

1 History of Facilities Management

1.1 Origins of facilities management

The origins of facilities management (FM) can be traced to an era of scientific management and the subsequent explosion in office administration in the early 1900s. The main catalyst in the 1960s towards FM was the introduction of computers in the workplace. The energy crisis in the 1970s brought home the importance of cost-in-use and the need to better manage costs associated with premises that support the organisation's business. As the pace of change has speeded up and as new technologies have been adopted, FM has developed and expanded in the more recent decades.

1.2 A brief history of FM

FM owes its origin to the growth of office administration – bringing together large groups of people into buildings. The introduction of computers into the workplace was a major catalyst for change in the workplace.

1960s era

The 1960s could claim to be the first period in the history of FM. This was when the term 'Facilities Management' was first coined by Ross Perot of EDS in the USA. At that time, it was associated with the trends affecting the management of IT systems and networks. However, quite soon, the scope of FM had expanded to include system/modular furniture and office design.

1970s era

The energy crisis of the 1970s forced organisations to analyse critically their true cost base. Also during the 1970s, office furniture manufacturers, such as Herman Miller and Steelcase, were developing ever more sophisticated furniture systems. The problem was that the new office furniture was ahead of office design. It was certainly ahead of the thinking of the average office manager, who was typically responsible for procuring new 'desks and chairs', rather the 'systems furniture'.

Herman Miller, realising that the market was being supply led, concluded that it needed to interact with knowledgeable clients – clients who understood the importance of space planning and value of space, and who could consequently understand the relevance of the permutations which could be contrived from the new furniture systems.

Herman Miller brought together a group of would-be knowledgeable property users and various property advisers in 1979. It was only at this point that the importance of FM in the process of strategic organisational planning was recognised, and discussed openly at senior management level. Very quickly this group established itself as the Facility Management Institute (FMI) and it is the FMI that is generally credited with the coining of the term 'Facilities Management'. One member, Dave Armstrong, a leading proponent of the FMI, is recognised by many as the unofficial 'father' of FM.

The FMI was founded in Ann Arbor, Michigan, in 1979 as an offshoot of parent company Herman Miller Inc. The aim was to establish and advance FM as a new management science and professional activity. FMI laid the groundwork for organisational recognition of the importance of facilities in corporate strategic planning (although there was much emphasis on utilisation of space).

1980s era

A year later, in 1980, the National Facility Management Association (NFMA) came into existence, born of the need to create independence from a furniture/space planning commercial parent in order to allow FM's full potential to develop. NFMA very quickly evolved into the IFMA. The year 1980 is therefore a key date in the development of FM generally.

1990s era

This era is a period of great change, with more organisations outsourcing to specialist providers. Many new laws were introduced in the UK, affecting employees, working practices and contracts. Large scale infrastructure projects linked with the operational services in 'Private Finance Initiative' schemes raised the awareness of FM across a wider population of users and customers.

2000s era

In this era, the FM profession has raised its profile in many organisations. Issues such as business continuity, security threats, risk management, corporate social responsibility and financial instability have put increasing pressure on FMs to deliver efficiencies in the workplace. Pan European and Global FM contracts have become a reality, supported with an increasing use of technologies in all facets of FM.

2010s era

As the FM profession reaches a more mature status, career pathways and qualifications for practitioners working in or others entering the profession have developed. FM contractors are getting larger, mostly through acquisition of smaller FM providers, and are now able to offer more services to the clients. The debate on benefits of outsourcing continues, as the drive for more accurate performance metrics and evidence of the impact of FM on productivity from client organisations continues. Integration of FM with property (real estate), technology, HR and other support service departments is still an aspiration for many. Some FM providers are extending their range of services into scientific support in both the healthcare and pharmaceutical sectors, showing the potential of FM is limitless. Another example of the broadening of FM is the expansion of FM service providers into the care home sector.

1.3 Growth of the FM profession

International Facility Management Association (IFMA)

The IFMA is based in the USA, and also operates internationally via chapters or groups in overseas countries. There are approximately 23,100 members in 85 countries worldwide. It is estimated that in excess of 60,000 people use the job description of Facilities Manager (FM) in the USA. They have their own education programme, awarding the designation CFM, SFP and FMP to their members who have been tested in their knowledge of FM across 11 competences – approximately 6700 have achieved these qualifications.

