The Report of how the strategy in supporting the raise of facilities management status could wholesome the organization

By Ling Kwai Sum, Samuel (Student no.: 071297938)
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Module leader: Dr. Gilian Menzies

Abstract: Development is painful and risky. Our organization has possessed over two hundred properties within South East Asia. And, some of our properties are more than 60 years while the others are elite type properties complex with shopping malls and residential buildings. Those elite type properties have just in use for not more than ten years. In the past, sustaining the function of the facilities in buildings as basis requirement could satisfy the markets. Since, our properties are distributing in the different regions of South East Asia, the facilities management crenulated in standard. Manage cannot in the same objective and policy.

As the property market more and more rapid in competing the services quality, we have to develop a new way of management strategy to facilitate the unity of management standard of all the facilities within our regions. The report will differentiate the management models for the board. Moreover, it further introduced the most updated facility management for reference.

Executive Summary

The Managing Director of my company recently read article in which it was suggested that:-

> "efficient, integrated facilities management services could provide significant business advantage and strategic opportunity to growing organizations"

He has asked you to prepare a report to the board of directors detailing the strategic contribution that raising the status of Facilities Management could make to the organization as a whole.

The members of the board may differ significantly in their understanding of Facilities Management. The report should firstly address this. It should also convey the relevance of FM and the tangible benefits it can bring to the organization, detailing any areas where competitive advantage can be realized. The report would gain strength from the inclusion of some information on how these benefits would be measured and delivered.

Introduction

In order to make our seniors having a concept of how the facilities management influences the organization when the FM status raised, this report will comprehensively introduce the FM system in detail and how to adapt a FM system within our current management system without any adverse impact. Within this report, we will depict the meaning from mission statement, goals and objective to strategic formulation. The report also introduces the duty of the facilities manager. Count on his/her duty, the manager should fully understand of what is the Facilities Management Cycle and implement it. So, the Facilities Management Cycle would be an important issue for discussion in this report.

On the other hand, there is another new concept called '**Balance Theory**' setting a new concept on the inter-relationship between the needs analysis, budgeting, technology, professional recruitment, market positioning, market condition and level of optimization. The inter-relationship will surely affect the organization performance and outcome when any of these item changing. There would also be a discussion of needs analysis and how strategies tracking works. Finally, the last issue is the development of the strategic recommendation. The whole report will show off the FM system is in a cyclic loop.

Facilities Management

Facilities Management is the direction of the activities within the built environment. It also gives direction of how to manage the properties and workplace. Upon the corporate level, strategy and operational objectives will be formulated and conducted in order to give clear framework to the personnel to perform their daily work in a safe and efficient manner. And, facility manager has the responsibility to sustain our

properties in a high value through the improvement of services quality. We also hope that some of our aging properties could be conserved at an elegance style and with advance within.

Property management should be ranged from property strategy, space management to administration and contract management. In order to maintain our different kind of properties in regions, we should firstly develop a strategy plan. Since, the plan is the crucial resource control tool for the Facilities Management Department. With a strategy plan in hand, we have clear parameters for preamble the facility activities. Activities that will be analyzed if they are away form the facility management plan's strategy. Or, that will require supporting or carrying out corporative mission, goals and objectives.

Furthermore, the strategy plan helps the management personnel to establish suitable scenarios which compatible with the corporate planning. These scenarios allow the professional to forecast future happens, events and its consequences. These are very important for scheduling the forthcoming management activities.

The mission statement and policy are the foundation of the strategic plan establishment. A suitable content of the statement should include the organizational statement, goals and objectives. An organizational statement should pinpoint to sale performance, liquidation or disposal of the facilities resources.

Goals and Objectives

Goals should be quantitative, attainable and practicable. On the contrary, objectives should be qualitative. It may not be attained within short period. So, objective can be set at a high level, forming a clear direction for the organization to follow. Whenever we have objective existed, there are goals initiated. Facilities actions are in movement. Clear policy, goals and objectives are the basement for setting up assessment standards for the future of the Facilities Management Department. Goals in characteristics of qualitative and attainable are a must. If the goals are setting in a very high standard, employees will find exhausted in tracing the goals. Finally, they quit. No improvement or expected performance can be found.

With a sequence of goals available for relevant team to accomplish, we can have a step by step move towards the organizational objective. Policy, goals and objectives should be written in black and white in order to ensure that no one would misunderstand them. Different organizations have their unique goals and objectives.

Their setting should be strictly fitted for their organizational structure, market positioning, specific environment and their financial status.

