1 Fundamentals

Key points

The following points are covered in this chapter.

- There are several definitions of facility management. A standardized term now exists to emphasize the importance of people in facility management: *organizational function which integrates people, place and process within the built environment with the purpose of improving the quality of life of people and the productivity of the core business*.
- In any discussion of facility management, it is also necessary to stress the importance of integrative, interdependent disciplines whose overall purpose is to support an organization in the pursuit of its business objectives.
- The correct implementation of facility management enables an organization to provide the right environment for conducting its core business as signified by the achievement of user satisfaction and best value.
- There is a close relationship between facility management and asset management – a key difference is that facility management is more focused on people and quality of life.
- If a facility is not managed properly, it can impact organizational performance and productivity. Conversely, a well-managed facility can enhance performance by contributing towards the optimal working environment.
- Facility management covers a range of functions, including real estate management, financial management, human resources management, health, safety, security and the environment (HSSE), change management and contract management, in addition to maintenance, facility services (e.g. cleaning, security and catering), business support services and utility supplies.

Total Facility Management, Fifth Edition. Brian Atkin and Adrian Brooks.

- There is no universal approach to managing a facility since each organization will have its own distinct needs – understanding those needs is the key to effective facility management measured in terms of user satisfaction and best value.
- Quality of service or performance is a critical factor in any definition of value and the relationship between quality (or performance) and cost (or price) has to be properly understood.
- Cost savings cannot be looked at in isolation from value; it should not be assumed that paying less today is evidence of better value for money.
- The many issues and risks involved in the search for best value should be recognized and allocated to those who are able to manage them effectively.

Introduction

This opening chapter sets the scene, by discussing the importance of facility management to an organization – typically, a facility owner, operator or occupier as the recipient of facility services – and how approaches can differ between organizations even within the same sector. There is no single arrangement for facility management that will fit all situations. Nonetheless, the concept of the informed client function is common to all and is discussed in this chapter – see Section 'Key concepts'. It is a theme that stands behind this book and one that reflects the facility owner's perspective, its values, culture and needs. Recognizing that the organization responsible for managing the facility and for service delivery can be an entity in its own right is important too – see Section 'Key roles, responsibilities and accountabilities'.[1] This chapter also discusses the necessity of securing best value in the delivery of services and examines some of the associated issues and risks. The context for facility management is first described and an overview follows in the form of a simple functional model. This is developed to show the distinction between core and non-core business – something that is essential to understand the focus for facility management.

Background

Origins of facility management

Facility management – the operational environment needed to support and enhance an organization's core business processes and activities – has evolved over

[1] ISO 41001 introduced the concept of the facility management organization, which is elaborated in ISO 41014.

the past 150 years or so. It originated in the 1800s, when the American railroad companies thought it better to provide the utility of *facilities* and not merely buildings. This broader interpretation of *facility* is reflected in this book.

It was not until the late 1950s that facility management became associated with the effective and efficient coordination of services applied holistically to enhance the performance of an organization. The collective practices that we recognize today have therefore evolved relatively slowly.

Forty years ago, there was only brief mention of facility management. Buildings were maintained, serviced and cleaned: that was about it. Building maintenance was arguably the term most commonly identified with these tasks, yet it explicitly excluded a role that embraced the *softer* side of an organization's support services and concern for the health, safety and general well-being of personnel. A unified concept for facility management was far from attracting broad acceptance in the real estate (or property management) world. Few common practices and procedures were in circulation and it was left to innovative organizations – many of them in the fast-growing financial services, information and communication technology (ICT) and media sectors – to devise ways of more effectively managing their facilities. Today, facility management is a service sector in its own right and has helped to establish a new professional discipline with its own concepts, principles, processes, standards, codes and technical vocabulary.

Definitions

Facility management has been regarded as a relative newcomer among the real estate, architecture, engineering and construction disciplines. This is because it has been seen in the traditional sense of cleaning, janitorial services, helpdesk, repairs and maintenance. Nowadays, it covers real estate management, financial management, human resources management, HSSE, change management and contract management, in addition to minor building works, building maintenance, building services engineering maintenance, facility services and utility supplies. These last four areas are arguably the most visible. The others are perhaps less obvious, although of no less importance. For facility management to be effective, both the *hard* issues, such as building services engineering maintenance, and the *soft* issues, such as managing people and change, have to be considered.

The International Facility Management Association (IFMA) has defined facility management as *a profession that encompasses multiple disciplines to ensure functionality, comfort, safety and efficiency of the built environment by integrating people, place, process and technology*. This definition underscores the holistic nature of the discipline and the interdependence of multiple factors in its success. Elsewhere, it has been defined as the integration of processes within an organization to maintain and develop the agreed services that support and improve the effectiveness of its primary activities.

