

AREAS AND FORMS OF FACILITY MANAGEMENT FROM THE STANDPOINT OF SLOVAK ENTERPRISES

Abstract: Facility management is a very well developed business area but in our conditions it is still in the phase of searching its fundamentals and its complexity of use. In practice it has still not reached the status it deserves from the point of view of advantages it offers, especially in the area of management system coordination of the enterprise support processes. The aim of the article is to present areas and forms of facility management from the standpoint of Slovak enterprises.

Key words: facility management, competitiveness, outsourcing

2.1. Introduction

Facility management (FM) is a term that has recently become visible in media, literature as well as in enterprise practice. To be able to understand the complexity of FM it is necessary to know its history as well as its further development trends. The origins of FM date back to 1970s. At that time many architects and premises owners in the USA realised that while servicing premises their original ideas do not correspond with continually changing needs of premises owners that follow the technical and economic development of the country. From the given state of the art stemmed the requirements for professional solutions of the operation and technical fundamentals of premises, security of

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people, things and services. Even though specialists tried to find solutions, their activity was always crushed into different departments. They did not have a unified strategy and their cooperation was uncontrolled. Therefore the need to network information among departments and the managing personnel - so called facility managers (from banking term facility) became inevitable together with the need to create a unified approach for the support activities management. The term facility management (FM) represents contractually bound system of service providing with its meaning corresponding with traditional premises administration that made the term suitable for activities bound to premises and real estate administration (VYSKOČIL, ŠTRUP, 2003).

In 1980s it all led to the foundation of formal organisational base for the Facility Management Organisation of the USA that associated 60 professionals – facility managers. It was the first step for the foundation of IFMA – International Facility Management Association in 1981 in Houston (ŠTRUP, 2008). In Europe, Facility Management started to be enforced at the end of the 1990s, and the Association for Facility Management – IFMA SK was established in Slovakia in 2005. At present the international organisation IFMA associates more than 18, 000 members from 50 countries and defines Facility Management as „*the method in organisations that mutually coordinates personnel, work activities and work environment representing the principles of business administration, architecture, humanities and technical sciences*“. According to this definition facility management characterises the connection of three areas as represented in Fig. 2.1 (SOMOROVÁ, 2011):

1. area dealing with personnel, i.e. human resources and sociological aspects, so called *Work Management*,
2. area of working activity, i.e. area of performance and financing, so called *Capital Management*,
3. area of working environment, i.e. architecture and engineering, so called *Space Management*.

The result effect of mutual bonds is strengthening all processes that enable the personnel at their workplaces – pleasant environments which support activity – to carry out optimal work performance. Finally the FM

can positively influence the economic growth of the company and increase its competitiveness on the market. In more broad understanding the term facility management can be interpreted as a management tool that through coordinating the support and service processes management can in the period of recession show businesses their reserves and so secure certain savings of operating costs. The asset of the FM should be an effective use of space, equipment and fixed assets, searching for effectiveness within working environment and not detaching personnel from the need to solve basic operative problems (VYSKOČIL 2009).



Fig. 2.1. Facility Management Areas.

Source: [online] <http://www.axisfm.com/markets/airport-facilities-management.php>

2.2. Areas of Facility Management

The foundation of facility management dates back to 1970s when first FM services were provided in the USA, namely in the form of

cleaning services and gradually this management system developed into the position of integrated and infrastructure management (Fig. 2.2).

Development of FM from the phase where individual service providers focus on the quality and amount under the conditions suitable and acceptable for the potential renter and further contractual service providing, external sources and integrated FM to the phase of infrastructural management where clients can hire a complex service. At present FM deals with support processes management and within these it tries to incorporate certain degree of system and coordination. Nevertheless FM with its meaning tends to represent traditional building administration. This is because even at present in many businesses, there is still a tendency for disparate support processes management with inconsistent cost control when these costs are mostly considered to be fixed over overhead costs and are allocated to the administration centre.

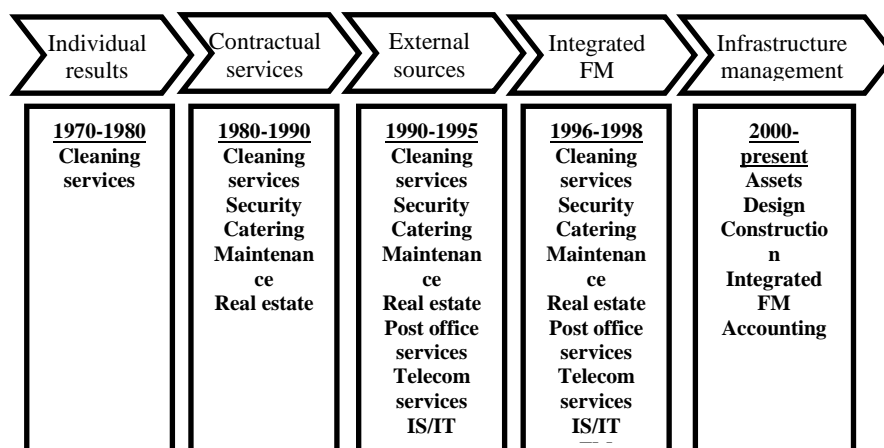


Fig. 2.2. Development of FM

Source: (KUDA, KOUDELA, 2008, IN: V.K. VYSKOČIL, 2009)

Generally acknowledged definition of facility management principles is sometimes in our conditions also called in a very simple term „3P“, including the following areas:

- human resources = **P**ersonnel (**P**eople),
- activities = **W**ork (**P**rocesses),
- place for activities = **W**orkplace (**P**lace).

