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The Beginning of Facility Management (FM) in Germany

From My Very Personal Point of View

Günter Neumann

It all began with a little red brochure by Herman Miller with the title "Do your buildings steal money from you." PARTNER Corporate Design in Stuttgart, where I was a shareholder, was planning a cooperation with the American office furniture manufacturer. While studying their brochures, I was particularly excited by this little booklet. PARTNER developed and realized interior design concepts for companies. This also included the design of working environments. The "facility management approach" shown in the Herman Miller brochure was new to us. The fascination for this management approach quickly developed into a vision and from that a strategy on how to integrate this approach into the PARTNER portfolio. I told each of our business contacts that in the future we wanted to deal with facility management as a business aspect of our corporate design services.

One day I got a call from Dr. Josef Mack from Vienna, who almost jumped through the phone because he had finally found a person who could not only spell Facility Management correctly, but who obviously knew what the term meant.

The consequence of this telephone call was a meeting at the Würzburg freeway service station, where Dr. Josef Mack introduced Walther Moslener to me. A lively discussion followed, at the end of which a strategy paper was drawn up with the following key points:

- Establishment of a facility management association to spread the FM idea in Germany.
- Scientific processing of FM in an FM institute, which should be located in Switzerland for status reasons.
- Establishment of an FM consultancy as an operating company through which the other FM activities were to be financed.

With this strategy paper I returned to PARTNER in Stuttgart. At this point, each partner had the option to implement an idea in his own business area (play money, we called it). I succeeded in convincing the other partners of the FM idea, thus creating a unique selling point for PARTNER. The first chance to present the Facility Management idea to a larger audience was the PARTNER in-house exhibition called "PARTNER-6-Days" in June 1988. In addition to architecture and design, facility management was addressed for the first time. The FM presentation consisted of an optimized working environment and an IT installation with rooms in various planning stages that could be visually entered via Virtual Reality (VR) glasses. This was supported by lectures on all aspects dealing with the planning, construction, use, transformation, and utilization of building structures and facilities.

These presentations were taken up by the visitors with great curiosity but also with a lot of skepticism. Those responsible for real estate in the companies were afraid that the implementation of FM would mean having to rebuild the entire company. For the management consultants, it was "old wine in new bottles." This meant the

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optimization of internal business management by means of "overhead value analysis," a bread-and-butter business for many management consultancies at that time.

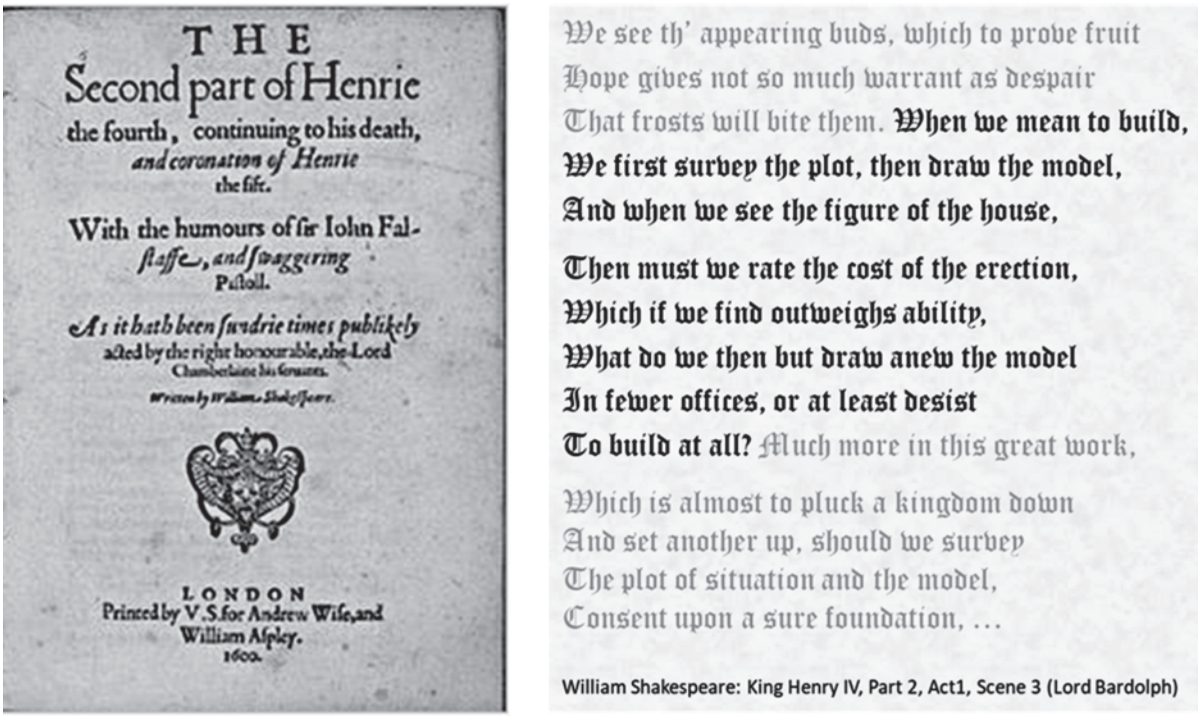
In the brochure "PART" published for this event, there was an article on facility management for the first time (see Figure 1). Research revealed that in his drama Henry IV of 1597, Shakespeare has Lord Bardolph say the following sentences, which today could be described as facility management.

