makes decisions without considering all of the relevant factors. A major example of this occurred when the organisation actually relocated to its present site. The organisation decided to move out of London and build a new headquarters. However, the facilities team was not brought in until the design had been practically finalised. It transpired that no allowance had been made for 'churn' (the physical reconfiguration of offices and workstations) in the design and so future changes would not be easily implemented. No doubt if the facilities department had been involved earlier it would have drawn attention to this fact.

Even though the facilities department is not likely to become involved with strategic planning, there are plans to extend its services. Over the past few years it has gained a lot of experience in managing daily operations. Hence, the team intends to offer its services in a consultancy capacity to other organisations. This suggestion has been accepted in principle at board level and so the department now has to develop the idea and identify potential customers.

Comment

The organisation is unusual in that it contracts out the majority of its facilities management services, but the arrangement appears to work extremely well in this case. Perhaps the most noticeable effect of this approach is that the facilities systems tend to be much more formal and structured than in the other case study organisation. This is because the contracted staff are not necessarily always on site and so workloads have to be planned carefully to make the best use of people's time.

As the examples above demonstrate, the facilities department has not been involved in strategic decision making in the past. Although strategic planning

falls within the realm of the property division, it would actually make sense if the transfer of information was improved between the two departments, because the facilities team actually possesses valuable knowledge that is not being utilised at present.

1.5.5 Localised sites example



Case Study 4: Professional group

The group operates from two locations: an old headquarters building in London and a regional office in a new business park located at some distance from the capital. The facilities team consists of a facilities manager based in London, who is concerned with general facilities policies, and two assistant facilities managers, one in each building, who are responsible for daily operations.

Background

The focus of this study is a professional organisation, operating from two buildings: an old headquarters building located in London and a regional office in a new business park. The London headquarters houses a conference centre, a retail outlet, a library, a members' club, a restaurant and a number of offices. The regional office is used in the main for administrative purposes and is therefore mostly office space, with additional conference facilities.

Facilities management structure

Facilities management in this organisation covers a wide range of services and hence a separate facilities department is necessary. A core management team comprises a head facilities manager based at the London headquarters and two assistant facilities managers, one at each site. The head facilities manager is concerned with general policies and major issues/problems, whilst the assistants are responsible for supervising day-to-day operations. The different facilities services that are provided are listed in Table 1.3.

These services are carried out by a combination of in-house and contracted personnel. As a general guide, in-house staff undertake activities that are required

Table 1.3 Different facilities services.

Premises	Office services	Central services
<ul style="list-style-type: none"> • Building maintenance • Decoration works • Building sub-contractors • Telecommunications • Security • Porterage • Safety • Cleaning 	<ul style="list-style-type: none"> • Mailing • Stationery • Photocopying • Vehicle fleet • Printing • Courier for regional office 	<ul style="list-style-type: none"> • Catering • Conference bookings • Insurance • Archival filing

on a constant basis, such as cleaning and building maintenance. Furthermore, the facilities manager also believes it is sensible to use in-house employees for tasks that need to be tightly controlled. This particularly applies to functions that interface with the public, such as reception and the switchboard, as poor service in these areas will reflect badly on the rest of the organisation.

Not all of the above services are needed every day and hence certain functions are contracted out, as there is not enough work to justify permanent members of staff. Plant maintenance, for example, is carried out by a contractor who comes once a week to check that the boilers etc. are functioning correctly. Thus any problems can hopefully be identified before any real damage occurs; however, in the case of an emergency the contractor can be called out at any time. A second group of functions are contracted out due to their specialist nature. Catering falls into this category, as it is subject to particularly stringent health regulations.

Management of facilities management services

One of the main difficulties faced by the facilities department in this particular organisation is how to provide services for two separate locations. Owing to the distances involved, it has been necessary to duplicate some operations for each site, such as cleaning and portage. Even though these services could be managed from the London office, it has been decided that on-site management allows problems to be addressed more effectively. Therefore, an assistant facilities manager is located at each site, who is responsible for the management of daily facilities activities and who can make simple operational decisions without referring to the head facilities manager. However, in this organisation, complete decentralisation would be an unnecessary expense, as certain activities do not need to be duplicated at both sites. Conference bookings for both locations, for example, are dealt with in London and all facilities budgeting is also centrally controlled.

Communication within the facilities department is also a potential problem area for this organisation, as the facilities team has been split up so that both sites are covered. In a single site situation, members of the facilities team would probably see each other every day and so communicate any developments on an informal basis. In this case it is important to ensure that the assistant facilities manager located in the regional office does not feel isolated from the rest of the facilities organisation. Consequently, formalised communication channels have been established, which keep the assistant facilities manager in touch with the rest of the facilities team. Thus the head facilities manager visits the regional office once every three weeks to check that things are running smoothly. In the meantime, the assistant facilities managers are encouraged to communicate frequently and sort out any problems between them. Technology also plays a part in maintaining communications; for example, an electronic mailing system is used to inform the regional office of advance conference bookings. Finally, a daily dedicated courier service runs between the two sites, which can be used as necessary by the facilities department.

Effective communication is also an important consideration for each individual site, as well as between sites. Therefore, two-way radios have been introduced

so that certain functions in each building have constant access to the assistant facilities managers. Problems can then be addressed immediately even if the facilities manager is not at his desk.

The facilities manager also believes that a thorough understanding of the way the organisation operates and its culture is essential for the provision of high quality facilities services. Consequently, he prefers to appoint new facilities members from within the organisation where possible. Thus the assistant facilities manager in the regional office used to be the head porter. Similarly, the London assistant was formerly in the post room, but had a very good knowledge of computers and telecommunications and so he was promoted.

Meeting current core business needs

Much of the London headquarters building is given over to facilities for members and other visitors, including: a conference centre, library, members' club, restaurant and shop. Indeed, at any one time there could be up to 300 visitors in the building. This means that a large percentage of the facilities management effort is directed towards these external users. As there are so many visitors and they are generally in the building for such a limited time, it has been decided that it would not be a worthwhile exercise to actively seek their opinions on facilities issues.