FM in the UK

In the UK, FM developed ahead of the rest of Europe. Major strides in FM development were made in the UK particularly in the early 1990s. Until 1993 there were two organisations competing for members and status in the FM market, resulting in many people waiting until they merged before they joined.

- The Association of Facilities Managers (AFM).
- The Institute of Facilities Management (IFM).

Association of Facilities Managers (AFM)

The AFM was registered in 1985 and launched in 1986 by a small group of 10 FMs as the first such body in the UK, formed to support the professional practising FM.

Institute of Facilities Management (IFM)

The IFM was launched in June 1990. It grew out of the Facilities Management Group and Office Design Group (of the Institute of Administrative Management, IAM). The ODG had been active within the IAM for 25 years. This institute also owned and ran the Office of the Year Awards, the precursor to today's British Institute of Facilities Management (BIFM) Awards for Excellence. The IFM developed qualification examinations with the IAM's support.

British Institute of Facilities Management (BIFM)

The merger of these two organisations was formalised on 1 September 1993, and in January 1994, this merged organisation was named the British Institute of Facilities Management (BIFM). By 2002, membership had grown to around 7300. In 2013, there are some 13,800 members and it is often quoted as the fastest growing membership association. There are five categories of member – affiliate, associate, member, certified and fellow. The BIFM have developed their own suite of qualifications, from level 2 to level 7, accredited by their Awarding Body in accordance with the Ofqual regulator.

Facilities Management Association (FMA)

The Facilities Management Association (FMA) is the UK's leading representative trade body for employers engaged in delivering non-core services in the FM sector.

The FMA represents employers of those engaged in the provision of services for companies' non-core business and activities. The need to establish the association arose as a result of peer pressure and popular demand. As the professional disciplines of the individuals are represented by institutions to cherish and voice their needs, so there is an association to represent the employers.

Against this background, many employers in FM have requested that their interests are represented by an association, and that is precisely what the FMA aims to do. One common aspiration unites the FMA membership, and that is 'service provision and fair reward'. One noteworthy contribution by the FMA is the Young Managers Forum, nurturing new and young FMs to develop their career. FMA have developed a Master's programme for their members in partnership with a UK university.

EuroFM

EuroFM is a network of more than 75 organisations, all focused on FM. They are based in more than 15 European countries and represent professional (national) associations, education and research institutes and corporate organisations.

The open network of professionals, academics and researchers generates a rich mix of activity, initiated by three network groups: the Practice Network Group, the Education Network Group and the Research Network Group. These network groups form the core of EuroFM. The EuroFM members are involved in an open exchange of information and experience through meetings, seminars and workshops, through collaboration in research projects, sometimes funded by EC and through the development of joint educational programmes. Proceedings of these activities are disseminated through the network via the EuroFM website, an annual conference and through newsletters, research papers and publications.

Global FM

Global FM is a worldwide federation of member-centred organisations committed to providing leadership in the FM profession. Global FM is a formal alliance of FM-related associations, an international association of associations. The founding members are the BIFM, the Facility Management Association of Australia and the IFMA. Global FM builds on the work done through the BIFM International Memorandum of Understanding to promote collaboration between the three bodies in the interests of their members and to extend such benefits to the wider FM community around the world.

As a single, united entity promoting FM, Global FM is a conduit for furthering the knowledge and understanding of FM, sharing of best practices and resulting in added value to the individual members of each member organisation.

The vision of Global FM is 'to be the worldwide community of organisations that provides leadership in facilities management'.

Asset Skills

This is one of many Sector Skills Agencies appointed by the UK government. Asset Skills represent the housing, cleaning, property and FM sectors. The aim is to improve productivity, efficiency and effectiveness. Their key purpose is to work with employers to ensure their staff and potential staff have the skills they need to do their work well. There are three core activities – qualifications, employer engagement and labour market information. Asset Skills have developed the new national occupational standards for

FM. They have also worked with the industry market leaders, professional bodies and educational establishments to develop apprenticeships in FM.

1.4 Defining FM

It has been difficult to establish a standard definition due to lack of commonality between organisations teaching FM, practising FM and representing FM. Currently there are as many definitions as there are different types of organisation in the industry. This emphasises the very dynamic nature of FM and its rapid development as a profession. It really depends on where you come from and your viewpoint as to which one you find the most acceptable and suitable in your organisation.