A long-standing definition is provided by Barrett and Baldry (2003), who saw it as *an integrated approach to operating, maintaining, improving and adapting the buildings and infrastructure of an organization in order to create an environment that strongly supports the primary objectives of that organization*. They continue by reminding us that the scope of facility management is not constrained by the

physical characteristics of buildings. The behaviour and efficiency of users and the effectiveness of ICT are important too. Whatever definition is adopted, either in this book or by individual organizations, it should stress the importance of integrative, interdependent disciplines whose overall purpose is to support the organization in the pursuit of its business objectives.

International standards have defined facility management as an *organizational function which integrates people, place and process within the built environment with the purpose of improving the quality of life of people and the productivity of the core business* (see ISO 41011). It is unusual for a definition to repeat a word. *People* appears twice to emphasize its importance in the management of a facility.

Practice note – Three perspectives

Facility management occupies an interesting position alongside asset management and, for that matter, real estate (or property) management. With a focus on people and spaces, facility management has differentiated itself clearly from the other two functions and disciplines. In some organizations, real estate management, asset management and facility management can co-exist; in others, one takes the lead and the other two act in support. Much depends on the history of an organization, i.e. how it got to where it is today, and the context in which it operates. The emphasis will be different from one organization to the next. A large municipality might have care-homes, schools, libraries, sports halls and housing under its ownership and so property management might be the appropriate term. The services needed to support people at work and in their leisure-time would be provided as part of facility management. Household and business waste disposal and local highways maintenance would constitute an interest in asset management. There are no hard and fast rules by which an organization should categorize its interests, with custom and practice varying enormously around the world.

Rationale for facility management

Most facilities represent substantial investments for their organizations and usually have to accommodate and support a range of activities, taking into account competing needs. Within those activities is an organization's core business, for which an appropriate environment must be created in a facility that might not have been designed for the use to which it is now being put. Yet, no matter how well focused an organization is on its core business, it cannot lose sight of the services needed to support it; that is, the non-core business. The relationship between the two and the place of facility management is shown in Figure 1.1.

An organization might have already considered the distinction between its core business and non-core business (e.g. security, waste management and cleaning) as part of the drive to achieve user satisfaction and best value. Since operational expenditure accounts for a significant part of annual expenditure, there is bound

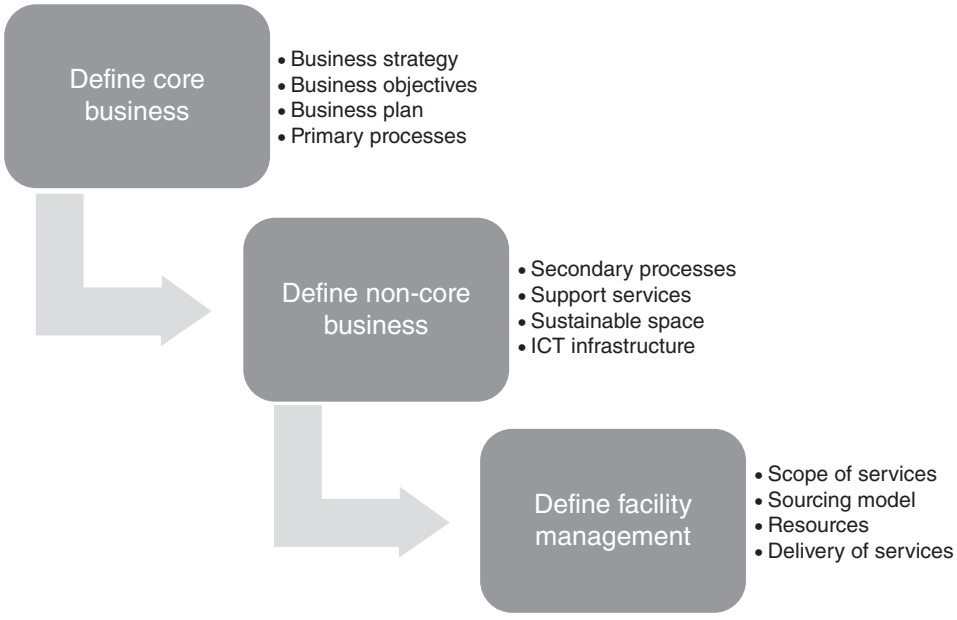

Figure 1.1 **Relationship between core business, non-core business and facility management.**

to be pressure to look for savings in non-core business areas. Cutting operating budgets can be financially expedient but might not help an organization's long-term development and sustainability. Since operations can involve complex, coordinated processes and activities, it is necessary to take an integrated view. A piecemeal approach to cutting costs is unlikely to produce the required savings and can impair an organization's ability to deliver high-quality services. For this and other reasons, we should be able to see why facility management is a more powerful concept than real estate management (or property management) because it takes a holistic view of the dynamics of the workplace – between people, processes and technology, and between people and their environment.

