THE SCOPE OF FACILITY MANAGEMENT

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ABSTRACT

he facility management (FM) as an industry has emerged as one of the fastest growing sector over the decade. However, the scope and identity of FM is still fuzzy as evidenced by the definitions and issues which attempt to describe its scope. In fact, FM is the multi-disciplinary kind of work that covers a wide range of various activities, responsibilities and knowledge. Moreover every aspect of an organisation seems to be drawn into FM. This article attempts to identify the current scope of the FM from professional perspectives by using models and frameworks to explain theoretically both operational and strategic levels. The article firstly focuses on organisation where FM is active, and how it works. These give full explanations on functions, characteristics, roles and main activities of FM as well as the relationship of all functions which are interrelated and must be developed in parallel. Then, the current scope is summarised to show that FM is an intermediary and integrating agent, working to reconcile the demand and supply sides of facilities in one organisation. FM provides and manages a variety of support services in order to orchestrate all the organisation's functions, putting the accent on an integration of primary activities in both strategic and operational levels. Facility managers are expected to be knowledgeable and to have mastered a broad range of administrative and leadership skills. Moreover, FM should integrate knowledge of both facilities and management in order to work effectively.

Furthermore, the possible direction for future scope of FM which will need to find new strategies and regimes is proposed. The article suggests new definitions of workplaces which, from FM perspectives, can develop with more imaginative views of the resources it has in hand. FM can extend the scope of its creative activity and can contribute in new ways to the organisation's success. The other view on FM's future scope may be shaped by possible directions of change in the future. The article also covers the scope of FM in Thailand which has a uniqueness resulting from effect by Thai culture and concludes with the current scope of FM in Thailand.

Keysword: Facility management, scope, organisation, integrating FM

INTRODUCTION

In the final decade of the last millennium, the facility management (FM) industry emerged as one of the fastest growing sectors (Reeves, 1999). Nowadays, the importance of FM is readily acknowledged in many companies which recognise the necessity of properly managing elaborate and expensive support facilities (Kincaid, 1994). The tasks are multi-disciplinary and cover a wide range of activities, responsibilities, and knowledge, because every aspect of an organisation will come under the purview of FM.

The IFMA model of a triangle of 'Ps' sums up facility management concerns in today's work place: people, process and place. These three factors are interdependent and have direct reciprocal relationships. As Armstrong (1982) pointed out, "we know there is a need to manage the physical environment in concert with people and job processes." FM finds management solutions by positioning itself at the intersection of these three factors (Figure 1). This strategy makes sense, since people, process and place are the three main factors of organisations, and FM involves the whole organisation. The position of FM at the centre implies enhanced cooperation among the key factors in any organisation. However, FM is most active with factors relating to place.

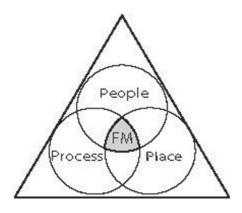


Figure 1: Triangle of 'Ps' and FM (Source: IFMA).

Successful FM leads to work places which better support the flow of productive processes while adding value and reducing costs. The scope, range of services, activities, responsibilities, skills and knowledge of facility management are all intended to better integrate existing organisational factors. This essay describes the current scope of the discipline at both operational and strategic levels. The future scope of FM is also considered, taking into account organisational factors, current conditions, and the impact of future innovation and change.

THE CURRENT SCOPE OF FM

How FM works in an organisation

The current scope of FM is made clear in the framework suggested by Kincaid (1994), which describes many aspects of management practice. Kincaid sees FM as a support role or service, part of the organisation's non-core business (supply side), and serving the needs of primary activities or core business (demand side). The function of FM is to reconcile, through time, these demand and supply aspects in the organization. In the IFMA model, FM works in the area of place, but with obligations to support the needs of the people and processes associated with those places.



Figure 2: Relationships among place, people, processes and FM in an organisation. (Source: adapted from the Triangle of 'Ps', IFMA)

The facility manager, with place as the central focus of his or her field of concerns, has two key roles. The first involves using the organisation's capital resources, especially property, physical plant and facilities. The second means managing the organisation's support services, both routinely and in emergencies. These two management roles integrate three main activities:

- 1. Property management (real estate);
- 2. Property operations and maintenance;
- 3. Office administration.