Unfortunately, with the main thrust of the organisation directed at its members, the organisation's employees are forced to take a back seat on most issues, including facilities. If problems occur, then internal users are free to contact the facilities manager, but their wishes are not sought on a regular basis. The head facilities manager would like to conduct internal forums to discuss facilities matters, but feels that this is unlikely to happen in the near future owing to the culture of the organisation.

Facilities management and external influences

One of the main responsibilities undertaken by the head facilities manager in this organisation is to ensure that new legislation relating to facilities issues is adhered to. Consequently, when the health and safety directives were recently introduced, the facilities manager had to consider how they were to be implemented. When he tried to discuss the directives and their implications with the senior management he could not engage any response. Unable to act on his own in such an important matter, the facilities manager formally refused to take responsibility for any health and safety issues until the senior managers agreed to discuss the situation. As a result of his action a health and safety committee was established, which has since produced a policy statement that will guide all future decisions.

Strategic facilities management

The facilities management department in this organisation was established to provide daily support services only and consequently the facilities manager is not seen as having a part to play in strategic planning for the core business. This

means that the facilities team has to respond as best it can once major decisions have already been made; this is highlighted by the following examples.

Approximately five years ago the organisation had a different regional office, where the lease would not be renewed and so it was necessary to find an alternative location. However, even though it was a facilities related problem, only senior managers were involved in the selection process and they engaged external professionals to investigate the different options. It was not until an actual site for a new building had been chosen that the facilities manager or anyone else in the organisation became involved and by this time it was too late to propose alternatives. During the briefing stage of the building process, the facilities manager did become a member of the steering group that was formed to advise the architect. In reality, though, any suggestions made by the facilities manager were generally ignored, particularly over larger issues, such as size or location of rooms. The facilities team's objectives, as far as the senior managers were concerned, were not to influence the design of the building, but to purely select, supply and fit out all rooms with appropriate furniture, telecommunications, etc. However, the facilities manager feels that he could have provided useful advice had he been allowed to comment, because of his detailed understanding of how the organisation operated. This applies in particular to room sizes, as it has been established that certain rooms are definitely too small to function properly.

On a more minor scale, the facilities team recently decided that the telecommunications system in part of a building was outdated and so the telephones were upgraded throughout that section. It has since come to light that the decision had already been taken by the senior management to lease out the space, as it was surplus to their requirements. Hence, the facilities team spent money upgrading a system, just to remove it again soon afterwards.

Comment

This organisation's buildings are spread across two locations; hence the major hurdle facing the facilities team was how to provide a cost-effective and efficient service across both sites. The team has worked hard over the past few years to meet this challenge and they now have an extremely effective partially decentralised system, which ensures that daily operations run smoothly. By locating an assistant facilities manager at each site, minor problems can be dealt with promptly and so services do not grind to a halt whilst waiting for an answer from the head facilities manager.

A particular point of interest in this organisation is that the head facilities manager has appointed existing staff members as assistant facilities managers. He believes that a thorough understanding of the organisation, its requirements and its culture are more important than technical knowledge. After all, other people are employed or contracted to carry out the actual work and hence the assistant facilities managers are responsible for overall supervision and coordination. However, to complement their existing skills, the assistant facilities managers are also sent on courses to acquire a basic knowledge of the relevant technical details.

The facilities department was established purely to provide operational support and so, not surprisingly, strategic facilities management is a minor consideration in this organisation. Even when a major relocation was being planned, the facilities department was very much left in the dark. Consequently, the new regional headquarters building probably does not function as well as it might have done had the facilities department been involved at an earlier stage.

1.5.6 Multiple sites example 1



Case Study 5: Private healthcare group

The group has 32 hospitals located around the country. Facilities management exists at four levels: board, corporate, regional and hospital. The facilities director assisted by the corporate level provides guidance on general facilities policies. The latter also oversee new/refurbishment work. The regional level undertakes a coordinating role and the hospital level covers daily operations.

Background

The focus of this study is an organisation that provides healthcare services in over thirty private hospitals located around Britain, primarily in cities or larger towns. The organisation also has a separate corporate headquarters and four regional offices. It is therefore a good example of a multiple site organisation.

The organisation comprises 32 hospitals in total, each of which is managed by a general manager. The group is subdivided into four regions, with eight hospitals in each, and a regional general manager has been appointed for each region. At the corporate office, there is a chief executive and a board of directors, alongside a team of professional heads of functions covering corporate finance, operational finance, personnel, legal, nursing, paramedical services, marketing and facilities management, together with supporting staff.

The organisation operates within a three-tier general management philosophy, with strategic planning and management at corporate office level, through coordinated regional management, to general day-to-day management at hospital level.

Facilities management structure

The fact that this organisation owns over 30 buildings is reflected in the size and complexity of the facilities department. The structure of the facilities department is parallel to the structure of the organisation as a whole; hence the facilities management function is represented at the following four levels throughout the organisation: board, corporate, regional and hospital. This organisation is therefore one of a minority where facilities management is viewed important enough to have achieved representation at board level.

A larger organisation has meant that the facilities department not only has a more complex structure but that it also includes a greater number of activities.

Consequently certain functions are represented that are beyond the scope of most other facilities departments. The organisation, for example, is frequently refurbishing or adding extensions to its hospitals; therefore an in-house capital project management team forms part of the facilities group located at the corporate office.

The roles and responsibilities of the different levels are as follows.

Board level

The director of facilities has a predominantly strategic role and thus only tends to become involved with the operational side of facilities management if major problems occur. His principal functions can, therefore, be summarised as:

- representing the facilities management function to the board of governors and the board of directors;
- as one of the directors, he is responsible for advising the board of governors on the general situation of the whole group.

Corporate level

Facilities management at this level is the responsibility of the group facilities manager, assisted by a team of professional and support staff. The principal functions of the corporate facilities group can be summarised as:

- setting and policing corporate wide goals, objectives and standards for the facilities management function, in compliance with legal obligations and corporate policy;
- servicing the boards of directors and governors with group reports, statistics and policy proposals relating to facilities management;
- providing professional support and guidance to operational staff at regional and hospital level.