Facility management can, therefore, be regarded as creating an environment that is conducive to an organization's primary processes and activities, taking an integrated view of its services and support infrastructure, and using them to achieve user satisfaction and best value through support for, and enhancement of, the core business. We can develop this definition to describe facility management as something that has a number of distinct goals.

- Support people in their work and in other activities.
- Enhance individual well-being.
- Enable an organization to deliver effective and responsive services.
- Sweat the physical assets; that is, make them highly cost-effective.
- Allow for future change in the provision and use of space.
- Provide competitive advantage to the core business.
- Enhance an organization's culture and image.

Broad approach to facility management

There are common themes and approaches to facility management, regardless of the size and location of a facility or facilities, although these might not necessarily result in common solutions to problems. In some cases, services are contracted out (i.e. outsourced) and in others they are provided from within (i.e. in-house) and for good reason in both cases. Many organizations operate what might be described as a *mixed economy* where some services, even the same services, are sourced from within and from outside (i.e. co-sourced). Whichever approach has been adopted, the primary concern is the basis of the decision. Where the decision has been arrived at for the right reasons, such as demonstrating better value for money from one approach as opposed to others, facility management can be regarded as organized appropriately. In order to reach this state, a basic plan for facility management (see Figure 1.2) should be prepared to incorporate the following steps as a minimum.

1. Develop a strategy for facility management.
2. Determine the most appropriate model for sourcing services.
3. Procure the services, where outsourcing or co-sourcing applies.
4. Deliver the services, including mobilization and contract management.
5. Manage the performance of service providers and/or the in-house team.

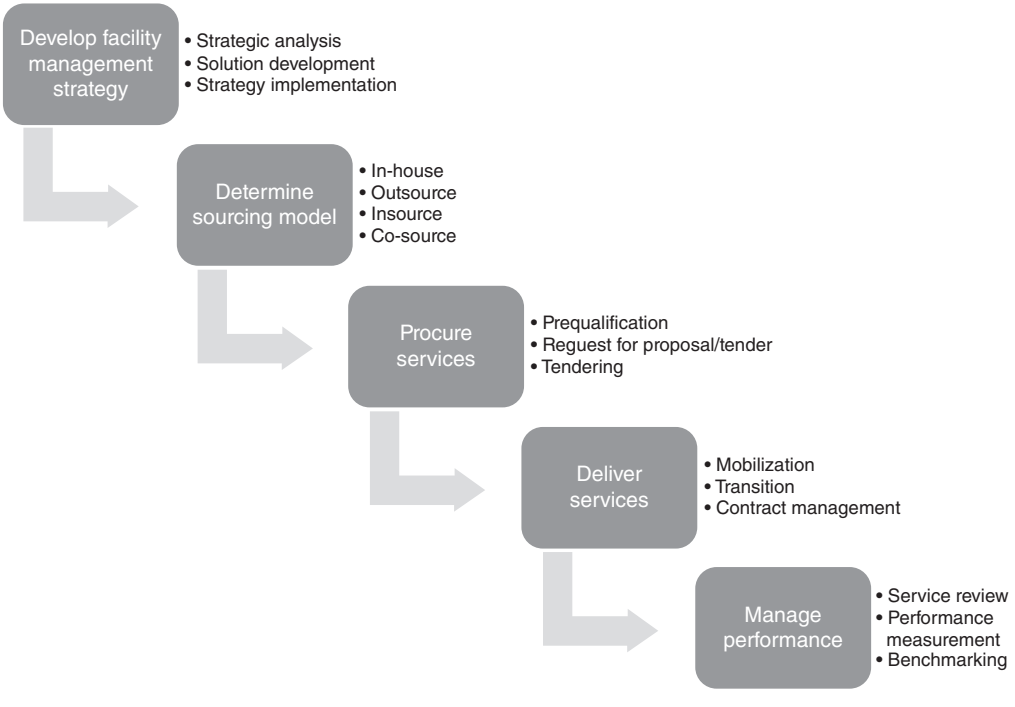

Figure 1.2 **Basic plan for facility management.**

This plan for facility management is something of a simplification to highlight key considerations. These and other relevant matters are elaborated in subsequent chapters.

Relationship between asset management and facility management

Asset management is defined as a coordinated activity of an organization to realize value from assets (see ISO 55000). While assets are often thought of in financial terms and are, therefore, beyond our immediate interest, non-financial physical assets are very much a matter of interest. A facility is a collection of physical assets which is built, installed or established to serve an organization's needs. Facility management is, therefore, a broader concept and discipline than asset management. The generally accepted definition of facility management as an organizational function that integrates people, place and process supports this view (see ISO 41011). Understanding the relationship between the two concepts and disciplines, as well as the differences, is necessary to ensure that value and/or benefits are derived from a facility as an occupied asset where there is an emphasis upon people, process and productivity.