The operational and strategic levels of FM

Barrett and Owen (1992) divide FM into two broad categories by function analysis:

- Operational or implementation functions
- Management functions

Operational or Implementation functions

Operational activities are day-to-day or routine support functions involving workers. Activities include the operation and upkeep of overall physical resources in order to maintain the good condition and appearance of the work place, to add value to physical resources, and to provide a safe and healthy environment for the organisation's primary activities. Tasks at this level have a relatively short-term scope, and involve specific processes, simple and direct, such as cleaning, replacing, repairing, redecorating, grounds-keeping etc. Secure arrangements for such routine operations and services are the bedrock of good FM practice (Nutt, 2002).

Management functions

Management functions can be distinguished at tactical and strategic levels.

Tactics are action plans involving routine, specific and short-term preventive or managerial operations. (Johnson & Scholes, 2002). Such activities, which are best kept simple, focus, for example, on routine actions such as safety procedures for prevention or proper use and care of maintenance resources. Activities on this level support responsible behavior in the workplace and the continuity of working conditions.

At the strategic level there is consultation and non-routine planning aimed at making the best, long-term use of the organisation's physical resources and overall facilities. Johnson & Scholes (2002) see management strategy as dealing with the complexities of ambiguous, non-routine situations which can affect the direction and future of the whole organisation. Strategic decisions demand an integrated approach since the entire organisation should move, in unison, in the same development direction. Tactical and operational levels depend on policy direction from strategic planners. The field of tasks envisioned by strategists appears sophisticated and complex, because many processes and people are involved and many aspects of the organisation must be orchestrated.

Strategy is needed to cope with the prospect of an unknown and changing future since it may generally be said that "the further we look ahead, the more uncertain we become" (Nutt, 2002-03). Although long term forecasting can only hypothesise about the future, strategic planning aims to reduce uncertainty by choosing a preferred path and a reasonable long term direction for the development of the organisation (Nutt, 2002)

Strategic overviews have two objectives (Nutt, 2002-03):

- Negative aims (Reactive): to reduce risk and constraint, and to avoid failure and undesirable outcomes;
- Positive aims (Proactive): to increase opportunities and advantages; to achieve success; to increase value; and to achieve desirable outcomes.

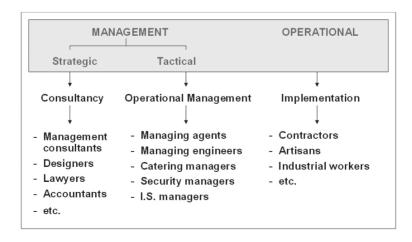


Figure 3: How FM is carried out (Source: CEM)

Support activities in facility management can thus provide both short and long-term support, carrying out specific tasks at operational levels and conceiving projects and plans from policy and strategy, as well, with a view to what lies ahead in the distant future.

The relationship of management and operational functions

Because FM is management led, operational activities are expected to follow directives from the top. However, the two functions are understood to be equally important. Operational and strategic concerns are interrelated and must be developed in parallel (Nutt, 2002) to address both existing and outsourced supplies. Strategy is the compass which leads toward appropriate facilities development. Tactics and operations are the practical means propelling the organisation toward its objectives. The functions are mutually dependent. A good relationship between them helps the organisation move toward its goals with a peaceful, safe and stable work environment.

Thompson (1990) supported this approach with an analogy using computer language. 'Software' represents the strategic level of facilities planning and general/office services. The operational level is figured as the 'hardware,' including, for example, real estate, building construction and building operations and maintenance. The correct choice of 'software' enables 'hardware' to function. That is, the right management plan enables the best facilities implementation.

Categorising FM activities in *operational* and *strategic* levels links with Kincaid (1994)'s three main strands of integrated activity;

- 1. Property management: strategic activities;
- Property operations and maintenance activities: operational functions;
- 3. Office administration: tactical activities.

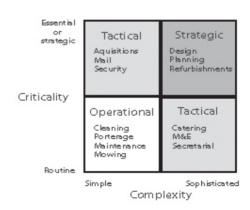


Figure 4: The types of tasks and activities categorized by function and FM task characteristics (Source: adapted from Kincaid, 1994)

Kincaid (1994) concluded that these three disparate sets of complementary activities can be effectively integrated only with an impressive array of dramatically different skills, a vast information base, and a full management range which covers everything from routine operations to long-term strategy.