Regional level

The organisation is divided into four regions, each of which has its own dedicated regional facilities manager and assistant facilities manager, located at a regional office. The principal functions of the regional facilities teams relate in the main to the physical structure of the hospitals and can be summarised as:

- organising, managing and monitoring performance of directly employed staff, contractors and suppliers engaged on maintenance and project work respectively;
- advising and guiding regional general and hospital managers on all issues relating to the planning and use of their physical resources for business purposes;
- assisting hospital managers when planning for revenue and minor capital budgets and monitoring performance of facilities against allocated funds.

Hospital level

Each of the 32 hospitals has its own facilities manager, who is known as the hotel services manager. As the name suggests, this position is generally concerned with the non-medical services that are provided for the general comfort of patients. Hence, the hotel services manager is responsible for the following activities: catering, domestic services, portering, reception and maintenance. It is up to the hotel services manager to ensure that all of these activities, whether in-house or contracted out, are carried out as required. In essence, therefore, each hospital is similar to the earlier single site examples, in that they tend to focus on operational rather than strategic facilities management.

Perhaps it is worth pointing out that maintenance has a slightly different relationship with the hotel services manager than the other activities. Each hospital has its own maintenance technician, who is responsible for carrying out a planned preventative maintenance schedule, as well as any necessary breakdown maintenance. Even though the technicians have line responsibility to the hotel services managers, they also keep in close contact with their regional facilities managers. This is because the hotel service managers tend to be from non-construction backgrounds and so will not always be able to adequately address maintenance issues.

Management of facilities management services

The size and complexity of the facilities department means that it is very difficult for each of the different levels to keep track of developments elsewhere within the facilities group. Hence, certain procedures have been established to ensure regular communication across the levels. Consequently, the four regional facilities managers meet with the group facilities manager on a formal basis every two months to discuss the current state-of-play in each region. Similarly, each regional facilities manager meets regularly with the hotel services managers in that region.

Formal meetings are not the only method employed to monitor facilities developments. In the case of maintenance, for example, a manual has been developed that details a planned preventative maintenance schedule and must be followed by the maintenance technician at each hospital. Thus, when the regional facilities managers (or assistants) make programmed maintenance visits to individual hospitals, they assume an auditing role and check work against the manual. Such scheduling is necessary and works well as it is impossible for maintenance visits to occur very often. This method also allows the regional facilities managers to focus on maintenance problems, rather than routine operations.

Within the different levels themselves, informal methods of communication are used alongside the more formal methods. Hence, if a regional facilities manager has a problem, he may initially contact a colleague in another region, who may have encountered similar difficulties, rather than approaching the group facilities manager. Such teamwork and lateral communications are encouraged throughout the facilities department and so problems are often sorted out without being passed on to the next level.

Internal benchmarking is another method that is used by the facilities group to improve the services that they provide. The department has access to over 30 hospitals and four different regions; hence there are plenty of opportunities to make comparisons, as the following examples show.

One of the responsibilities of the facilities department is to ensure that the clinical sterilisers are maintained in good working order and so a specialist engineer is employed in each region. The facilities department was unable to fill the post in one region and so it was decided that this role should be contracted out. This decision was made against the wishes of senior management who wanted to maintain this function in-house, but when compared against the other regions, the contracting-out option actually proved to be more cost-effective, as the contracted engineer did not have to waste time doing fill-in jobs. Therefore, benchmarking helped the facilities group to identify an area where cost savings could be made.

Another area that is compared internally are utility costs. The group facilities manager has contracted an external organisation to compare utilities costs on a monthly basis. Hence, consumption of gas, water and electricity are constantly monitored. The results are presented on simple graphs to allow for easy comparison. The graphs are discussed at regular meetings to see if any savings can be made. However, the group facilities manager does not necessarily take the readings at face value and carefully considers the different factors that may affect the results, e.g. the size of the hospital, the age and the location. Once this system is firmly established, there are plans to bring it back in-house.

The facilities department is responsible for a large number of buildings and over the years many of the hospitals have undergone substantial refurbishment. Not surprisingly, the department was finding it increasingly difficult to maintain paper records of all the changes. When work was being carried out, the hospital and the corporate office were sometimes working on different plans. Hence an AutoCad system has now been installed and up-to-date plans are being transferred on to it, as will any future changes. Similarly, the department has started to use a database to store details of the plant in all hospitals, which will assist in formulating maintenance schedules.

Meeting current core business needs

When assessing current core business needs, the facilities department has to consider both the requirements of the staff and the patients. Obviously, due to the numbers involved, it would be impossible to consult everybody and so the facilities department has to be selective.

Within the hospitals themselves, the hospital managers are responsible for the smooth running of the hospital. Therefore, the hotel services managers work closely with the hospital managers to ascertain whether appropriate service levels are provided and sort out minor problems. The hospital manager in turn consults with the different departmental heads to see if their requirements are being met and passes this information on to the hotel services manager.

Regional facilities managers are interested in the overall facilities picture at the hospitals, rather than the daily operations. Hence, semi-formal meetings are held

quarterly between the hospital managers and the regional facilities managers to review facilities budgets and general service levels. Then once a year very formal meetings are held to set the facilities budget for each hospital. However, regional facilities managers also visit each of their hospitals about once a month to walk round and see for themselves how things are going.

As far as the patients are concerned the facilities department uses more indirect methods to see if their needs are being met and rely on the staff to inform them of any problems that may affect the patients. However, the department also obtains information from a general questionnaire that is sent out to all patients by the marketing division. The 'patient satisfaction survey' asks the patient about different aspects of the performance of its hospitals, including room details and general patient services, such as catering. Quarterly reports summarise the responses and hence problem areas can often be identified and corrected.