Optimal link within these three parts creates conditions that improve work of each employee and lead to more effective core activities of the company organisation (KUDA, BERÁNKOVÁ, SOUKUP, 2012). The aim of facility management is to simplify the organisation of problem solving within the support processes while at the same time trying to interconnect 3P areas and reengineering of their mutual interaction with the aim to create economically effective operation. The result should as well be a coordinated management and record-keeping of in/outsourced services focusing on transparency of the quality level and operating costs. Integrated approach of the FM services use should lead to decreased number of conflicts and misunderstandings among internal and external facility managers. According to Czech authors Kuda, Beránková, Soukup the FM areas can be classified into two main groups of business support services (Table 2.1) for which the outcome factors are classifications premises/infrastructure and people/organisation.

Table 2.1. Basic division of Facility Management areas

Premises and Infrastructure	People and Organisation
Housing and premises services <ul style="list-style-type: none"> - strategic planning and premises management, - design and construction of future premises, - premises renovation and refurbishment, - premises for rent, - premises operation and maintenance. 	Health, safety and protection <ul style="list-style-type: none"> - medical services, - safety management, - access systems, ID cards, - measures in case of catastrophes, disasters and recovery plans, - fire protection and precautions.
Workplace <ul style="list-style-type: none"> - design and ergonomic workplace, - selection of furniture, gadgets and equipment, - moving and change of furniture, - interior and exterior accessories, - tagging, decoration and premises division. 	Maintenance of premises users <ul style="list-style-type: none"> - receptionist and secretary services - help desk services, - catering and automatic catering machines, - conference and special events organisation, - work uniforms, protective garments and gadgets.

Technical infrastructure - energy providers (water, electricity, gas, heating), - environmental management, - premises operation and maintenance management system, - electrical management, - waste management (separation, disposal,...).	ICT - operation of data and telephone networks, - IT security, safety and maintenance - IT and telephone connections, - management of data centres, hosting and server operation, - GPS system usage.
Cleaning and tidying-up - sanitation services, - tidying-up workplaces, cleaning of machines and premises, - cleaning and tidying-up buildings, washing windows, - winter and summer maintenance of external environment.	In-company logistics - in-company and courier services, - document management and archiving, - transport and warehouse services, - travelling services and company fleet management, - reprographic services (xeroxing and printing).
Other premises and infrastructure - rent of measurement and specialised equipment, - interior work with special equipment.	Other people and organisations - bookkeeping, audits and financial statements, - human resources management, - marketing and advertising, - legal services, contract management, - project management, quality management.

Source: Kuda, Beránková, Soukup, 2012

Within time, FM takes over many company activities that were recently considered as partly outsourced activities and applies its basic principles but in its integrated form (Potkány, 2011).

2.3. Areas of Facility Management

European standard of FM implements in its corporate practice also the element of planning that straightforward specifies its three levels (VYSKOČIL, V., K., ET AL. 2010):

-*strategic level* (3-5 years), that focuses on middle-term corporate aims on business level through an active input and on-time reaction defining the overall FM strategy and creating of the FM policy through

designing the guidelines for management of premises, assets, processes and services, defining and monitoring the key performance indexes.

-tactical level (up to 1 year), having as priority a short-term implementation of objectives at business level through monitoring of following the guidelines for FM strategic elements and corresponding legislation regulations of FM project management, optimisation of used sources and FM team management through communication of internal and external facility managers on tactical level.

-operational level (days, weeks, months, quarters) that aims at creating necessary environment for the end user through offering delivery of individual services, process monitoring and collecting data for performance evaluation and control of individual service processes, communication among internal and external suppliers, preparation of reports for the tactical level.

Management of business support processes can be distinguished from those primary processes by the possibility of the outsourcing principles use. While the use of primary processes outsourcing is rare (except the forestry industry where it is possible to use outsourcing in the area of harvesting, cultivation and transportation services or other manufacturing processes in automobile and construction industry) but in the area of business support services it is considered to be common or even necessary. In such case we speak about external form of FM while another accessible form of facility services management within a company is an internal FM services providing. Their characteristics is as follows:

Internal form is based on selected department and is responsible for strategic management of support services including its control. An internal facility manager is a conceptual employee who has to be fully aware of the overall company policy and strategy and their task is to prepare all conditions for securing the support of primary processes.