For us, FM was a holistic and integrative methodological approach with a focus on: People, Place, Process. In doing so, we tried to bring these elements together with our existing portfolio, e.g., in:

- site analysis
- operational space planning
- architecture and engineering
- space management
- furnishing planning
- room installation
- maintenance and repair of structural and technical facilities
- budget planning

With this integrative approach, we have – in retrospect – overwhelmed the real estate managers of many companies. In Germany at that time, real estate was generally managed in different departments but not as assets. Life cycle considerations, value chains or outsourcing were foreign terms that did not exist in practice.

During the PARTNER in-house exhibition, the idea of organizing an FM congress to prepare for the foundation of an FM association matured (see Figure 2). At the same time, talks were held with IFMA in Houston. Furthermore, participation in IFMA´s annual conventions in Atlanta and Seattle took place in order


THE
Second part of Henrie
the fourth, continuing to his death,
and coronation of Henrie
the fift.
With the humours of sir Iohn Falstaffe, and swaggering
Pistoll.
As it hath been sundrie times publikely
acted by the right honourable, the Lord
Chamberlaine his seruants.
Written by William Shakespeare.
LONDON
Printed by V.S. for Andrew Wise, and
William Aspley.
1600.

We see th' appearing buds, which to prove fruit
Hope gives not so much warrant as despair
That frosts will bite them. When we mean to build,
We first survey the plot, then draw the model,
And when we see the figure of the house,
Then must we rate the cost of the erection,
Which if we find outweighs ability,
What do we then but draw anew the model
In fewer offices, or at least desist
To build at all? Much more in this great work,
Which is almost to pluck a kingdom down
And set another up, should we survey
The plot of situation and the model,
Consent upon a sure foundation, …

William Shakespeare: King Henry IV, Part 2, Act1, Scene 3 (Lord Bardolph)

Figure 1 Facility management anno 1597. (*Source:* W. Shakespeare / Folger Shakespeare Library / CC BY SA 4.0).

FM – Facility Management

„Besserer Hausmeisterjob" oder Überlebenskonzept?