A large part of the facilities department's work is related to the refurbishment of the hospitals and five major projects have recently been completed. Consequently, the department has decided to carry out an evaluation exercise to see if the users are totally happy with the new facilities and, if not, to identify where improvements can be made. The aim of the exercise is to hopefully learn from past mistakes and ensure that they are not repeated in the future. Such evaluation techniques are being increasingly used by facilities managers and the subject of 'post-occupancy evaluations' is addressed in detail in Chapter 3.

Facilities management and external influences

Healthcare is a rapidly changing area, with new legislation and approaches appearing all the time. Consequently, a principal function of the corporate facilities group is to ensure that the organisation is fully aware of any new developments relating to facilities management. This means ensuring that all of the hospitals are informed of any changes and checking that they go on to comply with them.

As the organisation is a well-established name in the field of healthcare, they are often approached by other hospitals for advice. Thus the director of facilities is regularly asked to visit other establishments to discuss different approaches to facilities issues. He also finds it useful to attend conferences etc., so that he is fully aware of new ideas. Similarly, other members of the facilities department are sent on courses to ensure that their skills are kept up to date.

Strategic facilities management

The core business of this organisation is the provision of healthcare. However, as far as private healthcare is concerned, medical services are only part of the story. Patients are paying for their treatment and so they expect high quality ancillary services. This means that rooms have to be modern, private, comfortable, etc., and catering has to be of a high standard. Thus the core business has to ensure that its future strategy satisfies increasing customer expectations.

Patient expectations are not the only external pressures that may affect core business strategy. The organisation also has to consider what its competitors are

planning to do, as the medical consultants will always want to practise at the best-equipped hospital in the area. Consultants are responsible for referring patients to a specific hospital and so the loss of a consultant has vast implications.

A third area affecting core strategy is the speed of change within medicine itself. Improvements in treatment are occurring continually and this means that patients are spending less and less time actually in hospital. Consequently fewer beds are necessary.

All of the above factors have facilities implications and so within this organisation facilities management has become increasingly more important – so much so, that the previous group facilities manager has been promoted to the board as director of facilities. At this level within the hierarchy, the director of facilities is involved fully in corporate decision making and therefore full use is made of his facilities knowledge and experience.

For example, the organisation is currently building a new hospital as a replacement for an existing one located nearby. Originally there were plans to refurbish the old one and just build an extension for new facilities, but the facilities director suggested that the hospital was perhaps not really worth refurbishing and it might be more cost-effective just to build a new one. Feasibility studies were carried out by the facilities department and these proved that the assumptions of the facilities director were correct. Without his early input, the organisation may have wasted a substantial amount of money.

The director of facilities has also been instrumental in a major reorganisation programme, which has led to the facilities department being in a better position to assist the core business. As a result the structure of the organisation today is somewhat different from how it was in 1988 when the current director of facilities was appointed as the estates manager. At that time the structure of the organisation meant that even relatively simple requests resulted in a complex bureaucratic process. For example, if a hospital manager wished to refurbish a small area of the hospital that included patient rooms and offices, she would have to make contact with, and coordinate the input of, over ten individuals, namely:

- regional surveyor;
- M&E services manager, who would mobilise two separate line managers;
- office service manager, who would utilise three people to cover furniture, equipment and office telephones;
- purchasing manager, who would mobilise staff to cover nurse call and fire alarm installation, piped medical gas, elevators, equipment, furniture, furnishings and telecommunications;
- hotel services manager.

Even though the respective managers would manage their own staff members, the hospital manager was still faced with the task of overall coordination, for which she was not trained and would also be distracted from her primary role of managing the hospital.

A second problem existed in that capital planning and development were carried out as a separate function altogether, with little or no communication with other corporate functions, and therefore no thought was given to the future management of the facilities that the project managers delivered. A third and final contentious issue was that the different functions reported to three separate directors, thereby placing the ultimate onus of coordination on the chief executive.

All of these factors meant that the non-core functions were not assisting the core business to the best of their ability, which meant that operational issues were often dealt with at the expense of strategic planning. Within a short space of time, the newly appointed estates manager had identified the above problems and set about trying to find a solution. His answer was to propose a complete reorganisation of the structure, so that the non-core functions were grouped together under one director to provide a totally integrated service. Over the past few years this idea has been implemented, resulting in a facilities department that now fully supports the core business.

Comment

This organisation operates from over 30 separate sites and hence is substantially larger than the previous case study examples. It is not surprising, therefore, that the facilities department is correspondingly complicated. Communications could be potentially difficult to maintain across the different levels and sites, so a series of well-defined communication networks has been established to cope with the complexity.

However, as can be seen from the narrative, facilities operations have not always been so well organised. Indeed, it has taken over five years for the organisation to develop its current facilities department and systems. Thus other organisations should not be disheartened when looking at their own facilities departments and should realise that changes or improvements cannot possibly be achieved overnight.

Even though the department is now fully reorganised, the facilities team is determined not to become complacent about the services that it provides and has adopted a policy of continuous improvement. For example, they are already benchmarking internally to see where services and costs could be improved. They are also planning to conduct a series of post-occupancy evaluations to ascertain whether users are satisfied with the newly completed hospital refurbishments.

In contrast to some of the previous organisations, facilities management in this case is actually considered to have strategic relevance. This is probably because private hospitals are not only assessed on their healthcare but also on such features as the standard of patient rooms and catering. Consequently, facilities management has become increasingly important. This is reflected in the fact that the organisation now has a director of facilities who not only advises on facilities issues but who is also fully involved in considering strategic options for the organisation as a whole.

1.5.7 Multiple sites example 2



Case Study 6: Historic property group

The group acts as the managing agent for over 350 historic properties, so it can actually be considered as a professional facilities management firm. Many of the properties are open to the public. The group has a three-tier management system: regional, local and site-based. At present most services are provided in-house, but there are plans for privatisation in some areas.

Background

This case study considers an organisation that is responsible for the preservation of many historic properties in this country. The organisation is actually split into two main sections: the conservation group and the historic properties group. In reality the sections operate almost independently and so for the purposes of this study, the historic properties group is regarded as the organisation under focus.