Facility management is recognized by the asset management community as relevant to its interests because of the need to ensure consistent delivery of asset-related services throughout organizations having asset management responsibilities. Since facility management occurs within occupied spaces that are created and supported by physical assets, the importance of realizing value from those assets should be clear enough.

Table 1.1 compares the attributes of asset management and facility management.

Issues, threats and opportunities

There are innumerable factors and events that can impact an organization's business objectives, planning and operations. Issues arise to frustrate or prevent something from happening when it should or in the correct way. An organization might have to acquire new skills or insights into how issues can be resolved or, better still, prevented. There are also threats – otherwise referred to as downside risks – that might or might not occur but, if they did, would impact negatively on the achievement of user satisfaction and best value. If something is going to happen then it is an issue to be dealt with; if there is a chance it might occur – in other words, it

Table 1.1 Comparison between asset management and facility management in the built environment.

Attribute	Asset management	Facility management
Class	Infrastructure	Buildings
Physical	Objects	Spaces
Operational	Movable and immovable	Immovable
Functional	Service availability	People-centred activities
User	Transient	Permanent or temporary

Table 1.2 Example issues and threats faced in facility management.

- Inadequately resourced or inexperienced organization (Chapters 1, 3, 7, 8 and 10).
- Inadequate planning of implementation – limited preparation and/or allocation of responsibilities (Chapters 1, 2, 3, 7, 9, 10 and 15).
- Misapplication of transfer of employment of personnel (Chapters 4, 9 and 10).
- Poor relationship between service provider and facility/contract manager (especially if the latter was once involved with preparing an in-house tender) (Chapter 10).
- Conflicts of interest when dealing with in-house tenders, arising from inadequate separation between purchaser and provider personnel (Chapter 9 and 10).
- Unclear or imprecise roles, responsibilities and targets for effective teamworking (Chapters 1, 4, 7, 10 and 12).
- Possible loss of control over the facility management function and ownership of, and access to, documents and knowledge (Chapters 1, 3, 7, 9, 10 and 16).
- Lack of standard forms of facility management contracts or weak conditions of contract (Chapter 9 and Appendix D).
- Inappropriate allocation of risk and reward between the demand organization, facility management organization and service providers (Chapter 3, 7, 9 and 11).
- Inadequate definition of the scope and content of services (Chapters 3, 8, 9, 10 and 11).
- Lack of consideration of all stakeholders in the facility management sphere (Chapters 1, 2, 3, 8, 10, 15 and 16).
- Specifications that are overly prescriptive and/or concentrate on procedures not outputs (Chapter 9).
- Stakeholders' *gold plating* of requirements (Chapters 2, 3 and 8).
- Poorly controlled changes to user requirements (Chapters 9, 10, 11, 12, 15 and 16).
- Excessive monitoring of service provider performance (Chapters 10 and 12).
- Absence of, or a poor system for providing, incentives to raise performance (Chapters 9, 10 and 12).
- Inflexible contracts and agreements unable to accommodate changes in user requirements during the contract and work falling outside the scope of a service and its specification (Chapters 9 and 12 and Appendix D).
- Failure to take account of relevant HSSE legislation at the correct time, leading to penalties, delays and later excess cost (Chapters 1, 2, 5, 6, 9 and 12).
- Redundancy in the supply chain where cost is added without necessarily adding value (Chapters 7, 8 and 9).
- Poor bundling/grouping of services to be outsourced (Chapters 8, 9 and 10).
- Absence of shared ownership of outcomes (Chapters 9 and 11).
- Poor cash-flow position for the facility management organization, where external, and/or external service providers (Chapters 7, 10 and 12).
- Financial failure of chosen service provider during the contract period (Chapters 9, 10, 11 and 12).
- Absence of benchmarks against which to measure performance and improvement (Chapters 2, 3, 12, 16 and 17).
- Lack of education and training in facility management (Chapters 1, 3, 4, 7, 15 and 16).
- Fraud or irregularity in the award and management of contracts (Appendix C).

Table 1.3 Example opportunities arising from facility management.

- Enhanced organizational capability and quality of service delivery from thorough assessment of requirements in the scope of services (Chapters 3, 8, 9, 11 and 16).
- Identification and allocation of risks on a rational basis to help define relationships between an organization and its service providers (Chapters 3, 8, 9 and 11).
- Beneficial separation of duties between the procurer within an organization and service providers (Chapters 9 and 10).
- Defined roles, responsibilities and targets for effective teamworking (Chapters 1, 4, 7, 10 and 12).
- Robust contract documentation with fair and balanced conditions of contract for in-house as well as outsourced services (Chapter 9 and Appendix D).
- Balanced allocation of risk and reward (Chapters 1, 2, 9 and 11).
- Improved responses to user requirements (Chapters 2, 3, 8, 9, 10 and 12).
- Improved performance arising from incentives that drive appropriate behaviour (Chapters 9, 11, 12 and 16).
- HSSE legislation incorporated into facility management policy, practices and procedures at the appropriate time (Chapters 1, 2, 3, 5, 6 and 9).
- Shared ownership of outcomes (Chapter 11).
- Accurate monitoring of performance to highlight any deviation from plans (Chapters 9, 12 and 16).
- Improved cash-flow forecasting and budgeting (Chapters 3, 7, 8, 11, 12, 16 and 17).
- Establishment of comprehensive benchmarks against which to measure performance and improvement (Chapters 2, 3, 11, 12 and 16).
- Beneficial education and training for in-house personnel (Chapters 1, 3, 4, 7, 10, 12 and 15).
- Meaningful bundling/grouping of outsourced services as perceived by the market (Chapters 7, 8 and 9).