Günter Neumann
Leitender Mitarbeiter
und Gesellschafter
von **PARTNER**

Situation Ausgangspunkt der Überlegungen zum FM heute ist die Steigerung der Wettbewerbsfähigkeit von Unternehmen und Organisationen in immer enger und schwieriger werdenden Märkten.
Gesellschaftspolitische Akzeptanz und eigenes Überleben sollen gesichert werden.
In vielen Fällen reicht die Kombination von Information, Mensch und Betriebsmitteln zum Überleben nicht aus. Die Ursache kann nicht in Information oder Material liegen. Es gibt keine produktiven Computer, keine produktiven Schreibtische, keine produktiven Bürogebäude. Es gibt nur produktive Menschen, die in ihrer Effektivität und Kreativität abhängig sind von technischen Hilfsmitteln, von ihrem Ausbildungsstand, von ihrer Arbeitsumgebung und den Arbeitsinhalten.
In der Fabrik ist die planmäßige Organisation des Arbeitsprozesses deutlich zu erkennen. Das Büro ist ein Arbeitsplatz wie jeder andere. Das dort hergestellte Produkt ist nur etwas schwieriger zu erkennen. Ich möchte es hier Information nennen. Der Mitarbeiter produziert Information.
Hier liegt die Begründung und vor allem der strategische Ansatz für das Facility Management.

(Heinrich VI. 2. Teil, Szene III).
Facility Management anno 1465

Definition Die Bandbreite des Begriffes FM ist der Hauptgrund für das Fehlen einer deutschen Übersetzung. Im Lateinischen (facilitatas/-atis) bedeutet er Leichtigkeit, Umgänglichkeit, Freundlichkeit, Gewandtheit. Im allgemeinen Wirtschaftsenglisch werden darunter Betriebsanlagen, Einrichtungen verstanden.
Um Mißverständnisse zu vermeiden, sollten wir den Anglizismus auch in unserem Sprachgebrauch akzeptieren.
Die „International Facility Management Association IFMA" definiert FM als einen integrativen Management-Prozeß, der Mitarbeiter (people), betriebliche Entwicklung (process) und Arbeitsplatz in einem organisatorischen Kontext sieht. Nach unserer Auffassung ist FM eine ganzheitliche Betrachtungsweise aller Aspekte, die mit der Planung, Errichtung, Umgestaltung und Verwertung von Anlagen im weitesten Sinne zu tun haben.

Ursprung Mitte der 50er Jahre entwickelten die Gebrüder Schnelle vom Quickborner Team den Typus der Bürolandschaft als Mittel zur Verbesserung der betrieblichen Interaktion und damit der Produktivitätssteigerung.
Die Amerikaner haben diesen Gedanken als erste konsequent umgesetzt. Was als Marketingidee bei dem Büromöbelhersteller Herman Miller begann, wurde schnell ein Selbstläufer.
Im Oktober 1980 wurde in Ann Arbor, Michigan, von 40 professionellen Facilitymanagern die „National Facility Management Association" gegründet. Das rasche Wachstum und die Erweiterung um Kanada führten 1982 zur Umbenennung in „IFMA International Facility Management Association".
Anfang 1988 hatte die IFMA weltweit etwa 5000, überwiegend Firmenmitglieder.
Die IFMA ist – zumindest in den USA – als berufsständische Organisation anerkannt.

Warum Facility Management heute
Die mögliche Bedeutung des FM in bezug auf die Finanz- und Liquiditätsressourcen eines Unternehmens wird oft unterschätzt. In den USA sind z.B.

- In der Jahresrechnung aller Unternehmen 25–50% des bilanzierten Anlagevermögens und 10–18% der Erfolgsrechnung grundstücks- und gebäudebezogen,
- 20% aller Unternehmen und Organisationen ohne Grundstücks- und Gebäudeinventar,
- 67% aller Unternehmen und Organisationen ohne Informationssystem, das Ihnen aktuelle Daten zum Grundstücks- und

The starting point for FM considerations is to increase the competitiveness of companies. Socio-political acceptance and own survival should be secured. The aim is to burden the core business as little as possible with overhead costs. This is achieved by:

- Reducing facility-related costs
- Increasing the usability of plant and equipment
- Separating uneconomic assets in a timely manner
- Developing a safe, humane and functional work environment
- Establishing optimal workplaces to increase quality and productivity
- Determining and maintaining current data on buildings.
- Demonstrating the level of utilization
- Demonstrating in-house competence throughout the life cycle of land, buildings and facilities
- Developing and evaluating deployment alternatives.