The historic properties group varies substantially from the other case study organisations, in that its core business is the management of historic buildings/sites, so in essence it can be regarded as a professional facilities management firm responsible for over 350 properties around the country. There is a complete cross-section of property types, ranging from grass mounds to castles, and everything in between. The organisation is primarily funded by a government grant (approximately 90%) and the remainder is mainly raised by opening the properties to the general public.

Facilities management structure

The organisation is divided into five regions, each of which is responsible for the management of the historic properties within its region. The regions are operated on a three-tier management system: regional, group and site-based.

- Regional. A regional director is responsible for each region and is based at a regional headquarters. He has the support of the three following groups:
 - operations officers who are responsible for the day-to-day running of the sites;
 - historic officers who commission building work and maintenance inspections;
 - design and works: architects/technical officers who provide technical back-up.
- Group. All of the regions are subdivided into smaller areas, each of which is coordinated by a group custodian. Broadly speaking, the latter act as local managers, checking that the sites are being run correctly.
- Site-based. Custodians are located at many of the sites, some are full time and others are seasonal. Their primary function is to collect admission charges

from visitors, but they also ensure that any problems at the site are reported so that they can be corrected.

In addition, the historic properties group can call on the expertise of two ancillary groups: the corporate services group, who provide administrative, legal and financial support systems and advice, and the research and professional services group, who, amongst other things, provide an in-house labour force to carry out repairs, building work, etc., as necessary.

Management of facilities management services

Each region is responsible for over 50 sites and consequently formal methods have been developed for ensuring that each site receives the attention it requires and is preserved as appropriate. The sites are divided into two types: fragile and stable. The fragile sites are formally inspected by the design and works team every year to check that they have not deteriorated and to see if any major work is necessary. The stable sites are inspected in a similar manner every three years. The inspections allow the organisation to feed this information into its rolling four year plan. Thus the organisation has a good idea of how its money will be spent over the next few years.

In addition to these major inspections, many of the larger sites have two individually tailored preventative maintenance programmes. Firstly, there is an historic programme, which details maintenance relating specifically to the building fabric. Secondly, there is a general maintenance programme, which ensures that the whole site is suitable for visitors.

As the organisation is spread over the whole country and divided into five regions, a method for achieving effective communications has been a major concern. Consequently, formal procedures have been established to ensure that regular communication takes place across the regions. Thus the regional directors meet once a fortnight in London to discuss what is happening throughout the whole of the group. To supplement these meetings, the regional directors also undertake site visits in each of the regions, so that they can actually view at first hand what has happened at specific locations.

Meeting users' needs

Unlike the previous organisations, the majority of the users in this case are not part of the organisation, but the general public. In the past the organisation has had a fragmented approach to obtaining feedback from visitors to its properties. Most frequently custodians would talk to visitors informally on site and report any relevant comments to the regional headquarters. Occasional surveys were also conducted by the marketing division. However, now that improvements have been made to a number of sites, the organisation has decided to actively seek feedback and so freepost comment sheets are to be provided, especially at the larger sites. In addition, if visitors have a complaint about a site, a formal complaints procedure has been established, details of which can be found in a new customers' charter.

Facilities management and external influences

Many of the sites that are managed by the group are open to the public, so the organisation is responsible for ensuring that the appropriate safety standards are met. However, it would be virtually impossible for each site to keep track of new health and safety requirements. Thus changes to legislation etc. are initially researched by the corporate services group who pass on the relevant information to the different regions. The regional offices then check that each site complies, providing assistance as necessary.

As with some of the previous organisations, disaster recovery is now a major concern for the group, particularly in the light of recent fires at historic locations of national importance. These fires have persuaded the organisation that there is a real need to consider how they would deal with similar disasters at their sites. As a result, regional disaster officers have been appointed and a disaster procedures manual has been compiled for each major site. The latter includes prevention measures and the provision of salvage teams.

Strategic facilities management

As stated earlier, this organisation can really be regarded as a professional facilities management group. It comes perhaps as no shock, therefore, that the organisation actually places quite a lot of emphasis on strategic considerations. The organisation has recently produced a corporate planning document, which sets out the organisation's objectives for the next three years. The group's aims as laid out in the document can be basically summarised as below:

- to put and keep all of their properties into a condition appropriate to their importance, with regard to the urgency of the work and in accordance with the available resources;
- to prepare, review and update a defined basic minimum standard of documentation for all of their properties in order to assess their importance and condition;
- to make their properties accessible to the public, providing interpretation and facilities to make the visits enjoyable and informative in a way that reflects their relative importance as part of the national and international heritage;
- to play a leading role in the wider world, making use of their properties to demonstrate good practice and management, and to promote among others a commitment to conservation.

Now that the organisation has decided what it wants to achieve, the above aims have to be translated into action. Even a quick glance at the list suggests that this will not be an easy task, not only due to the number of factors involved but also because there are direct conflicts of interest. The organisation wishes to make their properties more accessible to the public through the provision of improved facilities, but an increase in visitor numbers could

well have a detrimental effect on the building fabric. However, visitors are a major source of revenue and thus should be encouraged so that the organisation has more money to spend on preservation. The organisation, therefore, has to try to achieve a balance so that all of the aims can be realised as far as is feasible.

Overcoming these internal conflicts is a daunting task in itself, but the organisation understands that external forces will also have an influence on the way that they approach the various aims. For example, when they are trying to decide which properties have the greatest development potential, they have to consider what their competitors are doing, as well as deciding which sites are historically the most interesting or the easiest to build upon. They have to decide whether it is worth developing a site of great historical interest located miles away from any other attractions, when a less important property may benefit from passing trade to a newly improved competitor's site. The situation is further complicated by the fact that the organisation is not just competing for visitors with other heritage groups, but also with the rest of the ever-increasing leisure industry. Thus the organisation is being forced to take a much more commercial attitude than ever before to ensure that it attracts enough visitors to finance necessary maintenance and building work. To address this the organisation is planning to conduct a series of advertising campaigns in order to increase public awareness of its properties.