is not certain to happen – then it is a risk to be treated (see ISO 31000). Table 1.2 identifies issues and threats that an organization can face in its facility management. The chapters in which the underlying causes are considered are indicated. Some threats might be easier to treat than others, so the sooner there is awareness of exposure to them the earlier that the best way forward can be found. Risks in the context of exposure to danger, as would be considered in hazard identification and risk assessment, are covered in Chapter 6.

In pursuing more efficient and effective facility management, there should also be awareness of opportunities (upside risks). Upside risks can, in fact, mirror the downside risks to counter their influence (see Table 1.3). Treating upside risks is often a case of enhancing or exploiting the opportunity; however, the timing of any action must be considered carefully. In the case of procurement, for example, once contracts have been awarded it is generally inadvisable to make changes other than those permitted in the agreement between the parties. A perceived change for the better can have quite the opposite impact once approved and implemented.

Key concepts

Informed client function

An organization must act as an informed client if it is to be sure of achieving user satisfaction and best value with respect to its facility and the delivery of services. The informed client function is a prerequisite irrespective of how services are procured – see Section 'Key roles, responsibilities and accountabilities'.

The following outlines the scope of the informed client function.

- Understanding the demand organization, its culture, users and their needs.
- Understanding service requirements and targets.
- Brokering services with, and amongst, stakeholders.
- Overseeing the implementation of outsourcing.
- Minimizing uncertainty and risks through proactive risk management.
- Agreeing standards for control purposes.
- Overseeing service providers and monitoring their performance.
- Benchmarking the performance of service delivery and facility management overall.
- Surveying users for satisfaction with service delivery.
- Providing management reports.
- Reviewing the scope of services and service levels against users' requirements.
- Developing, with service providers, delivery strategies for services.
- Agreeing, with service providers, changes to service requirements.
- Maintaining the ability to re-tender as and when required.
- Understanding the facility management market and how it is developing.
- Undertaking strategic planning.
- Safeguarding public funds, where applicable.
- Developing in-house skills through education, training and continuing professional development/education (CPD/CPE).

The informed client function might be vested in a facility manager, asset manager, property manager, contract manager or other senior manager. Alternatively, the function might be managed by the team acting as the FM organization within the demand organization.

A distinction should be drawn between the type of organization that owns, operates or occupies a facility. Differentiation between them can be based on various criteria and terms; for instance, the *not-for-profit* and *for-profit* sectors. For our purpose, the distinction is based upon the applicability and extent of regulatory control over decision making and accountability. In most countries, the public sector is clearly defined and, by the existence of fewer regulatory controls, so too is the private sector.

Private-sector organizations

While organizations in the private sector appear to be able to set their own agenda for their affairs, the requirements of corporate governance, including compliance with legislation and standards (especially financial), mean that greater

transparency is now expected in commercial dealings. Growing recognition of the importance of being a *good* corporate citizen extends to facility management, where it is likely to be judged on how well it satisfies or not the users of facility services. Corporate social responsibility – see Chapters 6 and 14 – is a feature of corporate life and with it come particular responsibilities for facility managers. The direction of travel for the private sector is, consequently, likely to be towards increasing standardization of processes, procedures and practices for non-core business. In this respect, there is much the private sector can learn from the public sector, where accountability is a given and openness and transparency are expected to be the norm.

Public-sector organizations

The imperative of openness and transparency in commercial dealings has been a long-standing preoccupation of the public sector. Often derided for its unimaginative approach to new ideas and novel practices, most public-sector organizations nowadays have both the competence and confidence to devise more effective, cost-efficient and value-adding methods of working. Fixed capital investment in the public sector brings with it responsibility to extract best value for taxpayers. The public sector has, in many countries, become adept at understanding the inherent risks in delivering facilities and the impact their operation could have if they fall short on requirements. For these reasons, we have been witnessing something of a renaissance in the role of the public-sector organization and one that can be as informed as the best in the private sector and sometimes more so.

Stakeholder engagement

Effective management of those individuals and groups with an interest in a facility including the owner, operator or occupier is a key factor in the success of facility management. These individuals and groups are referred to as stakeholders[2] and collectively will determine the nature of facility management, including its processes and activities and the extent to which they are able to satisfy those (i.e. stakeholder) interests (see Chapters 2, 3 and 8).