Figure 2 Facility management from PARTNER's point of view – extract from PART 1, 1988. (*Source:* G. Neumann).

to gather experience for the establishment of an association and the implementation of events, as well as to build up an international network. The goal was to position the planned German FM association under IFMA´s umbrella.

The Symposium

The mi-Verlag in Landsberg was won as co-organizer for the congress. On September 28–29, 1989, the first Facility Management Symposium in the German-speaking region took place in Frankfurt/Main. It was well attended with about 160 participants. The driving force for attending this congress was curiosity. Curiosity, what was hidden behind the term FM. The topics – analogous to PARTNER's service portfolio – were deliberately chosen with a focus on planning. We were familiar with these topics. In our projects, we repeatedly experienced a lack of willingness to link technical and business aspects in such a way that a clear added value for the company could be proven (1 + 1 = 3). With this principle, two single elements with a "lower value" such as a "dumb" CAD plan and an alphanumeric database become a powerful CAFM tool with a clear added value compared to the two input elements through an intelligent linkage. This kind of linkage has been expressed in various speeches and presentations.

To make the seriousness of our commitment clear, Donald A. Young and Eric C. Lund and their wives were invited to represent IFMA in Houston. Their presentations outlined the international aspects of FM and showed what opportunities German companies have through the implementing of FM structures. Examples were given of American companies with German subsidiaries where the American company uses FM but the German subsidiaries do not. A wasted potential (see Figure 3).

The aim of the symposium is to sensitize you to a topic which, in my opinion, is an important instrument for securing the future of your company.

On the one hand, because on the business side it sustainably increases the performance of your buildings, its facilities and equipment as well as the employees through better planning and constant adaptation to operational needs and thus reduces costs.

On the other hand, in the technical, creative area, the creation of an independent, coherent appearance visualizes the competence of your company to the outside (to your customers) and to the inside (to your employees). This aspect should not be underestimated, because in performing markets it is increasingly true that success = performance + image.

Take the chance to use FM as a strategic tool for a cost-efficient performance. Become a member of GEFMA.

Figure 3 Proceedings of the 1st FM Symposium – cover sheet and excerpt. (*Source:* FM Institute).

At the end of the symposium, there was a call for the foundation of a German FM association with the name gefma (German Facility Management Association). The gefma should and be based on the statutes of the IFMA and act as its German offshoot.

After the symposium, the conditions for the establishment of the individual companies and associations were quickly created. This included the drafting of contracts and statutes.

Foundation of FMC Facility Management Consulting GmbH

FMC Facility Management Consulting GmbH was the 1st FM consulting company in the German-speaking area. PARTNER GmbH and the Mack, Moslener, Gerhards group held equal shares in the company. Walther Moslener, who in the meantime had received his doctorate, became managing director. The first employee was the graduate architect, Brian Pendry. The first client was Aachen Münchner Insurance. FMC's service portfolio was similar to that of a facility planner. It was extremely difficult to compete with the large planning companies with their engineering services, which they were now selling as FM services, and with the corporate consultants who were trying to integrate FM aspects into their services. I sold my shares in FMC to the other shareholders in 2001 in order to concentrate fully on my activities in CREIS GmbH. This was followed by further changes of shareholders in FMC, which led to a service portfolio that included FM services accompanying planning as well as the analysis of existing FM structures and the optimization of existing service contracts. FMC is currently managed by Paul Stadlöder.

We are in a permanent state of radical change. The working world must recognize these dynamic factors. Faster adaptation of offices and their facilities to operational requirements, for example, requires new fixed asset management and more flexible logistics.