Time Span

Besides the policy, goals and objectives, a complete facilities strategic plan should include:-

1.	Long term cycle:	A full picture of two to three years.
2.	Medium term cycle:	Picture from six months to two years.
3.	Short term cycle:	Picture of the forthcoming six months.

Mostly believed that a most feasible long term plan should be in an utmost for five years, the strategy of facilities management will be better within two years. Action plan for function always show its effectiveness within the current year. Since, a too long time cycle will be interfered by market change, employees' turnover, budget estimation inaccuracy and other unaccountable risks.

Our organization should take good care in formulating an appropriate organizational cycle. The company like IBM, they take two years period for product development and five years for sales and promotion. A solid seven years organization rhythm can enhance their accuracy in estimation the budgeting and financing. On the other hand, the two and five departures of the budgeting cycle also facilitate the short term contribute of resource, especially on space management and manpower allocation. The operation plan will just only consider the five year period business. The long term scenarios will be left to personnel who establish the strategy plan.

However, this is only just an example of how the organization to formulate her cycle. It is not a universal compliance to all organization of different natures. Our organization should further develop a unique cycle which fit for the specific organizational structure and job nature. The properties organization should also concern our basic philosophy of those classic properties in conservation with their own time style. At the same time, they should be modified by built-in advance technology inside in order to comply with our modern estates complex erected besides. Since, an old structures contrary to the general thinking that they have the potential to form an attractive landmark for the public. We combine the old and new in return can

bring back high properties value and cultural shopping mall for tourists.

External factors affecting the FM operations

There are many factors that may affect facilities management performance or its successes, such as legislation change, rising cost of the electronic security equipment or furniture. Those factors may not be easy to track down by those companies without a Facilities Management Department.

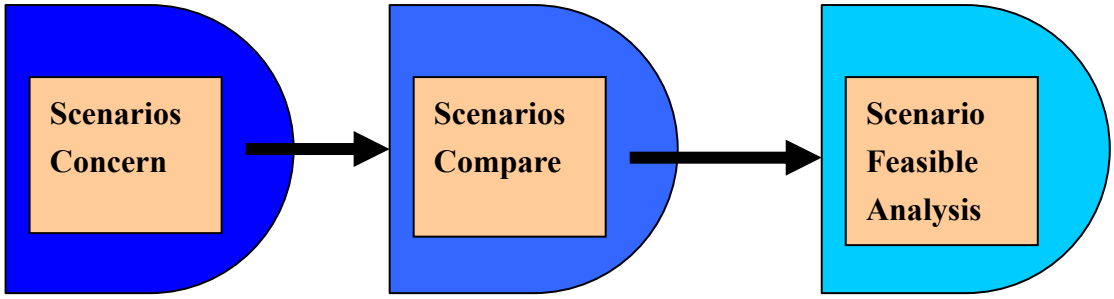
The new Facilities Management Department will set up a system to collect that relevant information. The analysis will be proceeding by assessing the information of each external factor. Evaluation the magnitude of each factor influenced can give the Facilities Management Department a clear scenario. These assumptions will be the crucial information in preparing the strategy plan. So, it is a necessary that the Facilities Management Department should ensure the deep understanding of those information and assumptions. And, that is why the corporate planner thinks that it is one of the important jobs of the Facilities Management Department. Tracing factors not only pinpoint to external but also the major change of specific industry related to the organization. Internal factors are also within the boundary of the Facilities Management analysis.

That information will be collected as the databases for predicting the future develop scenarios. Thus, it will influence the decision making and policy. Another factor involved may not be so significant however disturbing the organizational performance, such as the key variables like installation of the computerize system within an old buildings. The compatibility with the preceding new estate complex is the crucial concern. The classic properties are virtually old although they have been upgraded and renovated. Still, they possessed the potential risk of overloading overall electrical system.

These kinds of key variables should be in priority with impact concern and observed by the organization.

Strategy Formulation

Strategy formulation should not be a sole alternative which leave for the board of directors without any option throughout the discussion. Alternatives should not be too much or in even number. The feasible number may be three alternatives.



The strategies development diagram

Scenarios Concern: As general, it is inappropriate to develop only one scenario for the organizational choice. Senior personnel may have their different way of thinking, perception of the future internal organizational environment and forecasting of external market factors. A sole scenario may as a result be able to satisfy their factors consideration wholesome. It is suggested that three or more scenarios for options is better.

Scenarios Compare: Significant differences of the scenarios should be concerned during the formulation procedures which make the individuality of each scenarios possible. Every individual scenario should be considered and develop under the support of different factors and different viewpoint. They should have different value consideration, opportunity and limitation. Clear indication path of accomplishment is necessary.

