



Facilities
Management
Perception
or Reality?



Facilities Management – Perception or Reality?

Tony Angel provides a controversial overview of FM, taking a look at the professional standing of the FM industry and asking if the client is short changed by a lack of synergy between in-house and outsourced skills.

I became involved in facilities management quite a few years ago, having made the – not unusual – transition from a traditional surveying discipline. Throughout my involvement, however, the same questions have continuously been asked by fellow practitioners, whether in the trade press, at seminars and conferences, or in the pub. They go something like this:

“What is FM? How should we define it?” (Lately, this has been replaced with “What is infrastructure management?”, but that’s another story). Or, “Should FM be represented on the Board? What’s it got to do with strategy?” Or another old chestnut, “Why don’t other professionals respect what we do?”

Personally, I think this has gone on long enough, particularly as the attempts at answers are usually somewhat underwhelming. I suggest, therefore, that it’s time we stopped gazing at our own navels, and actually made an effort to address some of the real issues that we all acknowledge – at least when no one else is listening. If we do so, I suspect that the questions above will be all but academic.

Skills and competences

We all know that there are many and disparate routes into FM. Some of them give a good grounding to people who have a clear idea as to how they want their careers to progress (for example, property and engineering). Others provide a slightly less technical background, often to people who “fall” into FM by default, perhaps through administrative or “office management” experience, human resource management, senior secretarial roles, and so on.

It is without doubt encouraging in one sense, in that FM can be the common denominator in mapping future career paths and providing a meaningful way in which to constructively contribute to an organisation’s operations. But there are also potential pitfalls arising from a consequent lack of consistency, understanding, and quality. Unfortunately, every time FM activity fails to add value, and fails to deliver the promised benefits, someone will question the need for a dedicated function that seems to represent yet another burden on scarce resources.

In my view, the only possible answer to what is an inherently difficult problem is ‘education, education, education’. I attended an interesting meeting some weeks ago, where those



around the table were all established practitioners from both the client and supplier arenas. When the conversation touched upon the importance of professional qualifications, the (almost) unanimous view was that they were overrated and could be dispensed with on the basis that, in essence, we all knew what we were doing so where was the problem?

My response to this head-in-the-sand stance is *'get real'*. We are in constant competition with surveyors, accountants, and management consultants, all of who have recognised the value of formal qualifications for many years. What is that value?

- First, they are a clear indication of academic standards, ability to manage pressure, and a level of commitment on the part of the individual.
- Secondly, they are one of a number of factors that make “intelligent” recruitment by potential employers a possibility.
- Thirdly, they demonstrate a supplier’s unarguable commitment to quality and standards to potential clients.
- Finally – without wanting to sound glib - we’re meant to be professional, aren’t we? If so, how can we possibly argue against professional qualifications?

Yes, I’m in full agreement with the notion that experience is invaluable and there’s no question that many of those within our ranks who are most influential have consistently delivered as a direct result of skills borne out of experience alone.

However, we must now ensure that we continue to progress, in terms of perception as well as fact, from a “discipline” to a “profession”, and we must therefore encourage and sponsor formal qualifications (and continuous professional development – CPD) at every opportunity. This applies particularly to those who are entering the world of FM, but there is no reason why existing experience cannot be underpinned by formal qualification.

Remuneration and reward

The results of the salary survey sponsored by Summit Support Services have been in the public domain for some months, and they make interesting reading. I’ll ignore the figures relating to qualifications; not because, at first glance, they may seem to contradict my comments above, but because it is unclear how many respondents have FM degrees and/or other FM-related qualifications (for example, it seems likely that there was confusion between BIFM membership and qualification). However, from some 400 respondents the following was noted when considering the range of remuneration packages received:

- Facilities director’s salaries ranged from £15,000 to £135,000



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- Facilities manager's salaries ranged from £14,000 to £80,000
- Consultant's salaries ranged from £17,500 to £60,000

In terms of reporting lines and responsibilities:

- Only 36% (appear to) have a reporting line to the board, through either MD, FD or CEO
- 23% were responsible for budgets of below £0.5m, but 20% claimed responsibility for £10m+

The survey results indicate that much of the data may have been skewed by misinterpretation by the respondents (or, dare I say, misinformation), but it is also undeniable that there is a degree of inconsistency that is worrying. This is borne out by job advertisements that appear in the trade press and on FM-related websites, week-in week-out.

How often do we see employers seeking highly skilled and qualified managers to take responsibility for both hard and soft services - for substantial national (if not international) portfolios - offering remuneration packages that are well within the boundaries of single site positions advertised at the same time and in the same media? The fault may ostensibly be with the employer, but what are we doing collectively to remedy the situation?

Recruitment consultants are aware of the problem but claim to be powerless to change it. I question whether that's actually the case, or whether it's more the result of fear of alienating the client. Certainly, in my own experience within FM consultancy, advice supported by (readily available) data in the public domain has for the most part been heeded. After all, employers generally understand the notion that you get what you pay for.