As a first step towards this, the previous inventtory number is being replaced by a barcode label. It is EDP-capable, is read and enables the disposition of the inventory, in asset accounting and in room and occupancy planning. In a clearly visible place, the inventory is identified by its bar code.

The inventory with reading pen is free of recording errors, is stored in the reader and then additionally printed out as a protocol. In the case of new acquisitions, it is the supplier's responsibility to place the barcode on the inventory as specified by the customer.

Figure 4 FMC inventory system with barcode. (*Source:* G. Neumann).

Foundation of the Facility Management Institute (FMI) in Zurich

With the founding of the FMI in Zurich under the scientific direction of Dr. Josef Mack, the ground for facility management in German-speaking countries was to be scientifically prepared. I was responsible for the management and Anton Wicki acted as Verwaltungsrat (in Switzerland for Supervisory Board). This was to lay the foundations for successful business models and products. The preparation and realization of the symposium was the first action. This was followed by a trade fair participation at the Hanover Industrial Fair and the publication of technical books. The follow-up to the activities showed that we were too early with our idea. The market was not yet ready for our holistic FM approach, and we were economically too weak to make and occupy the market (see Figure 4).

Foundation of the German Facility Management Association (gefma) in Stuttgart

The foundation of the gefma as the German offshoot of the International Facility Management Association (IFMA) took place on December 15, 1989 in Stuttgart. The founding members came from PARTNER and PARTNER contacts. They represented consulting companies, engineering firms and CAD manufacturers. The first board was formed by Dr. Wilfried Clauß of Drees & Sommer, Knud Hartung of Arge Immo, and Dr. Walther Moslener of FMC. In retrospect, this was already the first weak point, because there was an FM user neither among the founding members nor on the board. So, it was not surprising that the share of consulting and service companies in the membership grew disproportionately, because they expected a clear competitive advantage. Corporates as users tended to be the exception.