Scenarios Feasibility Analysis: Before the scenarios come to light, it is rational to have the consultation period within the department and relevant parties. A time of open negotiation is better than confronting an adverse situation. Or, being a scenarios of taken as a tactical tools by others and of no advantage with the organization and the FM department. It is in perplexity that the scenarios are announced as unrealistic and impracticable finally.

Each written scenario should better have its own name. It gives a better understanding by the personnel during the discussion. Each scenario should clearly present their key points and differences. And, it should be written as summary for easy elaboration. Giving a convenience for the decision makers a full view of each scenario is a need. It can enhance an easy differentiation in between. Finally, it is better to include the external factor assumption of each scenario presenting to the decision makers. An organization in general will take into account of the items prior the strategy selection as below:-

1. Strategy consistency
2. External environmental consistency
3. Strategy flexibility
4. Marketing positioning
5. Resources for usage
6. Potential risk
7. Timing
8. Feasibility

Facilities Manager

A facilities manager usually confront with matters that required diversity of knowledge. Sometimes the facilities manager should seek for expertise assistance on advance exotic technology. New things may arouse pressure for the manager in figure out what it is. How to accomplish them? The manager should psychologically prepare to face pressure during his or her duty.

The manager in all time should maintain his department in efficiency, effective state. He or she has the responsibility to motivate and help the others for goals achievement. Communication with the other parties in and outside the organization is the day to day essentials. The manager should have good writing skill. A beautiful mind enables him or she can sum up the specialists' information and calculations. The manager can interpret that sum up into easy understanding scenarios and explain to others. He or she can effectively make use of that information in hands to communicate with their own team members and customers in the frank manner.

Capable of interact with people is the successful negotiate in return. The manager must know his organization well. The manager can make use of communication channel in formal or informal way. He can maintain a good relationship with other executives. It might be one of the important issue which affecting the performance of the manager.

Able to say "no" to others is a crucial arts and skill of the facilities managers. Since, no existing scenarios proposal can fully satisfy all the parties in the same time. The manager can only rely on negotiate to balance every influenced party at the time. The manager should be a good listener as well as preacher who figure his or her genuine interest in the benefit of all parties. A good manager should be a good time handler. If you are good in handling time, he is always in the position of forwarding proactive management. On the contrary, he will be dredged by time itself and always behind

schedule. He is in the position of preventive management and always frustrate in chasing time. The manager should better be widely accepted by peoples and can work with wide range of different gender ethnically.

According to Cotts and Lee (1992) observation, the facilities manager should possess the followings characters:

1. Technical competent
2. Capable in good oral and written communication
3. Comfortable with reaction
4. Service oriented
5. Cost control
6. Good decision making
7. Legislative familiar
8. Capable of handling and solving problems
9. Action oriented
10. Able to deal with people
11. Good at undergoing quantitative measurement

Method to evaluate the organization

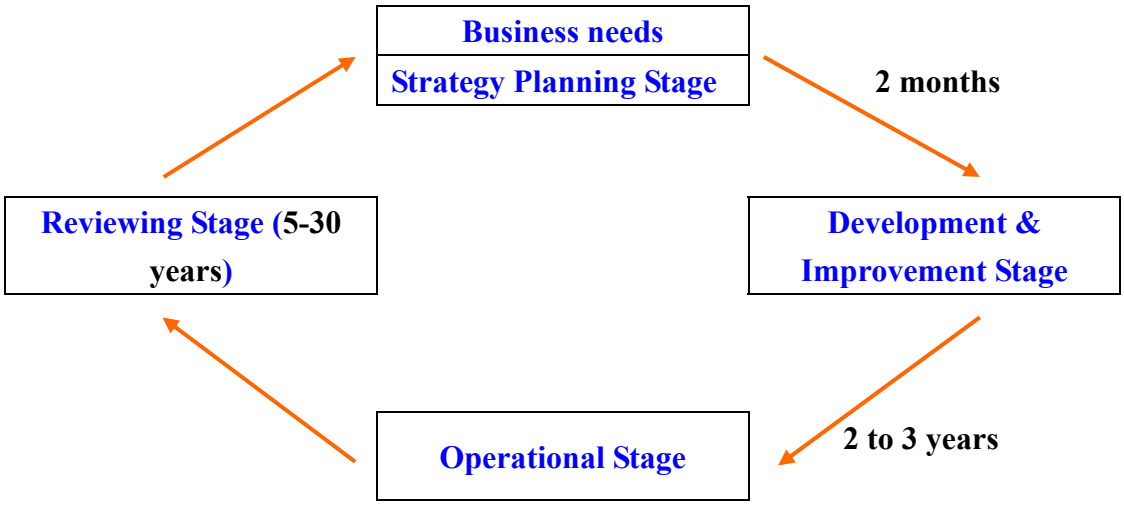
An organization needs a parameter to analyze how the facilities management is up to. Is it away the direction of our preset strategy? And, benchmarking is a method to evaluate the performance.