Cross fertilisation

Even more problems abound when comparing salaries between similar positions in respect of directly employed in-house managers and, say, the external account management function. In the middle management roles particularly, there is little correlation between the typical in-house salary and the salaries offered by, for example, 'TFM' service providers. The former are invariably higher, often it seems by as much as 20% - and that's disregarding the better packages that normally accompany in-house employment.

This, it seems to me, is particularly bizarre. I have had the benefit of experiencing, in a direct sense, both client and supplier operations over the years and I am bound to conclude that the latter benefit from staff who are more commercially aware, who are more technically competent and who are simply better 'managers'. There's no doubt that the more clued-up corporates that recruit in-house understand and have regard for FM, and provide sufficient



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resources to ensure that it is run by good people who are committed to ongoing development of professional and management skills. The problem is, I don't see this as the norm.

More often than not, in-house teams run on scarce resources, with little by way of a training and development budget, limited exposure to innovation and best practice and lack the wherewithal to compete with the managers routinely offered by the top service providers. Furthermore, many corporates regard the FM function as non-core and, therefore, relatively unimportant in comparison to other areas of potential investment.

If we don't actively address these issues, I see no future whatsoever for the in-house role, other than in the form of a limited "intelligent client function" that in most cases need be no more than one position acting as primary contact with the supplier. This may seem like a sweeping statement and I'm sure it will be challenged. However, FM is a dynamic discipline, and it is improving all the time. Those improvements are in the form of constant IT advances, evolving measurement tools and shifting contractual relationships, that is all the things that can and often do pass by those who are too focused on their own operation and who lack any external perspective or means of comparison.

Conversely, it's far easier, of course, to compare practices over a range of clients and contracts and to properly resource research activities and process engineering initiatives, from the position occupied by the large supplier and with the commitment of intelligent third party contractors aware of the almost unlimited potential of real partnership. Without that partnership, it will always be difficult to effectively place some of the responsibility for innovation where it surely belongs, that is with those directly providing the services.

There is a relatively easy solution to these problems and that is to ensure continuous cross-fertilisation between those employed in-house and those who ply their trade on the supplier side. However, two things are required. First, an end to the resistance, on the part of corporate employers, to "chancing it" with supply-side managers. At the moment this is largely a closed shop, as anyone who has tried to make the transition will confirm. Secondly, we need positive action – by everyone involved in the industry – to eliminate the disparities between salaries on offer to both sectors. The skills and competencies required are identical and the only way to ensure that they are always available is to enable free migration of staff in both directions.

Partnership

I mentioned partnership in passing above, but I'll return to it, as I believe it to be just about the most misunderstood of any of the buzzwords around today. As my final point, therefore, I would like to stress my own belief that the future of FM lies in recognising what the term actually involves. This requires a move away from the historic, adversarial

relationship between “buyer” and “seller” and an understanding that purely cost driven initiatives, that is, without acknowledgement of the required balance between cost and quality, are unlikely to produce the optimum result.

There are a number of factors that need to be addressed in this respect, but the following, at least, need to be recognised:

- All commercial entities have a requirement for profit. Squeeze that profit and it will be reflected in the resources brought to bear.
- The supply chain is often mistaken for the immediate parties to an agreement, but in fact is far more substantial. Pressure on margins at the top will work its way right along that chain.
- Nothing is free – penalties represent risk and risk can be quantified and costed. If in doubt, consider the elements of risk that are comprised within the margins available in PFI contracts.
- Innovation is a bonus often brought to the table at additional cost. What is the problem in rewarding (or should I say incentivising) suppliers for something that would otherwise be unattainable?
- The longer the commitment (for commitment read contract), the greater the investment on the part of the supplier. It’s all very well insisting on rolling “termination for convenience” provisions as a client, but the resultant perception on the part of the supplier is fairly easy to predict.

I do see some improvement in terms of moving from a contract between buyer and seller towards a partnering agreement between user and supplier. More work needs to be done, however, and much will be achieved when confidence in the supply side is at the level it needs to be. In this respect, my initial points again need to be addressed. In addition, we need to move progressively away from the tender mentality, and acknowledge the benefits to be gained by long-term relationships coupled with sensible market testing.

I suspect that ultimately PFI/PPP will lead the way, in as much as supplier partnerships – through SPV’s established by consortia members – are becoming increasingly the norm. There are even examples of “intelligent” private sector initiatives, BT’s Project Jaguar being one of them. In fact, this is a particularly good example, due to the direct involvement by the client in the regional management structure responsible for service delivery. Unfortunately, this is the exception, not the rule.

However, I hope this is just the start of an ongoing trend because the ultimate objective has got to be consistent delivery of professional, quality services, procured through qualified and highly skilled staff within a structure and culture that encourages team-working to





common objectives. That team needs to consist of more than just managing contractors/agents and operational service providers. It seems to me that if you add client representation, you really will provide an environment in which everyone's a winner.

About Edifice

Edifice is an independent consultancy providing objective, intelligent advice on the management of facilities and property in support of core business objectives. Working closely with its clients it provides solutions that are flexible, sustainable and – most important – appropriate to business needs. Blue chip clients include Cable & Wireless, Microsoft, WPP Group, United Business Media, O2, Iron Mountain, and Sainsbury's.

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