External form is based on supporting processes outsourcing which were until recently performed within the company. External facility manager communicates with internal company employees and is mainly

responsible for delivery, scope and quality of required services while they are obliged to make required statements that allow to follow effective and factual settlement of economic contracts. Eternal form of FM can be carried out as:

- a) *full-time outsourcing (purchase)* is as a complex provided by one or more FM organisations and so all the required services are provided by the means of its own employees or the company purchases these itself.
- b) *full-time insourcing (company employees)*, that is created by establishing own 100% daughter company and these are responsible for a complex integral support processes provision which the company secures itself or often purchases itself and towards its parent company acts as its complex FM services external supplier.
- c) *combined provision*, when some services are outsourced and some typical support processes are left within the internal organisational part of the company.

2.4. Slovakia and Facility Management

Slovakia is a country that in the area of FM practice falls behind many countries of Western Europe as well as many countries of Eastern Europe (e.g. Czech Republic). The use of FM got familiar within professionals through the entry of foreign companies that together with its capital bring also well-functioning know-how in the area of support processes management. Visible difference of facility management delay in Slovakia is possible to be spotted especially in establishing certain base or the unified organisation associating facility managers (LIPTÁKOVÁ, 2011).

According to Somorová in the Slovak market there have been for several years many foreign companies providing the FM services. But there exists also smaller companies on the market. Their amount on the market is quite big and competition is quite strong. Since the Slovak

market is quite small successful can be only those which can offer not only a good price but also a good quality (IFMA CZ, 2011).

Despite all the facts the use of outsourcing principles in the FM area is growing on an interesting rate. Sound companies such as Johnson Controls International, AB Facility, BK Service International, IN Facility, ISS Facility Services, Reiwag Facility Service SK s.r.o. (Ltd.), Somat group a.s. (PLC), P. Dussmann spol. s.r.o. or KAF Atalian Global services s.r.o. deal with it. Using FM services is at present in Slovakia possible to find mainly in the area of banking sector organisations, multinational retail businesses, international corporations, but also in companies of public and civil services and recently also in some industrial companies.

As it was already mentioned before, many companies implement outsourcing with the aim to save operation costs. They also do so that their support activities will not be a burden any more. According to Somorová their presumptions were fulfilled. The problem was often that the company tried to outsource support services in the most possibly short time without thorough preparation for outsourcing. Project for outsourcing implementation that would particularly state the quality of provided services and their control is unfortunately absent. So the FM itself is not the problem at all, the problem its preparation and implementation in practice. As for the security concerning the provider company key activities it is clear that outsourcing requires trust among partners, i.e. between the client and the provider which is one of the basic pillars of cooperation (IFMA CZ, 2011).

When considering the scope of the FM provided services in Slovakia we present our own research results. The research was based on evaluation of nine important companies dealing with chosen FM service providers. We focused on the area of support processes from the viewpoint of assessing their rate of their complexity³ through comparison

³ volume of complexity was given by reviewing the potential of provided the following FM – *(operation and maintenance of premises, security of premises, interior cleaning and winter, summer maintenance of the exterior, providing*

of their portfolio offered at their web pages. The research results are presented in Table 2.2.

Table 2.2. Overview of the FM services scope of complexity in Slovakia

Company name	% out of 16 chosen services	Number of provided services
KAF Atalian Global services s.r.o.	87,5 %	14
Somat group a.s.	93,75 %	15
FS Slovakia s.r.o.	12,5 %	2
Reiwag Facility Service SK s.r.o.	62,5 %	10
Slovclean s.r.o.	12,5 %	2
Strabag Property and Facility Services s.r.o.	68,75 %	11
First facility Slovakia s.r.o.	56,25 %	9
P. Dussmann spol. s.r.o.	81,25 %	13
Okin Facility SK s.r.o.	50%	8

Source: Potkány, 2011

2.5 Summary

Although facility management is in our conditions progressing, it is still in the phase of searching its substance and complexity of use. In practice it still has not reached such a status that from the point of view of advantages it can offer such a system of company support processes as it deserves. Outsourcing, with its principle of outside processes utilisation creates environment for facility management frequent application in practice within the small and middle companies' management. The most

postal and telecommunication services, maintenance and service of energetic appliances, securing water and sewage industry, work safety, catering, administration services, management of warehouse, preparation of company reports, operation and maintenance of company fleet, travel costs management, maintenance and service of technological equipment)

frequent is the shift of responsibility to carry out support processes and activities by external supplier in the area of administration of IT services and maintenance, different types of administrative paperwork, legal and economic advisory services, various types of training/education and the area of facility management activities concerning maintenance, security service, fire protection, postal services, etc. In this case the outsourcing activities miss its integrated form of management. Certain drawback of the FM use in practice is also low education and insufficient information about the subject matter from the point of view of its essence, potential advantages and effects resulting from its usage as well as the general FM implementation model from the point of view of its individual phases and definition of activities and responsibility for its performance responsibility.

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