The benchmarking method will evaluate the items ranging from business process, procedures, cost, consumption and services quality. Benchmarking method can provide information of whether the facilities management is in optimize efficient or gain acceptance of customers and senior management. There are benefits when we use benchmarking method, such as reduce the chances of false investment enable the organization to reduce time and cost. It keeps pace with the change of the outer environment conducting tested and proven practices. The benchmarking can convince the disputer by depicting the clear results to the surface. Benchmarking method can provide a tension of overcoming or improvement when outstanding found within the organization. It brings in expertise knowledge and technology from outside in order to push the industry in advancement. Benchmarking enhance the continual improvement within the organization.

Facilities Management Cycle

Benchmarking method in fact is using as parameters to measure the performance of the organization or the destine industry. Review and investigation of the facilities management cycle is a necessary. The facilities management cycle if the organization has his cyclic time span from its planning stage to operational stage. A time to review the result, the organization will go back again to reset the strategy planning.

The diagram of the facilities management cycle:



Strategy planning is the stage to evaluate the business needs of organization. And, there comes a strategy plan development which as said in the previous page include the organizational strategy and strategy plan. Certain issue, such as location, planning, design and space management will be concerned in this stage (factor assumption of the strategy development).

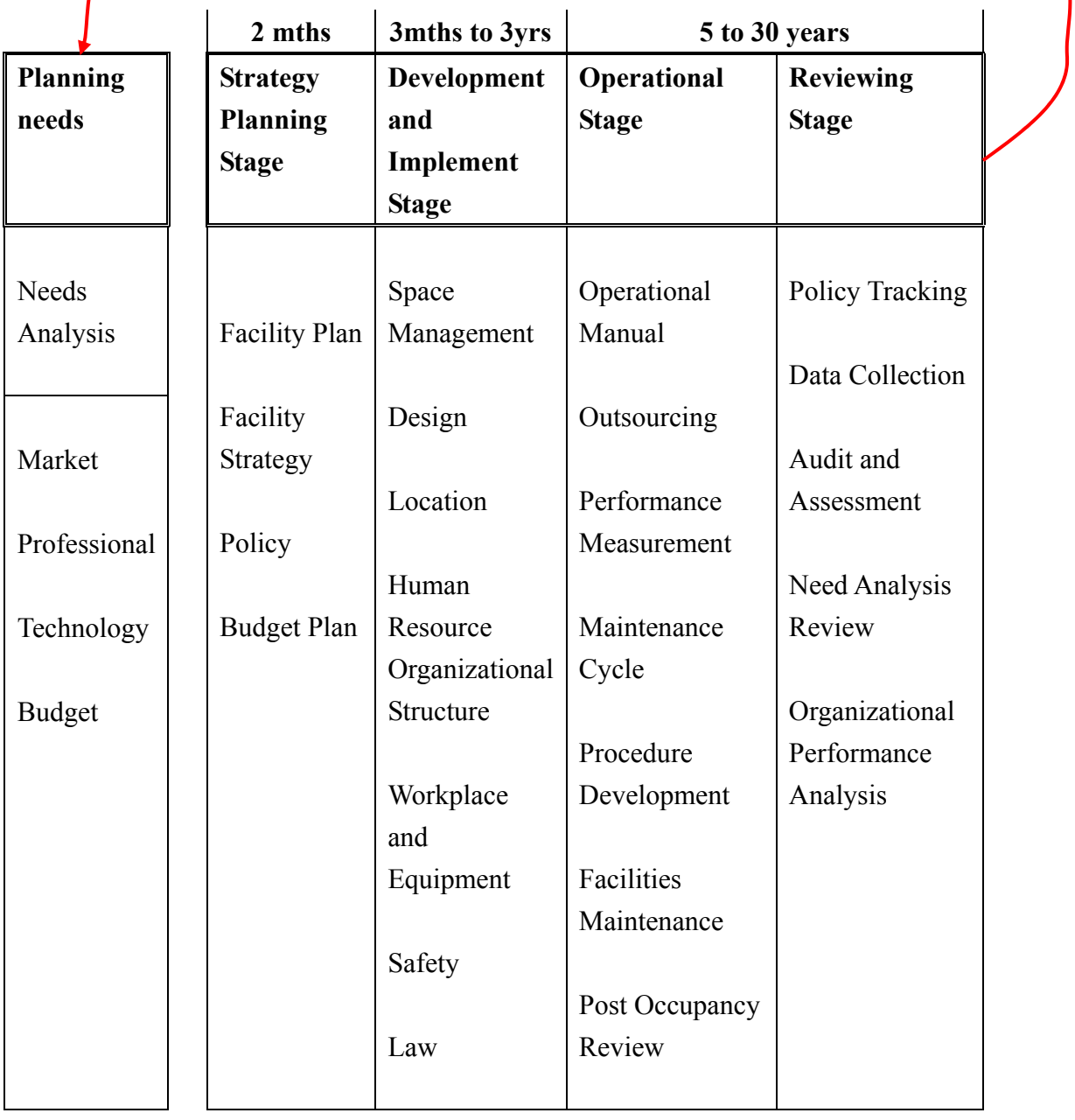
Development and implement stage, some of the organization will formulate their implementation plan for their managers. Budgeting and time schedule are the crucial elements during the stage.

