

# Facilities management: definition and scope



There are many definitions and imprecations of the term ' facilities management'. The British Institute for facilities Management (1996) defines it as:

The practice of coordinating the physical workplace with the people and work of an organization, (It) integrates the principle of business administration, architecture and the behavioral and engineering sciences.

As the overview of this definition (Figure 1. 1) shows, facilities management represents broad ranging issues.

## **Managing Facilities**

### **The overview of facilities Management**

- Facilities Management
- Behavioral and engineering science
- The physical workspace
- People
- The work of the organization
- Architecture
- Business administration

### **What value does facilities management has the hotels?**

If facilities management is about managing physical assets, it has considerable relevance to other hospitality businesses, as the property or the premises in which the hospitality is delivered, form a major part of the product package sold to customers.

Customer needs could be for overnight accommodation, a meeting area or a restaurant meal. In each case, the physical assets will form an important part of the product. Some of the common elements required to produce the 'accommodation product' are shown in figure 1. 2.

### **Guests might also require:**

- A source of information (e. g. regarding to other amenities)
- Privacy
- Secretarial assistance
- Porter age
- Car- Parking Space
- Ramp Access
- Lifts
- Personal laundry service
- Sleeping facilities

As can be seen, the physical assets are prominent. The list could go on.

Whereas many of the identified needs of customers are tangible (e. g. the lift, the guestroom and the hot water) and relate to physical assets, other needs (e. g. security and feeling of well-being) are largely intangible.

Since the accommodation forms a major part of product, even in small hotels, the capital outlay or revenue expenditure on the property is proportionately high compared with other businesses. In order for business to be conducted in a hotel, it is essential for at least certain of the physical assets to be actively managed. Although the term ' facilities management' might not be used, elements of facilities management would need to be applied to hotels to achieve business success.

## **The ‘ Accommodation’ product**

- Appropriate heating lighting and ventilation
- Appropriate personal security
- Feeling of well-being
- Satisfactory standard of hygiene, safety, cleanliness, appearance and maintenance
- Provision for personal hygiene
- Food and beverage provision
- Design and décor
- Appropriate furniture, fittings, furnishings and equipment

## **The development of facilities management**

A property based discipline

Facilities management as a practice has its roots in the USA, where development took place during the 1980s. It is evolving from a property management, services and maintenance (including cleaning, ‘ caretaking’, and waste disposal and catering) into a much more proactive, strategic role. In this role, it is also concerned with the design of property and the work environment, purchasing and future management and maintenance of the property – thus, it covers a broad area of ‘ non-core’ activities (see Figure 1. 3). Such activities could include IT Services and even human resources management. It is strategic role of facilities management which will be developed in this book.

## **The evolution of facilities management**

- Repairs and maintenance

- Cleaning and waste disposal
- Property purchase and design for target market
- Property valuation to determine use
- Refits to meet change or need
- Changes of service to meet change in demand patterns
- Policies on space utilization and staffing implications
- Policies on planned management of all physical assets

From a management perspective, facilities management must consider the needs of all building users, together with the needs of others who may affect by the management of the building. The needs of the following people, therefore, have to be considered.

Shareholders have an interest in business and property value and the asset value and service standards must be maintained or developed.

Employees need an efficient working environment. This is conducive to high morale and to high morale and to high quality and productivity.

Customers in a hotel will not only be visiting the establishment, they will, hopefully, enjoy using its facilities. Considerable expertise must go into creating an atmosphere and environment which reinforces the good image of the organization.

The local community will be affected by the property. Aspects such as visual appearance, pollution, traffic (as a result of business), employment and the encouragement of local custom must be all managed.

Reliable suppliers who provide consistent quality are very important to the success of any organization. They might be providing a service, staff, equipment or supplies. Partnership, strategic alliances and other agreements are some means by which this group can be managed.

Recent history gives some indication as to how and why the concept of facilities management, in general, not just in the hospitality industry, has developed in the last decade and the hospitality industry, has developed in the last decade and suggest that although many of the strands are not new, the overall approach does not have a different emphasis.

The various factors which may have attributed to the rise in facilities management will now be considered.

## **The scope of facilities management**

Car fleet management

Cleaning

Construction

Contract management

Energy management

Furniture selection

Human resources

Health and safety

Interior design

Lighting

IT management

Linen and laundry

Maintenance

Mechanical engineering

Organizational behavior

Project management

Reprographics and design

Security

Space planning management

Procurement and supplies management

Travel management

Accounts

Acoustics

Architecture

Computer and design

## **Factors attributing to the development of facilities management**

### **Cost reductions**

Fierce competition, depressed trading conditions, higher energy costs and other economic elements have forced companies to look at all means of reducing costs and maintaining the market edge. Facilities costs can be very significant. Stipanuk and Roffman (1992) estimated that a full service hotel of under 125 rooms has an average expense of 11.9 per cent of turnover for property management and energy. With costs, savings can best be made at the design stage of buildings. The development of ideas on terotechnology (considering life-cycle costs at the planning stage) is yet another probable stimulus for the development of facilities management concepts.

In response to the rising awareness of property costs, attempts have been made to forecast total ownership costs of buildings (life-cycle costs) at the planning stage. These costs would include:

Initial (fixed costs) + Operating costs + Residual costs (e. g. demolition or sale).

### **The need for flexibility**

Continuous change of policy, market and methods within organizations is now common. Whereas once, such decisions and changes were momentous and seen to be long-lasting, now they are considered to be more routine. At one time, there was only an occasional need for someone to oversee change whereas now that person is needed full-time. Changes related to physical assets include extending or reducing overall working space, modifying workstations to facilitate changing



work methods or achieving building modifications in line with 'rate of churn' (i. e. movement of personnel within the jobs in the building). Obsolescence related to workspace rarely, means physical delay, it often means the right fabric in the place. Such as process of change has been evidenced in hotels with relation to computerization and in restaurants as eating habits change and customer expectations of environment alter. In addition, response time needs to be fast. Downtime is waste. Hotel rooms are a perishable commodity as those not sold twice tomorrow night. Acknowledgement of the facilities as a major resource of the business itself, often means that premises are used round the clock.

### **Trends in the development of facilities management**

Many changes in recent years have been technological (e. g. building design and telecommunications). At the same time, human needs and expectations have changed and there is need to bridge the gap between the technical and human (see figure 1. 6).

In looking at the growth of facilities management in the UK, a number of trends become evident.

### **Management and customer perceptions**

- Need to change physical assets from overheads to resources
- Prestige

### **Employee needs and expectations**

- Working conditions
- Morale
- Sick building syndrome

- Negligence claims

### **Need for flexibility**

- Continuous market changes
- Need for responses
- Heavier use of facilities

### **Cost reductions**

- Competition
- Depressed trading conditions
- Higher energy conditions
- Higher energy costs
- Higher cost of space
- Need for operational efficiency
- Downsizing
- Need to focus on core competitiveness

### **Government policies**

- Compulsory competitive tendering
- Health and safety