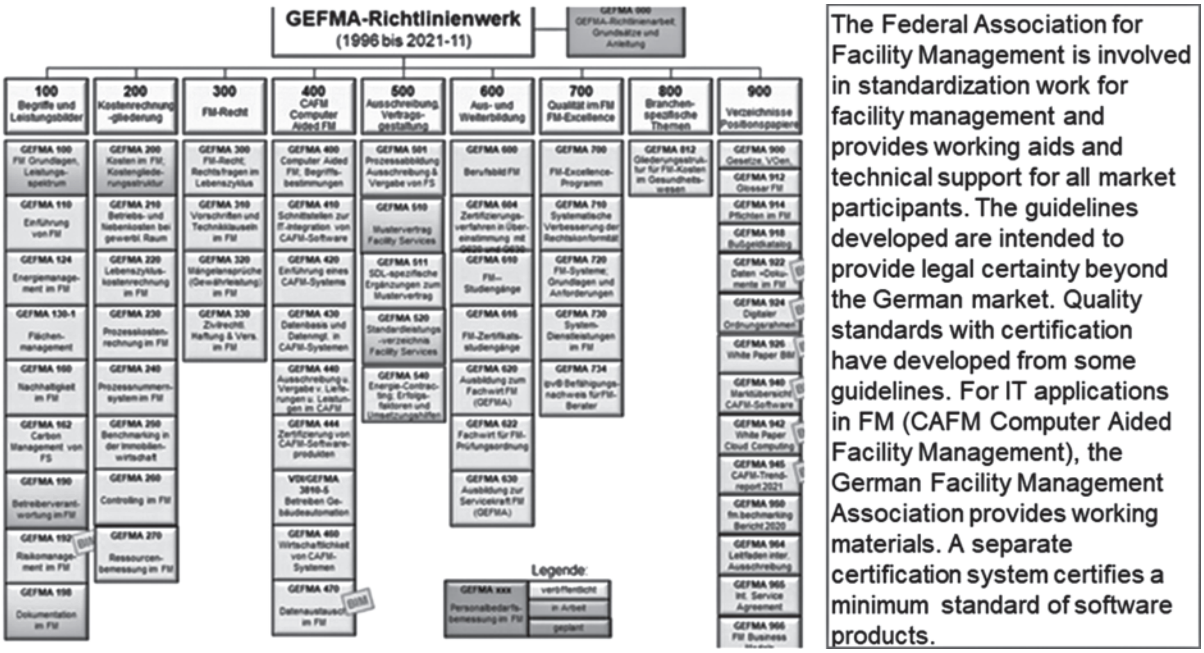


Figure 5 Gefma guidelines – overview. (*Source:* gefma/Springer Nature).

The following boards of directors did not change anything either in order to gain more FM users as members and thus to follow the IFMA statutes. This led to a break with IFMA. gefma became a largely FM provider association. At this point, Walther Moslener and I left gefma and, with IFMA's blessing, founded IFMA Germany in Munich on December 12, 1996, which merged with Real FM in November 2006 as the professional association of real estate and facility managers. In my opinion, this was the first time that the two – also internationally – competing professionals (CoreNet Global and IFMA member) were organized in one association.

My leaving gefma did not affect its work on guidelines, which have a very good reputation in the market. This involved my work on guidelines that fitted in with my core CREIS business, such as:

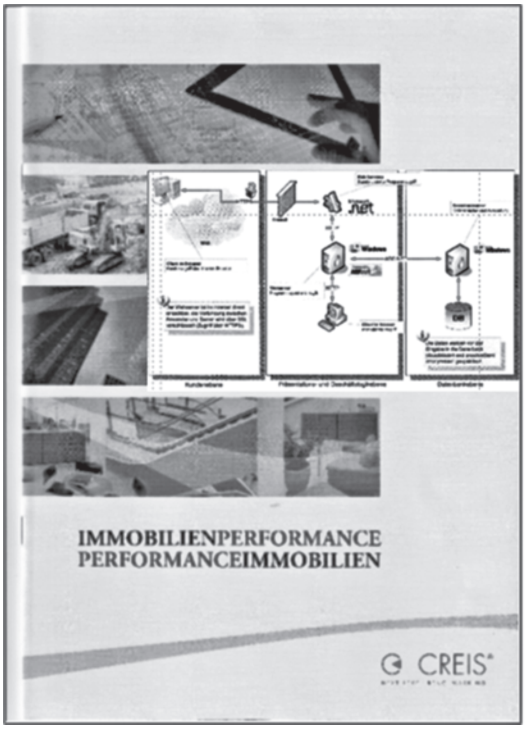
- Operating and ancillary costs for commercial space
- Space management – basics
- Benchmarking in the real estate industry – basics, procedure, application

Many companies in German-speaking countries now follow these guidelines in defining, performing, billing, and evaluating FM services (see Figure 5).

At the same time, the FM market began to differentiate itself. Strategic FM was offered by specialized management consultancies. Otherwise, the German FM market was more operationally structured. In addition to holistic facility management, terms such as "commercial" and "technical property management" and "facility services" suddenly appeared. It took some time for these terms to differentiate themselves from one another.

Foundation of CREIS Real Estate Solutions

This differentiation was the motivation for me to found CREIS Real Estate Solutions in 1995 as a consulting and software company with the goal of developing and implementing standards for performance measurement of real estate and real estate–related services in asset, corporate real estate, property, and facility management.



Our basic principles guarantee comprehensive performance measurement with robust market data. To effectively support your real estate business goals, our benchmarking is based on eight principles:

- **Anonymity and confidentiality**
- **Data validity and data stability**
- **Holism**
- **Viewpoint control**
- **Orientation to standards**
- **Scientificity**
- **Hierarchical structure**
- **Added value and handling**

The actual goal of benchmarking is to identify best practice. Key figures form the means of transport for this. For the extensive standard evaluations, the key figures were combined into corresponding groups in a consistent key figure system.