Kincaid (1996) identified three distinctive characteristics of FM as follows:

- 1. Facility management takes a support role within an organisation, or provides a support service to the organisation.
- 2. FM must link strategically, tactically and operationally to other support activities and primary activities in order to create value.
- 3. The managers must be reasonably knowledgeable in terms of facilities and management

Integrating FM in an organisation

FM activities are relevant to the various aspects and dimensions of organisations. This means that managers need to have an intimate understanding of how the organisation works (Kincaid, 1994). To create and implement FM strategy, planners need to understand all dimensions of the organisation. Four basic dimensions can be posited (Nutt, 2002-03):

- 1. The purpose of the organisation, its vision, mission, objectives, core competency and goals.
- 2. The processes of work, operations and projects.
- 3. The environmental context, organisational behaviour, culture and market.
- 4. The product(s), infrastructure, property and facilities.

A clear understanding helps shape appropriate FM strategy and plans, and supports the use of the processes and operations most suited to each organisation in its existing property and facilities.

Johnson & Scholes (2002) emphasise that each aspect in itself is important, but none is adequate alone. The manager who aspires to manage or influence strategy must be able to see a larger picture. A perception of the whole rather than just the parts is critical.

Organisational culture, technological change, and global competition inevitably affect FM, and an integrated view from a business perspective is indispensable (Then, 1999).

The range of FM knowledge

Kincaid (1994) stated that FM is not simply the practice of managing the various support services in an organisation. Facilities management should integrate knowledge of both facilities and management in order to work effectively. Concerns about support services for operations and activities should be driven by appropriate, relevant and adequate knowledge of facilities and management.

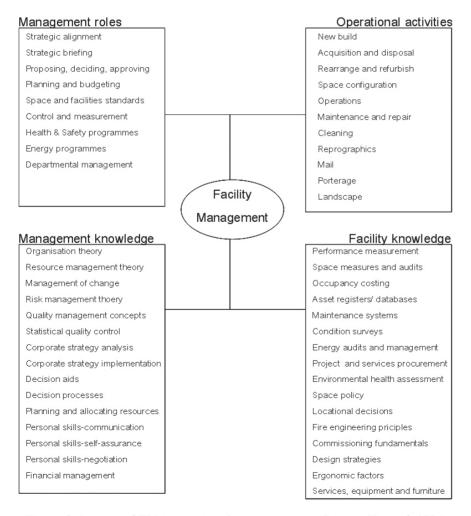


Figure 5: Integrated FM in practice, four components (Source: Kincaid, 1994)

A summary of the current scope of FM

Today, FM is centered in the factor of place, which is not a core business issue. FM works with the organization from beginning to end in terms of each buildings' life-cycle. Clearly, FM is an intermediary and integrating agent, working to reconcile the demand and supply sides. FM provides and manages a variety of support services in order to orchestrate all the organisation's functions. It focuses on the integration of primary activities on both strategic and operational levels. Facility managers are expected to be knowledgeable and to have mastered a broad range of administrative and leadership skills. Kincaid's four components thus encompass a wide spectrum of requirements.

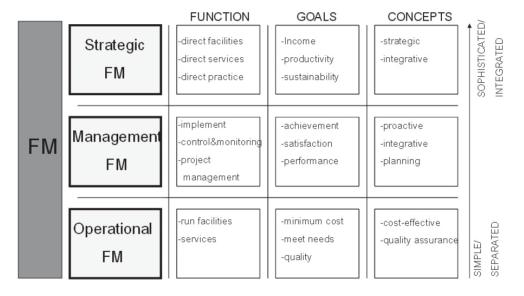


Figure 6: Characteristics of FM works in different levels (Source: Chotipanich, 2002)

Levels of activity and service derive from operations, the foundation of FM practice; from management FM, the highest level: strategic FM. Service levels begin with simple actions, easily carried out, and develop into sophisticated processes which are more difficult to implement. Assessment, similarly, occurs in small separate bits which lead to more integrated evaluation of the whole organisation. People at different levels are linked, a wide range from workers to managers and directors. The higher the service level to be achieved, the more sensitively connected FM must be with every aspect of the organization. This underlines the importance of FM's broadly integrated approach. Piecemeal problem-solving is not facility management.