In addition, the historic properties group is already involved with other strategic initiatives in conjunction with the other groups within the larger organisation. For example, it has been agreed that the direct labour force currently employed in-house that carries out building and maintenance work is to be privatised within the next three years. It is anticipated that this move will make the labour force more efficient as it will actually have to compete for the work that it now gets automatically.

Comment

This organisation is responsible for the management of a considerable number of properties and hence in many ways it has quite well-developed systems, both operational and strategic, compared to the previous organisations. However, the organisation is not happy to stand still and is continually striving to improve its services, e.g. by actively seeking feedback from visitors.

This particular case highlights the fact that strategic facilities management is often a complicated balancing act. On the one side the facilities team have to consider what internal improvements are desired by the core business and users, whereas external forces may well be pushing the organisation in another direction. Thus a strategy has to be worked out that considers all of the different factors.

On a final point it is interesting to note the fourth aim listed above. This shows that certain organisations are beginning to realise that perhaps they have a duty to the world at large and that where possible they should share their knowledge so that others may follow their lead.

1.5.8 Public sector example 1



Case Study 7: NHS healthcare trust

This NHS trust situated in the North West of England provides a wide range of services to a multi-cultural and diverse population. The trust recognised that the cultural and economic diversification of its patients and visitors required services that are timely and sensitive in approach, ensuring the delivery of appropriate local and regional healthcare services. This organisation has been deemed as representing 'best practice' amongst the different trusts investigated during recently concluded research, on account of the mechanisms provided for managing performance measurement in facilities management.

Background

The trust, as a major service provider, was renowned as a national and, in some cases, international centre of excellence for healthcare and research. As a trust, it had a proven track record both in the delivery of quality care and in the development of students from all professions engaged in health. This was ultimately achieved through closely fostered relationships with the universities within the area. In partnership with the universities the trust had an excellent academic record and was committed to providing the highest standards of education, teaching, research and development.

The trust, as a major service provider, endeavoured to ensure that work by clinical and managerial staff continuously developed clinical services in order to remain at the forefront of healthcare delivery, research and teaching.

Transformation within the core operation demanded a similar transformation within facilities management, one that would reinforce the performance links and enable the organisation to gain competitive advantage. An internal service culture evolved and new facilities strategies emerged, more closely aligned with the objectives of the core organisation and more visibly connected with performance.

This trust provided exemplary insights into the generation of a performance measurement culture in facilities management, the alignment of facilities management functions to the core business and overall organisational effectiveness.

Facilities management structure

Estates and facilities are essential elements in the success of modernising the NHS. The NHS Plan emphasises the need for adequate capacity to treat and care for patients, by providing a modern high quality environment with modern systems of care. It also stresses the importance of the NHS becoming a better employer, including providing a modern working environment with good quality facilities for staff employed. Thus, facilities management issues are seen as vital to the success of the NHS Plan.

A robust estate strategy is essential to ensure that there are high quality well-located buildings, which are in the right condition to facilitate the delivery of

modern patient care services. The benefits to a trust, and the wider health economy, of having a formal facilities and estates strategy include the provision of:

- an assurance that the quality of clinical services provided will be supported by a safe, secure and appropriate environment;
- a method of ensuring that capital investments reflect services strategies and plans;
- a plan for change that enables progress towards goals to be measured;
- a strategic context in which detailed business cases for all capital investment can be developed and evaluated, however funded;
- a clear statement by the trust to the public and staff that it has positive plans to maintain and improve services and facilities;
- a means by which a health authority can identify capital investment projects that will require its formal approval;
- a clear commitment to complying with sustainable development and environmental requirements and initiatives;
- an assurance that asset management costs are appropriate and that future investment is effectively targeted;
- assurance that risks are controlled and that investment is properly targeted to reduce risk; and
- a clear commitment that surplus assets are and will be identified over time and will be either disposed of or used for future service needs.

In this context, the trust's main strategic objectives could be listed as follows:

- *Obtaining best value* to agree, implement and deliver the facilities contribution to the relevant phase of the financial recovery plan.
- *Developing the estate* for the long-term investment to redevelop the site.
- *Developing the estate* using alternative funding mechanisms.
- *Minimising risk/controls assurance* to deliver upon corporate governance requirements.
- *Operational services* to continue to provide and develop high quality hotel and estate operational services in support of clinical care.

The trust was undertaking an extensive programme of reconstruction to its outdated buildings that will serve to enhance the clinical services located on the site through Healthcare in Partnership. The developments included the transfer of accident and emergency services from a neighbouring hospital, requiring the expansion of the accident and emergency department and the building of a new ward and day case theatre block to accommodate the transfer of services.

Staffing and structure of the facilities management organisation

Within the trust, the facilities directorate was made up from three departments and these were:

- PFI and Interim Strategy Project Management;
- Property and Estate Development; and
- Hotel and Estate Operational.

These departments were further divided into the following functions:

- domestic/linen/accommodation;
- portering/transport/receipt/despatch;
- medical electronics and maintenance;
- operational estates;
- printing services;
- security;
- catering services;
- car parking;
- patient services (hairdressing, chaplaincy);
- reprographic services; and
- receipt and distribution.

Private finance initiative and its involvement with facilities services

In the immediate future, the trust will be involved in the development of the new hospital. The new arrangement will aim to provide a range of traditional facilities management services but these will not include any clinical services. All facilities management services will be based on the output specification and will encourage generic workers who have the ability to undertake any reasonable tasks within the realms of facilities management. The generic team approach has been developed for the future to maximise operational efficiency through multi-skilling at the margin of the traditional service boundaries. This merging of cultures aims to ensure that facilities management staff become fully integrated members of ward and departmental teams.

The trust board had recognised that the success of these plans would depend completely on the full support of all their employees. To achieve this they have defined the following strategies:

- the establishment of clear lines of communication and liaison at all levels;
- a process of task rationalisation to re-engineer the traditional practices;
- a total review of the workforce skill base and the establishment of a planned approach for initial and ongoing retraining needs;
- the marketing of culture change with the emphasis on enhancing patient stay experience; and
- the remodelling of the measurement criteria and practices used to assess the level of quality and customer satisfaction with services.