Many definitions are very general, whilst others are very specific. This restricts their use and gives rise to a limited view of the FM industry and profession. The most widely accepted definitions of FM are as follows.

International Facility Management Association (IFMA)

‘The practice of co-ordinating people and the work of an organisation into the physical workplace.’

‘An integrated management process that considers people, process and place in an organisational context.’

Association of Facilities Managers (AFM)

‘... the management of premises and buildings together with the facilities, services and people contained therein; this has implications in respect of initial design, maintenance, the day-to-day administration and control of manpower, energy and related resources’ (1986).

Strathclyde Centre for Facilities Management (CFM)

‘Facilities Management is a process by which an organisation delivers and sustains agreed support levels within a quality environment to provide full values in use to meet strategic objectives.’

Chartered Institute of Building (CIOB)

This institute avoids the issue of providing a definition with the following statement in their Technical Information Service paper:

‘To be more specific is not easy. It is a sign of prevailing uncertainty that conference speakers and other authorities usually feel it necessary to offer guidance of one sort or another. In consequence, definitions [FM] and lists of responsibilities and activities abound.’

Royal Institution of Chartered Surveyors (RICS)

‘Facilities Management (FM) involves the total management of all services that support the core business of an organisation. It deals with those areas that the managers of the organisation consider to support their fundamental activities. FM focuses

on the interaction between the core business, the support functions, and the facilities throughout all sections of industry, commerce, and services.'

British Institute of Facilities Management (BIFM)

The former definition used by the Institute, which represents the FM profession in the UK, is:

'Facilities Management is the integration of multi-disciplinary activities within the built environment and the management of their impact upon people and the workplace.'

This definition has been replaced and enhanced by the adoption of the new European definition.

The BIFM have provided supplementary explanations to help members and others understand the new European definition of FM. Critically, there is mention of a safe and efficient working environment, and also some examples of likely services provided to support a business (see Box 1.1).

Broad definition

FM is about taking control, adding value, supporting the business, ensuring that the space and working environment enhance not impede the productivity of the core activity and the staff. Each of the many definitions of FM can be applied in an organisation. Indeed an organisation may wish to develop its own definition to ensure that it fully scopes the mission and vision of FM.

Professional management

FM is the professional management of the built environment. FM is the champion of the occupant or end-user who requires the services and facilities to get their work done. FM is also about getting the maximum efficiency and effectiveness of the space, or working environment, that an organisation owns or leases.

Box 1.1 Extract from the BIFM website

BIFM has formally adopted the definition of FM provided by CEN, the European Committee for Standardisation, and ratified by BSI British Standards:

'Facilities management is the integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities.'

FM encompasses multi-disciplinary activities within the built environment and the management of their impact upon people and the workplace. Effective FM, combining resources and activities, is vital to the success of any organisation. At a corporate level, it contributes to the delivery of strategic and operational objectives. On a day-to-day level, effective FM provides a safe and efficient working environment, which is essential to the performance of any business – whatever its size and scope.

Within this fast growing professional discipline, FMs have extensive responsibilities for providing, maintaining and developing myriad services. These range from property strategy, space management and communications infrastructure to building maintenance, administration and contract management.

A supporting role

Every organisation relies on a mix of functions and services to provide the support essential to its core business operations. Ensuring that this support is available in the right form, at the right quality and for the right cost is the task of FM. A proactive approach is required ensuring that the most appropriate support is provided. FM is the process by which an organisation delivers and sustains agreed levels of support services in a quality environment at appropriate cost to meet the business need.

Control of non-core activities

FM is about taking control, freeing organisations to do what they do best while the FMs take care of the rest. Defining the core and non-core activities in some organisations can be difficult. In many cases the productivity of staff and the satisfaction of customers will depend on critical FM services – such as reception or catering.

A business enabler

FM is a business enabler, and it bridges the gap between the physical environment of the workplace and the occupants. FMs work with suppliers, customers, neighbours, contractors and community members to ensure that the workplace is safe, secure and fit for its purpose.

1.5 Development of FM

Essentially there are four types of organisation offering FM services and these groups are based on the original business of the organisation.