Operational stage, we need to have an operational manual. The manual should content with working procedure, maintenance cycle, outsourcing procedure and etc. The operational manual is the handbook for the frontline personnel. The operational manual is the guideline of how to produce services and products to the standard. The operational manual shall be in consistence with the organizational strategy.

Reviewing stage, there should be some kind of tools to evaluate its final result

performance is with the trend the organization expected. Review may be in the kind of outsource expertise. However, review process should be a third party at the same time does not have common interest with the target assessing management team. Review should also analysis the current policy is still appropriate for the future organizational needs and market environment. As general, review can be an auditing scheme or a series of tailor-made assessment.

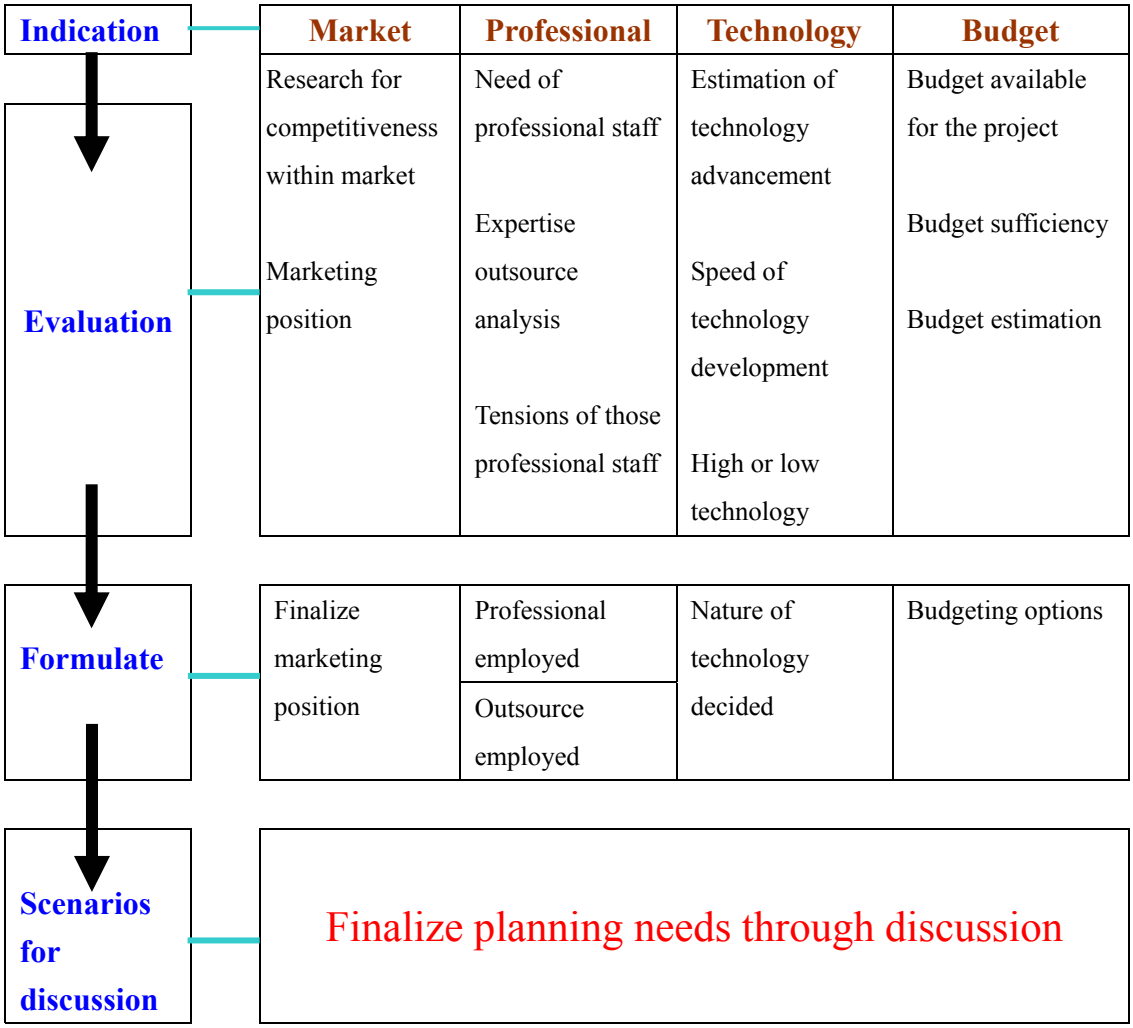
Diagram of facilities management cycles with elements concern (at individual stage)