User experience

The individuals or groups that will directly experience the effects of facility management are appropriately termed *users*. As the ultimate recipients of facility management and facility services, their needs and expectations must be properly counselled and managed. Organizations include, for example:

- healthcare bodies;
- commercial entities;

[2] International standards have a preference for the term *interested parties*. The terms are synonymous; however, stakeholder is adopted in this book.

- transportation authorities;
- manufacturers;
- educational establishments; and
- sports and entertainment complexes.

As the above examples might imply, the structure, management and space requirements of organizations can vary widely, but the most important point is to realize that the implementation of best practice facility management is relevant to all. Undoubtedly, some aspects and requirements will be more significant than others, depending on the type of organization and its business objectives and drivers.

The following are examples of individuals or groups as users of facility management.

- A *procurer of services* – the general definition of a customer and also the recipient of services in the broadest sense (i.e. the demand organization).
- An *internal department* – an organizational unit served by the facility management organization (perhaps operating as a separate department) with financial exchange between them on behalf of *internal users* as the ultimate recipients of services.
- The *external users* of a facility and services, as would be found in the customer service sector.

Best value

Value for money is a term long used to express the relationship between the cost of a good or service and its quality or performance. The term *best value* extends the concept of value for money to imply the need to strive continually for something superior at the lowest practicable cost. An organization might not be aware of the extent to which value for money in facility management can be improved; that is, through the search for best value. This would suggest that it is not the outcome that should be scrutinized, but the decision making that leads to it and the assumptions upon which it is based.

The best value decision is generally cited as the determinant of whether to outsource a service or not. While value is about the relationship between cost and quality, it is often equated with achieving a reduction in cost. Paying less for a given service this year compared with the previous year does not mean that best value has been achieved. Whereas cost is easy to measure, value is concerned with the quality of a service and the efficiency and effectiveness with which it is delivered. An organization should therefore set cost and quality objectives for the management of its facility, with the cost objective taking priority only where financial necessity dictates.

When considering options for service delivery and service providers, there should be an assessment not only of cost implications but also of quality (see Chapter 9, Section 'Tendering'). The option that offers best value, not simply lowest cost, should be chosen with performance measured subsequently against both cost and quality. Benchmarking can help to check performance (see Chapter 12).

Normally, the achievement of best value is demonstrated by acceptance of the lowest tender price in a competition where all other criteria (e.g. quality, performance, terms and conditions) are equal. Best value can also be achieved through collaborative arrangements with service providers and suppliers (see Chapter 11). Economies of scale offered by bulk purchasing of utility supplies is an obvious example. An additional benefit from collaboration is that downside risks are also shared.

Operability

The success of a new or refurbished facility depends to a certain extent on ensuring that design takes proper account of operational requirements through a thorough process of briefing. Like all *good* decisions, those in design have to be based on the correct information and data, and the impact of a design on operations has to be understood before it is committed to construction and/or installation. Once the facility is operational, it is too late to take issue with the *fitness for purpose* of the design. The principle of constructability is widely applied by designers and design teams; however, the principle of design for operability is not necessarily recognized to the same extent. Designing a new or refurbished facility without understanding the requirements of operability is likely to have negative consequences for both its operational efficiency and environmental performance. Design for operability is a long-established concept in manufacturing as is design for production. Their equivalent in the built environment is *design and construction for operability* (see Chapter 2).

Supporting concepts

Facility planning

Changes in the use of a facility, whether at the level of routine minor adjustments or as part of a major restructuring of an organization, have to be planned. As a stage within the lifecycle of a facility, facility planning serves to determine if an organization has the most appropriate facility to support its core business into the future, providing a formal basis for initiating a process of managed change where found necessary (see Chapters 2 and 15).

Sustainability

An organization might have, as an objective for its facility, the requirement to optimize operational cost over the life cycle. The facility might have to sustain operations over many decades in an environment in which pressure to reduce energy consumption and, by implication, carbon dioxide emissions is likely to increase significantly. A long-term view of the operability of any facility should be taken so that there is awareness of duties, obligations and liabilities into the future on the part of the owner, operator or even a long-term occupier. Important in this regard is an understanding of a facility's carbon footprint (see Chapter 14).

Decisions in design have of necessity to take account of the carbon embodied in the manufacture of components and materials and in the construction or refurbishment of a facility (see Chapter 2, Section 'Design and construction for operability'). Account must also be taken of carbon produced during the operation of the facility. Patterns of use over the life of a facility will affect the overall carbon footprint and will be influenced by the actions of all stakeholders, not just users. A refurbished facility can be designed for zero carbon, but decision making might inadvertently ignore the longer-term sustainability of the facility; for instance, users, together with suppliers of various goods and commodities, will contribute to the facility's carbon footprint throughout its operational life. The result could be a significant underestimation of the carbon impact of the refurbished facility. A whole-life perspective has to be taken, which involves understanding the stakeholders who will be influential in this regard, particularly their impact upon the facility (see Chapters 2 and 14).