- (i) Construction.
- (ii) Property development.
- (iii) Technical and engineering specialists.
- (iv) Service providers.

More recently, consortium and management consultants have entered the FM market.

Market size

The FM market ranges from £4.5 to £187 billion (depending on what is measured by whom). The FM market is a large and increasingly important industry, and in recent times the advent of Private Finance Initiatives (PFI) and Real Estate Partnership schemes have helped to highlight the importance of managing operating and maintenance costs. In the UK, it accounts for 8% of the UK economy or GDP, with over 3.4 million people employed in facilities management roles. It is second only to the financial services sector.

Only 60% of facilities management functions are outsourced in the UK, with just 8% of this as the total integrated FM model. There are 1350 facilities management companies in the UK, with most being small organisations. Just 5% have turnover greater than £5million. The UK continues to be recognised as the leading FM marketplace, followed closely by the USA, Europe, Australia and Japan. Other areas where FM is fast emerging include Brazil, Russia, India and China (known as the BRICs market), the Middle East, South Africa and Eastern Europe. Many of the top global FM companies operate from Europe.

The Centre for Facilities Management (CFM) at Strathclyde estimated the value of commercial and industrial FM services at £130 billion in 1998. Bernard Williams estimated that the value of facilities services in the European Union Member States is \$1000 billion. The MBD survey in 2012 gives a UK FM market value for outsourced FM of £135.4bn. The problem is what is included in 'facilities services' when trying to estimate the market size. The TFM sector is expected to grow in line with the wider FM market, reaching a value of £10.9bn in 2015. Single and bundled service outsourcing are expected to grow at slightly faster rates of between 3% and 5% over the years to 2015.

The problem with identifying the size of the market is determining which services and functions to include in any assessment, and indeed in identifying the FM function within different organisations. According to research by Barbour Index plc in 2000, fewer than four in 10 managers fulfilling FM responsibilities actually held the FM job title, with more than 40 different titles having been recorded. Research by Asset Skills reveals in excess of 2000 job titles held by employees carrying out FM roles.

Measurement of FM market

In the future, understanding and measurement of the FM market should be made easier in Europe with the allocation of a specific code for FM in the classification of business. The FM code, 81.10, was introduced in January 2008 across Europe (see Box 1.2).

Market growth

While the various functions of FM have always existed within an organisation, prior to the 1980s they were not commonly brought together under one manager, but rather managed separately. There are a number of factors contributing to the growth of FM, including:

- Global competition forcing companies to re-trench to core business areas and seek cost-driven competitiveness.
- High cost of space and premises focuses attention on the cost of occupying, servicing and maintaining space. Premises' costs are second only to the payroll on many balance sheets.
- Employees' rising expectations of work and their local working environments.
- Cost of mistakes – health, safety and environment in particular.
- Information technology (IT) and the growth of technologies used in the operation of buildings. Technologies are changing the way we work and how we can control working environments.
- Public sector policy – the competitive tendering, best value, Private Finance Initiatives and European procurement regulations.
- The investment focus of the property market, with little concern for the needs of tenant occupants.
- Sustainability and the increasing focus on corporate responsibility

Box 1.2 81.10 Combined facilities support activities

This class includes the provision of a combination of support services within a client's facilities. These services include general interior cleaning, maintenance, trash disposal, guard and security, mail routing, reception, laundry and related services to support operations within facilities. These support activities are performed by operating staff who are not involved with or responsible for the core business or activities of the client.

1.6 Trends

With countries and companies experiencing low and slow growth, there is pressure on facilities managers and FM companies to show greater value, to do more for less. As FM strategies move from a single contract to bundles to TFM contracts, the marketplace is showing signs of polarisation – lots of smaller niche FM providers with a few large FM organisations. It is hard to grow a business organically, so there is plenty of merger and acquisition activity in the FM market. The need for specialist service providers and innovative solutions will continue to drive the FM marketplace to improve working environments for their client organisations. At the same time, there is also a refocus on operations, so some larger organisations have brought their FM department back in house and self-perform both management and operational FM tasks.

1.7 FM standard

The European standard EN 15221 is now incorporated into the BS 15221. This standard defines FM as:

‘the integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities.’

There are plans to create an international or ISO standard for FM.