	2 mths	3mths to 3yrs	5 to 30 years	
Planning needs	**Strategy Planning Stage**	**Development and Implement Stage**	**Operational Stage**	**Reviewing Stage**
Needs Analysis	Facility Plan	Space Management	Operational Manual	Policy Tracking
Market	Facility Strategy	Design	Outsourcing	Data Collection
Professional	Policy	Location	Performance Measurement	Audit and Assessment
Technology	Budget Plan	Human Resource	Maintenance Cycle	Need Analysis Review
Budget		Organizational Structure	Procedure Development	Organizational Performance Analysis
		Workplace and Equipment	Facilities Maintenance	
		Safety	Post Occupancy Review	
		Law		

The time span of the facilities management cycle is the only suggestion. In fact, the time span for each stage should be in pace with the organizational characteristics, such as the size of the organization, business nature, organizational structure, industry and technology developing speed (computer products my have shorter time span) and etc.

Needs Analysis Process



The need analysis process simply is a method for the preparation of planning needs. The consideration of needs just come from four issues. They are market scenarios, professional scenarios, technology needs and budgeting available. We, then evaluate the four issues as bellows:

1. Market Scenarios:	How intense of the competition within the market environment we prepare to enter? What is our market positioning?
2. Professional Scenarios:	What type of professionals we need in this project? Is there any outsourcing professional we need?
3. Technology Needs:	How advance the technology we deal with if taking this business? How fast the technologies develop? For example: the industry of computer or cell phones investment is the business with rapid development in short interval we deal with. In the other words, your organization should accept a short facilities management cycle if you take this industry as core business.
4. Budget Available:	How much money we invest to the industry? Is it enough to satisfy the industry need when concluded with the previous issues? If not, how much more we further need?

Strategy Planning

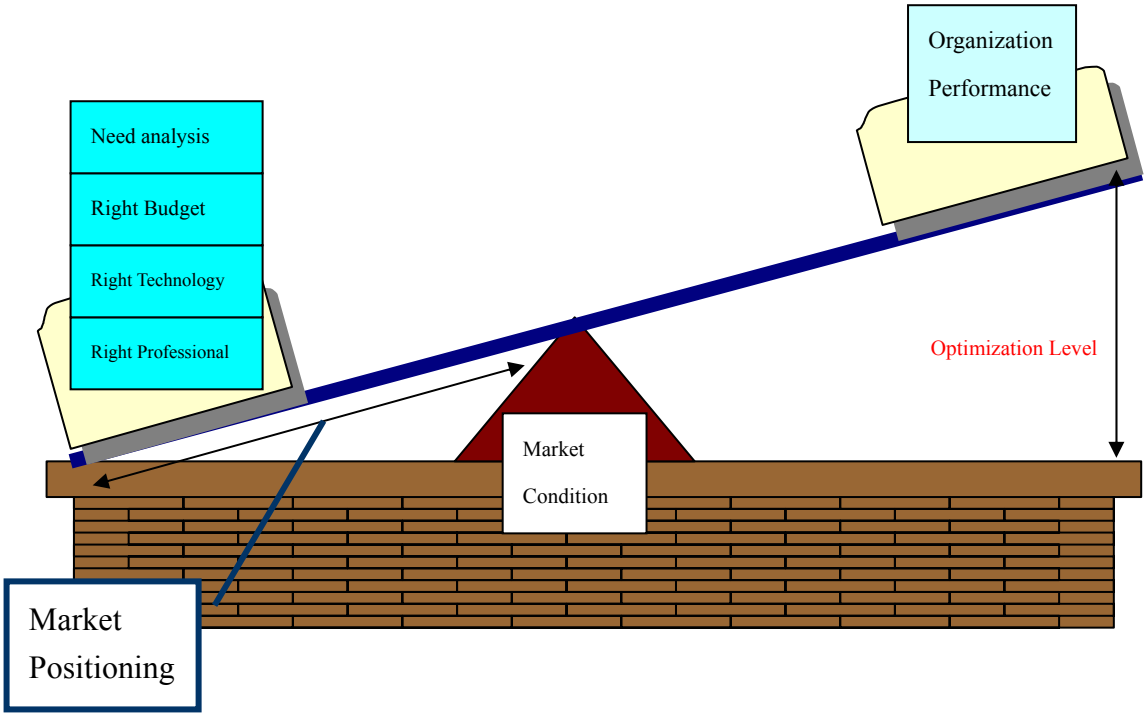
The strategy plan can be considered in three parts. They are context, vision and optimization.