Management of facilities management services

Some of the functions described above were retained in-house due to the constant demand for those services. Each of the in-house functional units was

responsible for carrying out work in its own area of expertise. Other facilities related services, such as cleaning and major building work, were outsourced due to their specialist nature or fluctuating demand. Regular checks were carried out to ensure that the work was consistent with the specified requirements.

Facilities management and external influences

In a climate of fast changes, the performance management and improvement agenda is a key part of modernisation of the Health Service. The need to measure and publish performance is twofold:

- to enable continual service improvement, through the provision of the best possible management information;
- to demonstrate accountability to the public and Parliament for the spending of public resources.

However, many trusts are finding it exceedingly difficult to respond to the multi-dimensional measurement systems. Excessive measurement has become an overhead for many trusts due to limited capability and resources to launch improvement programmes based on these measurements.

Strategic facilities management

It is important for facilities managers to have an influence on strategic decisions and to demonstrate the contribution that facilities make to the achievement of organisational objectives and business targets. To this effect, a clear message emerging from this case study was that management must acknowledge that facilities are a business resource. In order to respond to changing business practices, the range and scope of facility activities necessarily extends beyond merely providing technical solutions to problems arising to ensuring that facilities effectiveness is maximised and occupancy costs are minimised. Another important aspect of operational assets that demands they should be considered as a strategic resource is their impact on the financial performance of the organisation that owns or uses the assets.

This trust illustrated how, by focusing on the overall business objectives of an organisation, a facilities manager can manage its resources to complement the core organisation's long-term goals. It also highlighted the effectiveness of adopting a partnership approach. The trust further highlighted how the value of facilities management can be improved through strategy implementation and by satisfying related critical success factors representing the facilities management strategy within the organisation.

Comment

This case has provided evidence for the emergence of the trends in the facilities management organisation pertaining to the increase in performance measurement applications within facilities management and a focus on continuous development. The discussion also indicated that these trends have implications for the management of performance in the facilities management organisation.

Transformation within the core operation demanded a similar transformation within facilities management, one that would reinforce the performance links and enable the organisation to gain competitive advantage. An internal service culture evolved and new facilities strategies emerged, more closely aligned with the objectives of the core organisation and more visibly connected with performance. The evolution of facilities management within the trust needed to match the pace of change elsewhere within the organisation. The degree of success achieved by the facilities team in turning around the performance of the core organisation brought about a recognition of the potential for further gains to influence organisational performance in more ways than just financial outcomes.

1.5.9 Public sector example 2



Case Study 8: University

This case is a university based within the heart of the modern centre of a major city in the North East of England. This university was recognised as the most successful UK institution for widening participation in higher education and has received substantial government funding to enhance this work. There was a large estate and its efficient operation and maintenance was very challenging due to the scattered nature and varied age and suitability of premises, which was the major function of its facilities management department.

Background

This university claimed to have a wealth of creative ideas and initiatives for further business development and diversification, particularly around the concepts of the 'global university' and 'the virtual university'. The virtual university concept was embodied in a variety of developments, most notably in the 'University for Industry'. Various development schemes were placing the university at the centre of the virtual university movement and investment will continue to be made to consolidate and extend its position in these crucial fields, so becoming a university that facilitated life-long learning in the information age.

The university comprised different school areas: Arts Design and Media, Computing Engineering and Technology, Education, Sciences and Social Sciences and had been rated excellent in every single subject assessed by the Quality Assurance Agency in the past. Its strengths in research were developing rapidly, shown by a fourfold increase in research income over the last two years. Further, it was recognised as the most successful UK institution for widening the participation in higher education and has received substantial government funding to enhance this work.

Facilities management structure

The university's facilities management department was both manager of a substantial resource, the estate and facilities, the university's second most valuable

asset, and was responsible for management and provision of a wide range of services essential to the development, operation, maintenance and care of premises. It was also a service, which by nature cares for students, staff and visitors of the university through a variety of personal contacts with the staff of its facilities department.

There was a large estate and its efficient operation and maintenance was very challenging due to the scattered nature and varied age and suitability of premises. The service was responsible for a significant proportion of the university's annual budget (approximately 10%) and for the management of substantial capital funding in relation to estate development and maintenance. The university's facilities management department was concerned with:

- taking care of students, staff and visitors of the university;
- creating a safe, secure and pleasant environment in which to work and live;
- ongoing review, updating and implementation of the university's accommodation strategy;
- general management of the estate;
- operation and maintenance of the estate; and
- provision of estate services.

Current structure

The facilities management structure of the university was reviewed and updated in 1996 in line with the university's preference for flatter structures and encouragement of devolved authority, responsibility, quality at point of delivery and greater customer focus. Its Facilities Management Division was structured into five service divisions. The service functions were separately identifiable for responsibility and accountability purposes, but the extent to which the Department was mutually dependent on individual and team contributions across these divisions cannot be overemphasised. The Facilities Management Department's divisions were as follows:

- projects;
- operations and maintenance;
- technical services;
- house services; and
- administration office.

Whilst concentrating on their own areas these divisions worked in very close cooperation and liaison with each other, particularly with respect to the commissioning of new buildings and other changes to the estate portfolio, which had service-wide implications. The divisions were very much interdependent in many respects and could only function efficiently with good interteam working. The divisions were supported by an administration office, which provided general administrative and clerical services support and undertook cross-service personnel and financial administration. External consultants were engaged to

provide advice and services in specific subjects, in particular with regard to estate development planning, design of new buildings, major premises alterations and other specialist areas.