Outsourcing

The process by which services are delivered to an organization by an external provider is known as outsourcing and is based upon a sourcing decision. Outsourcing was popularized in industry long before it became a feature in the service sector in general and facility management in particular. For industrial organizations, the decision to outsource represents a choice between *make or buy*. The primary driver is to reduce costs. In facility management, which is concerned with the delivery of services, the primary driver should be to achieve user satisfaction and best value. Out-tasking is a related concept where a single service is provided by an external specialist. In some sectors, this amounts to no more than a form of agency where personnel are brought in to perform a specific task. In facilities management, this could apply to, for example, the annual servicing of plant or equipment. Outsourcing is the alternative to obtaining services from within (i.e. in-house) and can involve highly prescribed procedures, especially within the public sector. Co-sourcing is where outsourcing and in-house delivery are combined. A related term – insourcing – is where an outsourced service is brought in-house. Chapters 7 and 8 consider outsourcing.

Procurement

Procurement concerns the acquisition of goods and services from an external source and so is the practical manifestation of outsourcing. It is, however, necessary to regard procurement as more than the activity of obtaining quotations from service providers and the placing of orders. A range of issues has to be taken into account and that normally requires technical knowledge of the services in question. Chapter 9 considers the procurement of services.

Performance management

Services are provided according to agreed performance levels. Measuring actual performance and comparing with stipulated performance levels will show if the service is being provided as agreed or if some action has to be taken to correct performance (see Chapter 12).

Management of change and change management

Facility management is concerned with routine, minor change arising in the course of day-to-day operations and should be capable of minimizing disruption as well as safeguarding business continuity. Larger and more complex change is better handled outside the normal routine and constituted as a defined project with clear objectives and supporting plans (see Chapter 15).

Human resources management

Managing the delivery of services involves, to a large extent, managing internal and/or external personnel to ensure that services are delivered safely, efficiently and cost-effectively by those involved. Facility management embodies human resources management to an extent that procedures should both reflect and be sensitive to the broader issues and requirements facing an organization. A close working relationship between the human resources manager (commonly referred to as an HR business partner) and the facility manager is desirable to ensure that matters affecting personnel are adequately addressed and that there are no ambiguities.

There is considerable legislation in this area. One fast-moving aspect is equality, which covers issues around the subjects of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Regular checking for changes to the legislation is advisable. Chapter 4 considers human resources management, with the related matter of well-being covered in Chapter 5.

Maintenance management

The origins of facility management included, amongst other functions, building maintenance. In its modern context, facility management covers the maintenance of the structure, fabric, building engineering services installations, fittings and furnishings that collectively form the facility (see Chapter 13). Maintenance is an integral part of facility management and requires clear definition of arrangements to anticipate, prevent and deal with failure or breakdown of parts, components, systems and other elements. Business continuity is likely to be a key concern and plans for dealing with any impact on operations should be prepared and kept up to date (see Chapters 2, 10 and 15).

Information management

Proper management of information and data is necessary to comply with statutory duties and obligations, as well as enabling an organization to derive optimal use and benefit from its facility. The breadth and depth of information to be managed can be substantial and requires a structured approach to its collection, analysis, exchange, storage, updating, control and destruction. Unfortunately, much information and data are likely to be paper-based and of variable quantity and reliability. The progressive development of building information modelling is relevant to any discussion in this regard, although mainly in the context of new and refurbished facilities (see Chapter 17).

Key roles, responsibilities and accountabilities

There will be changes of personnel and other aspects of an organization's management over time. Arrangements and agreements, with respect to facility management, might well outlast the employment of key personnel. It is important, therefore, that there is recognition of the need for the following, where a distinction will have to be drawn between the demand organization and facility management organization (see Introduction).

- The demand organization to be an informed client and to develop this function into the future.
- A procurer–provider relationship to develop between those procuring services within the demand organization, the facility management organization and service providers including external specialists.

The informed client function will require a significant degree of operational knowledge and experience, not only of the core business, but also of the services being provided. This is where there is a strong argument for a formalized arrangement for the facility management organization as the entity with day-to-day responsibility for facility management. Since little remains the same for long, change is an ever-present condition that has to be managed as part of any facility management remit. In particular, the success of a change initiative in the delivery of services will depend on three main parties.

- The demand organization's representative (typically the facility manager, but sometimes an estates manager, contract manager or other senior manager).
- Facility management organization, where this has been formally constituted.
- External service providers and specialists.

All parties should share the common goal of achieving user satisfaction and best value. To be successful, any divergent interests between the parties have to be recognized. A cooperative approach, which acknowledges individuals' interests and aligns efforts with business objectives, has the potential to deliver the greatest benefit. Partnering is one of the recommended arrangements for managing external service providers and specialists (see Chapter 11).