The context is the determination of parameters of technology and professional

essentiality, the existing real estate and facilities infrastructure, strategy and market positioning. That information will be wholesome scenario. This full scenario depicts the chance and constraints of the project. And, it is also related to what items need to be accomplished if the scenario seen.

Vision is the strategy plan should form a common vision for the colleagues of what should be accomplished. The vision shall be direction of the business destination. So, it undermines the decision criteria and forming the platform for easy implementation because this common vision enhances the common value between the senior personnel.

Optimization is that the strategy plan should have the impact to get attention by the colleagues. And, the whole system act appropriately as the strategy expected in order to get the best performance. The optimization is the idea that can be depicted the "Performance Balance Theory".



Performance Balance Theory

Performance Balance Theory

The theory is explaining when an organization can get her best performance. The above diagram depicted a clear picture of their co-relationship between those items

affecting the performance. The diagram explained that the organizational performance level just like a leverage depending on how exactly the organization evaluate market condition. Furthermore, it is crucial to which the market the organization wanted to survive in. When the organization has chosen the market she engaged, it is important to place a right marketing positioning. Since, a right market positioning is greatly affecting the direction of the need analysis, investment, technology involved and professional personnel recruitment. We can make an example.

An organization wants to enter the fashion industry. The fashion industry is full of competitors and substitutes inside which is swiftly comparing the fashions creativity and prices. In this industry, the organization is having a wide range of choice in market positioning. If she chooses the market positioning of casual wears, the organization may take the price that all the medium class people can afford to buy them. At the same time, this market is having a lot of competitors inside. This make the organization decide to rely on the chain-shops policy to dominate the market. This policy will affect the amount of investment on their business, such as buy or lease of those shops, the style of the interior design. The policy may need to have the computerize system link up all the shops together and form a network for easy monitoring. This lead to the concern of what level of computer technology the organization should up to for satisfaction of organizational needs. In this industry, we can see that the organization needs to employ fashion designers, marketing manager and other professionals to sustain her business. As said before, all the items in the diagram are co-related. The organization should make each item count in order to make organization performance to an optimization level.

In the other words, it forms a leverage governing its level of the optimization of the performance if the organization is exactly evaluating her surrounding market condition. Through the need analysis, she chooses the right market positioning. At the same time, the organization has to sustain a right budget, technology and professional recruitment. That rightness together make the other side of the leverage up to the level of the performance optimized. It is basically is an interaction.

The strategy plan development is to depict and control of budgeting, technology and professional through strategy. So, strategy planning can be functioned as follows:-

1. The strategy planning gives a share understanding on context, vision and optimization to the organization. The strategy planning is the setting where to go and how to get through changing market condition and reach there.

2. The strategy planning ensuring that right budgeting is a necessary. Certain procedure should be complying with budget estimation. And, rising up the common understanding budgeting policy of the organization or project. There is also a telling that the decision would be an influence of those budgets too much surplus or deficiency in the consequence of high risk.

3. The strategy planning is established under influence of needs assessment. In the other words, needs assessment is the crucial parameter for measure the surrounding market condition, technology needs, professional needs and budgeting needs in order to provide a qualified amount of investment for the project or organization at the right marketing position.

4. Strategy planning forming a direction of the future objective and benchmarking scheme of each department within the organization. It influences the plans and objectives of the departments. It also influences the operational manual and the style of leading.

5. A comprehensive strategy plan clearly stated policy, strategy and objective through the needs analysis process. A suitable and qualified strategy plan is the result of needs analysis sequences. Let the managing personnel having a common understanding of the scenarios we deal with. And, how to get there for achieve the goal. The plan is the Map of the Organizational Achievement.