POSSIBLE DIRECTIONS FOR FUTURE SCOPE OF FM

As understood today, FM takes an intermediary approach. This adds value, helping the organisation to be productive and to fulfil its objectives. However, in order to go on achieving its mission, FM will need to find new strategies and regimes. In one new direction, FM's own view can develop. Physical resources, often seen as burdensome, costly, and prone to obsolescence, are also business instruments which can generate income and profit when wisely managed. With more imaginative views of the resources it has in hand, FM can extend the scope of its creative activity and can contribute in new ways to the organisation's success.

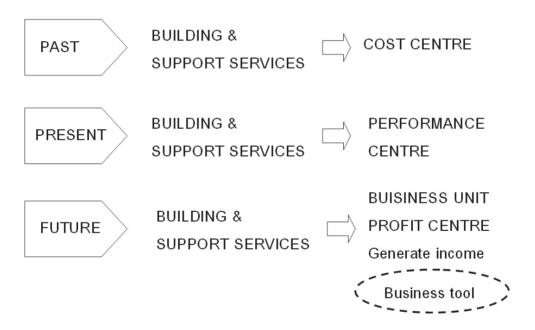


Figure 7: FM functions past, present, future (Source: Chotipanich, 2002)

FM may move beyond cost- or performance-cantered thinking. The future aim of FM is not only to perform excellently in its role of supporting core competencies, but also to contribute more to the competitive strategies which drive the organisation to success. Place, which encompasses physical resources and facilities, is being re-conceptualised in organisational thinking. Rather than being characterised as a long-term burden for FM, physical resources in places are revealing new dimensions of creative possibility.

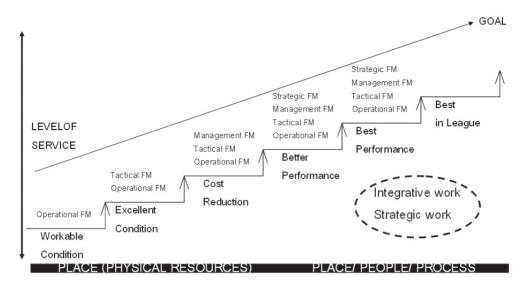


Figure 8: FM service delivery (Source: adapted from Chotipanich, 2002)

Another possible direction to extend FM's scope is illustrated in Figure 8. From the FM point of view, an organisation's first achievements range from three sets of bedrock FM improvements, i.e. workable conditions, excellent conditions and cost reduction. Improvements in these areas are seen mostly in the *place* factor. Very soon, however, two other important factors, i.e. *people* and *processes* in the workplace, must be addressed. *Service delivery*, with the progression of people and process factors, is assessed as it moves from better to best performance and, finally to best in its league. Making *people* the main focus could be the most revolutionary route to the future (Nutt & McLennan, 2000), a route which FM is designed to support. FM improves *people* and *processes* by supporting improved productivity in a healthy, safe and humane workplace. To be successful, FM must be aware of people's need for a work-life balance. FM must also accurately perceive the relationship between the organisation, in all its aspects, and the local community. This is FM's integrative work. It encompasses overall aspects of the whole organisation.

The other view of FM's future scope may be shaped by possible directions of change in the future. This article will focus on new definitions of workplaces.

In today's business environment is understood that work is changing. The workplace is influenced greatly by employee behaviour and expectations, and by new work processes. Technology is a dominant factor as business becomes increasingly dependent, both financially and operationally, on information exchange and knowledge sharing. (Reeves, 1999). Change driven by

information technology (IT) directly and globally affects organisations. Workplaces are increasingly seen as transient nodes in global networks (Grimshaw, 2002).

Nutt & McLennan (2000) suggest that the trend in work practices is toward more responsive working arrangements, global dispersal of work, and new multi-venue and multi-location ways of working, all with increased reliance on subcontracting and partnering. These developments contribute toward 'flexible working,' i.e. work that is 'time flexible', 'place flexible' and 'location variable'. Changing work processes affect relationships with other components; 'work' is no longer a place – it is an activity that can be conducted anywhere. New workplaces will have a tendency to be more flexible, more people centered and more responsive (Grimshaw, 2002). Consequently, it is clear that business requirements for workspaces will change in terms of quantity, quality, location, diversity and functionality. This, in turn, places greater and more varied demands on those responsible for the provision and management of facilities (McGregor, 1999). As a result, facilities have new and wide ranging characteristics. New patterns of support services will also emerge, along with an extended scope of services, operational and management regimes, and related, knowledge based development.