Figure 6 CREIS benchmarking system for evaluating FM performance. (*Source:* G. Neumann).

Based on these standards CREIS supports companies in improving their business performance. Hierarchically structured, value-oriented management indicators form the basis for effective controlling. The benchmarking method developed by CREIS has meanwhile become the standard for measuring the performance of real estate and services (see Figure 6). The following are evaluated:

- cost performance
- building economy
- consumption
- productivity
- sustainability

For corporates, investments in real estate generally represent secondary investments, which differ from market-oriented primary investments in the core business in that they only contribute indirectly to value creation. So far, yield considerations have hardly been taken into account. Nevertheless, real estate can be a sensible investment for companies for overriding strategic objectives if:

- know-how is to be secured through ownership of strategically important real estate (e.g., production and laboratory buildings),
- no real estate of the required type and quality is available on the market at the required time, or
- “resource potential” can be created with the investment in real estate and thus the market value of the equity can be increased.

However, it is essential for the market value-oriented view that companies do not see their real estate exclusively as an operating asset but complement its role as an asset with an investor-oriented view. However, these different perspectives must be manifested both in the organization of real estate management (corporate real estate management, facility management) and in the relationship between the company as investor and the company as user, taking into account corporate governance requirements. The consequences of inadequate implementation are often conflicts of interest that led to redundancies in the organization and thus to inefficient handling of corporate real estate. Performance here defines the degree of fulfillment of operational requirements in terms of:

- Usefulness (real estate as an operating resource in the service provision process)
- Flexibility (ensuring the flexibility of the core business)
- Cost performance (burdening the company with real estate costs)
- Space efficiency (space efficiency, space consumption)
- Sustainable corporate governance (Corporate Governance Code)
- Ecological sustainability (sustainable management)
- Social sustainability (employee satisfaction, motivation)

For real estate companies, real estate represents a pure asset. Even if this approach implies a one-sided focus on maximizing returns and increasing value, the property remains the tenant's means of operation. The more satisfied the tenant, the more sustainable the return for the investor.

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Work Experience

After activities in planning and realization of office buildings, the establishment of FM structures in the German-speaking countries followed from 1987, such as the foundation of the FM Institute in Zurich, the GEFMA, and the FMC in Stuttgart.

In 1995, the Corporate Real Estate Information System (CREIS) was founded with a focus on real estate and FM controlling and the establishment of the Real Estate Monitor (REMO) for performance measurement.

Main areas of experience:

- Development of a real estate strategy, definition and Balanced Scorecard (BSC), establishment of KPI systems.
- Establishment of value oriented CREM / FM structures (e.g., shared service centers, value-added partnerships / Supply Chain Management SCM)
- Establishment of real estate and service controlling (e.g., process cost accounting, cost-performance accounting, supplier audits)
- Implementation of benchmarking projects (strategy, organization, portfolio, services/SLA, costs, energy efficiency, productivity)

Education

- Interior design and carpenter's apprenticeship
- Master school in interior design and business administration,
- Certified Facility Manager (IFMA),
- Master studies at the EIPOS at the TU Dresden (MSc Real Estate).

Teaching:

- DIA at the University of Freiburg (2014–2018)
- HTW University of Applied Sciences, Berlin (2012–2021)

Publications (in German – excerpt):

- Space Management, Zeitner/ Marchionini/ Neumann, Springer Verlag, Berlin 2019
- Real Estate Performance Creates Performance Real Estate in Facility Management, VDE Publisher, Berlin 2012
- Guide to successful real estate benchmarking, Wolters Kluwer, Cologne 2009
- Real Estate Benchmarking in the Context of Increasing Returns in Real Estate Benchmarking, Reisbeck/ Schöne, Springer Publisher, Berlin 2009
- Supply Chain Management for the Real Estate Industry, Cross-company Management of Value Chains, VDM Publisher, 2009
- Real Estate and Service Controlling in Facility Management, Nävy, Springer Publisher, Berlin 2006

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