Policy/Strategy Tracking by the Reviewing Stage

When the organization is on the way running from strategy planning stage to operational stage, there needs to have reviewing stage to assess the organizational performance is satisfying the strategy objective. There should be a review of the strategy / policy tracking or even to the whole management and operational system, if they are still suitable in pace with the surrounding market condition. We suggest the review process by sequences as follows:-

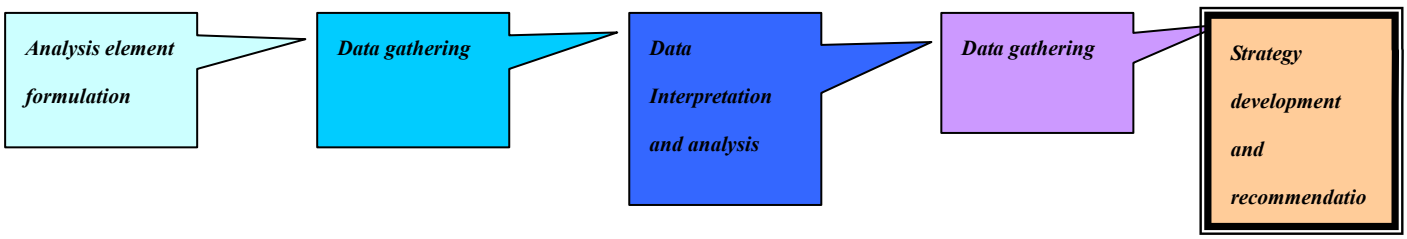


Diagram of the reviewing process in sequences

Analysis elements formulation is based on the feedback of the past report or comments from both the management senior and customer. That feedback information would be summarizing as crucial information on focusing which items in the need analysis process to be reviewed.

When we decide the items focused, we go into **'data gathering'** period. The data gather can be collected through several channels as bellows:

1. Surveys: we can use surveys or questionnaires to collect quantitative data. The survey is a one-way forward in collecting the data. They only represent a cross-section of people opinion. It only establish a statistical support for the hypothesis however cannot accurate reflect the true opinion.

2. Interviews: it is the two-way communication which is the common way to collect qualitative information's. Hence, the data is more accurate but time consuming. Within the interviewing period, you can seek information of complex ideas. Interview can be used as a tools of confirm survey results. It is a basic tool for gathering data for reviewing process.

3. Workshop: It is a group interview. These kinds of interviews especially effective in high collaborative organizations when the groups of personnel need to have group saying about the strategy plan. On the other hand, workshop can build up consensus which can lead to more qualitative strategic plan.

4. Web-base gathering: Internet technology has now leading the data collecting to incredible speed. Right now, most of the organizations seek their web-page and information through internet system.

5. Pilot project: When we estimate a very new idea or project, we do not have much confident on providing accurate estimation on it. You can launch a trial to demonstrate the idea or project by giving in ratio amount of space standard, workplace strategies, new technology. This can analysis the very new idea's effectiveness when put it into practical usage.

6. Post-occupancy evaluation: The new ideas or project can also be put into testing period of time to ensure it's effective. During this testing period, the strategic plan or the whole system of operation can be modified to satisfy the expected result.

In the **'Data Interpret and Analysis',** there needs to be filtered, interpreted and transformed after the data collected. This stage is to sum up as meaningful summarization. Usually, most of the organization they would use the computerize system to track enormous amount of data for seeking the results. Data analyzing results sometimes found irrelevant with the analyzing elements or somewhat innovative. It may need for further exploration.

There comes the **'Test Alternative'** after data interpret and analysis. It is necessary that the summarization should give a clear view of scenarios. At this stage, you are trying to create several different assumptions to test your hypothesis. Those assumptions may be marketing opportunities, legislative change and etc. Through the testing of hypothesis, the more practical goals and objective we can have.

'Development of Strategic Recommendation' is the final stage of the review of facility management system. You have already gathered the valuable information for conclusion. Count on this meaningful information, you are now preparing the report for the senior management approval.

The final recommendation should be relevant to the modification of project goals, policy or strategies deal to the rapid change of the surrounding market condition. Recommendations is necessary included the issues of market, professional recruitment, technology and budget. The final report should summaries information such as goals, process, participants, major finding, and alternative explored. The report must contented recommendation and step of implementation. Another report should content all detailed information and back-up document.

You can also prepare slide presentation for further discussion. Generally, you may have a meeting with the senior management to present your findings and review results to your senior management. You only have to bring up the "Big Picture" to them and outline your implementation plan.

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