Despite these changes, the concept of FM as an intermediary agent, i.e. integrated FM, is still clear. FM still works to reconcile the demand and supply sides. To support this new workplace, however, the scope of FM activities and services, at operational levels, might extended and become more complex. A new range of facilities and services are needed for the increasingly flexible workplace, for people's rapidly changing requirements. Services may require more agile and real-time activity.

The strategic level cannot rely only upon integrated and well-planned strategic work. To tackle future change and new work processes, changing workplaces and new technology, FM should extend its scope to include this innovative work activity.

All in all, the future scope of FM can be based on three possible directions.

- 1. To shift from the facilities' cost centre to the business unit's profit centre, viewing facility as a tool to generate income. (strategic work)
- 2. To amalgamate three main factors in an organisation i.e. *place*, *people* and *processes* with the sense of a more effectively planned, on-going integration of necessary facilities and support services. (integrative work)

3. To tackle future changes within organisations by using innovative approaches in facility services and management. (innovative work)

THE SCOPE OF FM IN THAILAND

A study by Chotipanich (2002) of FM service supply and practice in Thailand found some interesting outcomes. FM services are mostly involved in building operations, maintenance and routine services. Strategic FM, planning and consulting services are being provided at minimum levels.

At the same time, the development of FM practice in Thailand is hindered by the attitudes of building owners and senior executives who regard their own physical resources as risky, burdensome obstacles to daily work. Physical resources have a low priority in most organisations. Decision-makers take a short-term view of investments in construction and set close limits on budgets for maintenance and operating costs.

Some characteristics of Thai culture naturally affect the shape and uniqueness of FM in Thailand. For example, Thai people tend to tolerate occasional interruptions and system breakdowns very patiently.

According to the Chotipanich study, some Thai companies already view FM as a business tool to generate income and actively make use of their physical resources for this purpose. Nevertheless, the overriding idea in doing so still tends to be remedial, as, for example, to help the organisation compensate for the building's operating costs.

The development and scope of FM in Thailand, therefore, remains pretty much in its infancy, as described in Figure 9. Service delivery is still focused mostly at the level of the place factor. FM practice on this level is very acceptable for Thai people, who feel pride in seeing their physical resources in excellent condition and find satisfaction simply in knowing they are cost-effective.

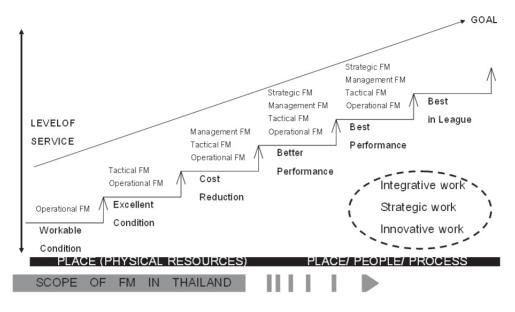


Figure 9: Scope of FM in Thailand (Source: adapted from Chotipanich, 2002)

To conclude, most FM activities in Thai society appear to take place on operational levels. Fully integrated FM, strategic FM and innovative FM are still very foreign concepts. Many facility managers are constrained by their own business culture from trying to imagine their mission in a broader scope. Nor have many senior executives in local organisations been persuaded that they really need to invest in fully integrated FM activities for their companies. In short, FM practice in Thailand has been adapted and implemented in line with constraints of local knowledge, technology, investment and cultural preferences (Chotipanich, 2002).

CONCLUSION

As a rule, attempting to forecast more than a few years ahead is risky business. All that we can do is to make an educated guess at the directions of change (Nutt & McLennan, 2000). Whatever direction the changing world takes, the need to evolve always comes with complexity and hardship. Even so, facility managers have reason to view challenges optimistically, as new opportunities. Roles and activities in more integrated FM practice will gradually expand. Wherever facility management is implemented, the aim remains the same. The long-term logic of integrated FM will support its broader future role in organisations, facilitating smooth exchanges between supply and demand sides.

Thus, the future scope of FM services, in one view, will increase – 'wider still wider' – in the view of Oliver John, Chief Executive of Citex, or, in the contrasting view of Fred Guscott, Chairman of the Faculty of Facility Management, RICS, will –'do less better'. Both viewpoints are acceptable. The scope of FM operations and services will expand overall, under a more coherent and comprehensive umbrella title – IF: Infrastructure and Facilities. This means the work will be better targeted and more specific in its areas of application, with a perhaps more realistic scope, and more consistent performance (Nutt, 2002).

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