Owner

An organization that holds legal title to the facility and that is the ultimate authority in decisions affecting its acquisition, use, alteration, abandonment and disposal is the owner for our purpose in this book. In almost all cases, this is the demand organization – see Sections 'Introduction' to 'Supporting concepts'.

Operator

An organization that is responsible for the day-to-day operation of the facility and that has legal and financial responsibility for ensuring the safe, secure, efficient

and cost-effective operation of the facility is the operator for our purpose in this book. In some cases, this is the facility management organization – see Sections 'Introduction' to 'Supporting concepts'.

Core competence in facility management

Successful facility managers are likely to be those who are able to combine knowledge and skill in facility-related matters with an understanding of organizations, people and processes. An accomplished designer does not necessarily make a competent facility manager. Understanding how to design a facility is not the same as ensuring that it is safe, secure and efficient in operation. Knowing how people within an organization make use of a facility – moreover, how they can work safely, comfortably and efficiently – goes a long way to becoming a successful facility manager.

Setting aside the historical background to the development of the discipline and, therefore, the particular competences that have been assimilated over the years, we can see that facility management draws on a body of knowledge that spans science, engineering and social science. Facility managers have, therefore, to take a physiological view of facilities rather than a purely anatomical view. This implies greater familiarity with *softer* issues than those of a purely technical or engineering nature. In practice, this means that facility managers have to understand how facilities behave and function as environments to support people in their work and in other contexts. A fundamental characteristic of the environment is change and so one of the main competences that facility managers should have is an ability to manage change.

Other competences include organizational management, financial management and user service. It is the integration of these competences that establishes facility management as a unique discipline. Traditionally, it might have been considered that a sound education and training in an established discipline such as architecture, engineering or surveying was enough; however, aspiring facility managers might lack sufficient understanding of organizational behaviour and human resources management, and how innovation and change can be managed effectively. Core competence in facility management can, therefore, be said to cover the following.

- *Real estate management* – leases, licenses, rent and service charges.
- *Building management* – building performance, building services engineering and workplace design.
- *Financial management* – accounting, finance, purchasing and supply, and legal aspects.
- *Organizational management* – organizational structure, behaviour, processes and systems.
- *Innovation and change management* – processes, technology, ICT and information management.
- *Human resources management* – motivation, leadership, employment law, health, safety, security and user well-being.

Conclusions

Facility management is about providing support to an organization's core business in the form of services. This organization – referred to as the demand organization in international standards – has to understand that it must be an informed client in managing any facility. This requires a focus on service delivery that provides user satisfaction and best value in an environment where risks abound – there are many threats to human and organizational well-being. Effective facility management comes from being able to devise and implement practices that reduce or eliminate the risks and that add value to the core business. This is increasingly placed in the hands of an entity responsible for the day-to-day management of the facility and the delivery of services. Facility management owes its success to the increasing awareness amongst facility owners as informed clients, their personnel and other users of a facility of the value that a well-managed facility can bring to the core business. At the same time, the discipline of facility management has evolved to embrace *softer* issues, but without ignoring the science and engineering base that remains the core of the discipline. In an ever-changing world, facility management is likely to evolve in line with changes in corporate real estate management, legislation affecting employment and the workplace, especially HSSE and change management. Whatever happens, distinct core competences must be present for those managing a facility. Where they are not, retraining or recruitment of appropriate human resources will be necessary.

Checklist

This checklist is intended to assist with review and action planning.

	Yes	No	Action required
1. Does facility management have a sufficiently high profile, i.e. is it connected to an organization's business objectives?	☐	☐	☐
2. Have senior managers articulated a workable definition of facility management?	☐	☐	☐
3. Has a formal risk assessment of facility management been undertaken?	☐	☐	☐
4. Could the demand organization be considered an informed client?	☐	☐	☐
5. Is the role of stakeholders in facility management fully recognized?	☐	☐	☐
6. Have users of services been recognized as a distinct group of stakeholders?	☐	☐	☐

	Yes	No	Action required
7. Is the demand organization able to determine whether or not it is achieving best value from its facility management, however it is provided?	☐	☐	☐
8. Is the concept of design for operability, or design and construction for operability, explicit in all design work?	☐	☐	☐
9. Is facility planning a recognized concept and one that is practiced?	☐	☐	☐
10. Is there a practical interpretation of sustainability and is it reflected in the approach to facility management?	☐	☐	☐
11. Is the role of facility management in dealing with routine change recognized?	☐	☐	☐
12. Is there awareness of the competences that must be instilled in facility management personnel?	☐	☐	☐
13. Are there arrangements in place for continuing professional development/ education (CPD/CPE)?	☐	☐	☐
14. Is there awareness of the likely direction of development for facility management?	☐	☐	☐