Management of facilities management services

The university's facilities management mission was 'to contribute to the aims and objectives by providing and caring for a quality environment in which to live, learn and work'. The service aimed to do this by:

- achieving customer satisfaction in all facilities and services provided;
- providing best value through applying innovation in the design, procurement and delivery of estate services;
- providing best professional advice in relation to the management and operation of the university estate;
- assisting, advising and providing data in relation to reviews of the accommodation strategy, space allocations and facilities provided in meeting the university's strategic priorities;
- being responsive to the operational needs of the university and the changing requirements of the university community;
- having regard at all times to the possible impact on the local community and on the environment of estate developments and the provision of facilities;
- complying with statutory requirements and relevant codes of good practice;
- promotion of a comprehensive quality management approach for the service and pursuit of a staff training and development programme to improve the capability and working performance standards of the service;
- ensuring alignment between institutional strategic priorities and the planning, design and delivery of estate services; and
- promoting a working culture that encouraged and developed individual and team contributions.

The facilities management plan of the university sought to facilitate and support the strategic directions of the university through an estate management strategy and a quality strategy.

Contracted maintenance continued to be tendered on an annual basis to ensure that best value for money and appropriate standards of service were maintained. The Facilities Management Department analysed all current maintenance contracts and rewrote specification documentation for re-tendering whenever required, and developed formal contract performance monitoring schemes to ensure that contracts let by the Facilities Management Department met the levels of service set out in the specifications and tender documentation, and hence provided value for money.

Meeting current core business needs

The university was promoting a comprehensive quality management approach for service and pursuit of a staff training and development programme underpinned

by the 'Investors in People' initiative to improve individual and team working performance standards. In particular, the service had taken, and was taking, various actions to deliver appropriate staff training and development, refined policies, practices and procedures, improved client liaison and feedback, and pursued competitive pricing in the interests of efficiency, cost-effectiveness and achievement of client satisfaction.

Service-wide developments had resulted in the Department being acknowledged as delivering efficient services, providing value for money and being able to demonstrate this through a number of qualitative and quantitative evaluations. This included detailed examination of a number of sector-wide and external cost comparative benchmarks and performance indicators. Results of this exercise confirmed the Facilities Management Department to be performing well above average in all areas of service delivery.

Facilities management and external influences

The facilities of a Higher Education Institution (HEI) are one of its most valuable assets. They create a first impression of the organisation, so are key elements in marketing the institution (Cotts, 1990). A facilities strategy draws its aims from the institution's corporate plan and establishes the facilities needs to achieve these aims. HEIs operate in a global environment and compete for students and funds internationally, as well as in the UK, with the intention of maintaining or increasing their share of student numbers. In this competitive context, they face universal challenges to make efficient use of available resources and provide quality assurance.

Whilst the higher education properties can contribute to high quality education, it is the interrelationship within the organisational context that provides the catalyst for improved performance. From a business point of view, and from one of public accountability, the effective and efficient management and use of the property resource is imperative for all higher education institutions. Proliferation and diversity of technology and adaptation of sharing facilities (use of common teaching spaces etc.) and greater emphasis on quality in the study place are some of the potential implications of the changes for universities. Externally, they may inevitably suppress the demand for teaching spaces of universities. This in turn will increase the need to adapt redundant spaces to new uses. On the other hand, the recent massive expansion in higher education participation has forced universities to achieve more economic use of their facilities.

Special issues of facilities performance in higher educational organisations

Performance evaluation will play an ever increasing role in building design as external and internal factors place more demands upon the facility. Measuring performance explicitly focuses attention on feedback loops and this influences behaviour.

This is especially true for universities, such as that in this case study, which are entrusted with the responsibility of utilising public funds judiciously. Performance measures provide a mechanism to both learn from the past and

evaluate contemporary trends in the use of facilities of universities. It is therefore hoped that the collection, interpretation and analysis of information about performance measures of facilities will provide the key to better planning and design for the future.

External comparisons

The service delivery was increasingly looking outside the sector for the exchange of comparable best practice and this strategy was to be a continuing feature throughout the service planning period. To this effect, the university reported in this case study continued to carry out annual benchmarking comparisons to inform the service on comparative service efficiency and value for money provided. This increasingly illustrated the high performance and low comparable cost of service provided.

There was a continuous trend of premises related revenue and expenditure for the university year on year, representing the continued increasing efficiency of the service in what was now clearly one of the most efficient in the sector. Recent capital underfunding of backlog major maintenance and redecoration programmes continued to be a matter of concern for the service. Current levels of maintenance expenditure needed to be improved otherwise a serious maintenance backlog would continue to expand over time.

Strategic facilities management

One of the most important developments within the university over the last decade has been the growing recognition of the strategic importance of facilities management. If facilities are perceived to be poor performers then this is not likely to enhance their chances of contributing to the strategic direction of the higher educational institution. Studies carried out by the university are increasingly reporting that management of the university is focusing attention on facilities improvement for a number of reasons, especially in a search for competitive advantage. Due to the nature of the activities, the background and the assignment, the university has a different view of these facilities management related activities and brings more of a sense of scientific enquiry to these activities.

Comment

The management and leadership challenge required to be met, at all levels of the university, was to reposition the service from its current *acceptable* level of performance and efficiency to a position of providing service *excellence*. This meant the provision of high quality services in the required areas, at the right time, closely matched to the needs of the clients and at the least possible cost. The delivery of facilities services to consistent standards was pursued, serving an increasingly demanding and diverse customer base. The scope to maintain previous years' cost-improvement savings had reached the stage where any new savings of a significant nature could only be delivered if matched against reduced service levels coinciding with reducing demands from service users or the cessation of delivery of some selected services.

Barriers to achieving change were not restricted to the areas of skill mix, expertise, experience, or staff training and development. Although these areas were very important, crucial factors were the values, attitudes, personal maturity and intellect of individuals and their ability to function as part of an effective team. These were the main characteristics that determined the operating culture within the Facilities Division of the university and were also at the core of such key quality issues as devolved management, individual responsibility and accountability, and ultimately effective and efficient team performance.

1.6 Conclusions

This chapter has tried to both present and illustrate a broad, dynamic, but coherent view of facilities management. It is hoped that this will help practitioners think boldly about how they can manage and enhance their operations. The next chapter homes in on a key issue for striving for excellence – a real client/user orientation.

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