

Business Economics and Management 2015 Conference, BEM2015

# The Complexity of Offered FM services in the Slovak Business Environment

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## Abstract

Facility management is an effective form of business management which aims to provide relevant, cost-effective services to support the core business activities and allow them to optimize. Facility management is a fairly new business and management discipline to the private sector but in conditions of Slovak republic 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 based on an online survey to present the complexity of providing facility services in the Slovak business environment.

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Peer-review under responsibility of the Organizing Committee of BEM2015.

*Keywords:* facility management, outsourcing, facility services

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## 1. Introduction

Guizzi, Miele, and Carlini emphasize that in the last years, the continuous increase in operating costs, the need to use not only spaces, but also a wide range of services, to make the space appropriate to the needs of the paperwork, have rendered more difficult and costly the real estate management. Facility management commonly abbreviated as FM, is a fairly new business and management discipline to the private sector. In the public sector, however, it has been practiced as post engineering, public works, or plant administration for many years. In leased property, the profession is titled property management or building operating management though most of the required skills are the same as those needed in owned property (Cotts, Rober, Payant, 2010).

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It is widely accepted that facility management covers a wide range of facility services and the management of which can contribute to the relative success or the partial failure of an organisation's business. FM is a key function in managing facility resources, support services and working environment to support the core business of the organisation in both the long- and short-term (Chotipanich, 2004). Sujová et al. (2014), Suchomel & Gejdoš (2007) and Kampf (2011) notes in general, all organizations, whether public or private, use buildings, properties and services (support services) in order to support its core activities. By coordination of these assets and services; use of management skills and incorporation of various changes in environment; facility management (FM) affects its ability to act proactively and ensure all its requirements. The aim of FM is to strengthen (in terms of main production flow) boundary processes and systems, to allow workers (with their help) give better performance and contribute to overall success of business organization (Poór, Kuchtová, Šimon, 2013). Kurdi, M. K. Abdul-Tharim, A. H. Jaffar, N. et al. (2011) noted that over the years, researchers and practitioners alike have provided many definitions that specify the objectives and scope of FM. However, these definitions have prevented a common platform that is so crucial for cohesive theoretical development in FM. There are some definitions of Facility management:

- The Facility Management is responsible for coordinating all efforts related to planning, design and management of buildings and their systems, their equipment and their furniture, in order to improve the organization's ability to compete successfully in an environment rapid changing (Becker 1990),
- Facility management focus on the management and delivery of the business “outputs” of both these entities [the real estate and construction industry]; namely the productive use of building assets as workplaces (Alexander, 1996),
- Curcio (2003) defines The Facility Management is the Integrated Management of the plurality of services and processes (addressed to the buildings, spaces, people), which are not included in the core business, but which are necessary for the functioning of the organization." (Guizzi et al, 2012),
- The International Facility Management Association defines facility management as the practices of coordinating the physical workplace with the people and work of the organization (IFMA, 2003),
- Facility management (FM) is an effective form of outreach business management which aims to provide relevant, cost-effective services to support the main business activities (core business) and allow them to optimize. (Vyskočil, 2009).

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. 1). 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.

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. Somorová (2014) notes that 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 the definition facility management is characterised by the interconnection of the three following areas (Somorová, 2014):

- area relating to employees, i.e. human resources and sociological aspects,
- area of work activities, i.e. area of achievements and financing,
- area of work environment, i.e. architecture and engineering.

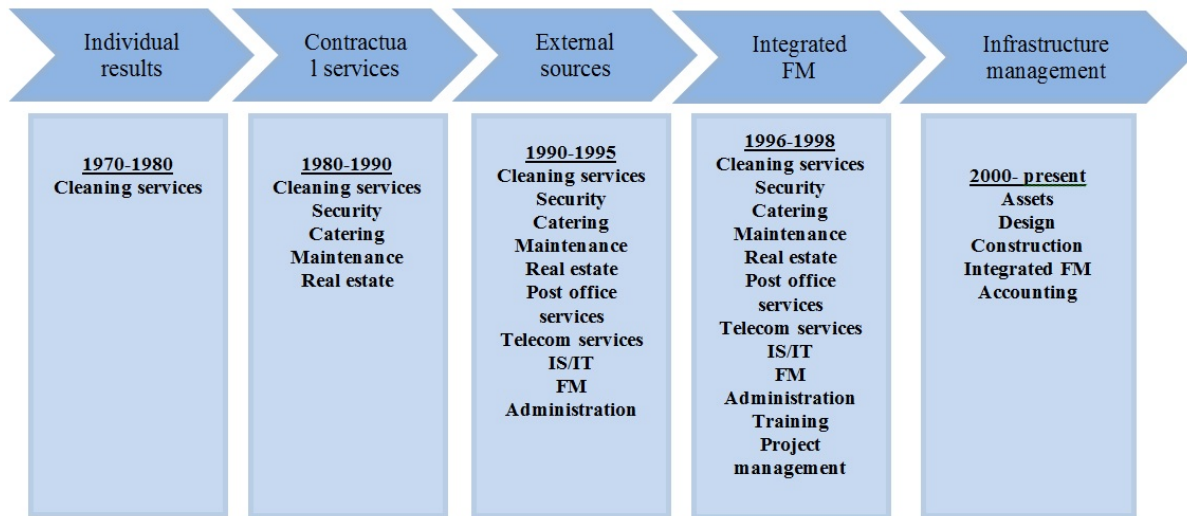


Fig. 1. Development of FM.

Source: (Kuda, Beránková, Soukup 2012 and Vyskočil, 2010)

## 2. Material and Methods

Facility management (FM) is an effective form of outreach business management which aims to provide relevant, cost-effective services to support the main business activities (core business) and allow them to optimize. As follow from several studies Potkány (2011), Vetráková, Potkány, Hitka (2013), Belas et al. (2015), Hajek et al (2014) or Stacho, Urbancová, Stachová, (2013), at present, marked by the financial crisis, is the application of facility management most current because it provides savings and optimization of operating costs promotes increased employee performance and thus contributes to increase the profitability of the enterprise. The most common forms of application of facility management in the enterprise is a partial or complete outsourcing (Hitka, Štípalová, 2011) and Nedeliaková et al. 2014.

Teplická et al. (2012) and Šatanová, Krajčířová (2012) notes that 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 are 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. External form of FM can be carried out as:
  - 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.
  - 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.

The aim of the article is based on an online survey to present the complexity of providing facility services in the Slovak business environment. The survey was conducted during 2014 on basis of analysis print and electronic resources. Our attention was focused on the assessment of the level of complexity of offer FM services by analyzing of the portfolio services by different companies on their websites. Offered FM services have been classified into 10 basic groups (Cleaning services, Building management services, Tertiary services, Rent Cleaning Technology services, Removal services, Security services, Logistics and transport services, Personal leasing services, Catering services, IT services ) with a detailed analysis within the selected groups.

### 3. Results and Discussion

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 organization associating facility managers (*Liptáková, 2011*).

According to Somorová (2012) 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 Okin Facility SK Ltd, Sodexo Ltd, TVO Europe Property and Facility Management Services Ltd. Sawbac Slovensko Inc., Strabag Property and Facility Services Ltd. 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 survey which was based on an online survey of eighteen important companies dealing with chosen FM service providers. List of assessed eighteen FM service providers in Slovak is as follows (indicating the acronyms for the next presentation):

Sawbac Slovakia, Inc.	A	Czech & Slovak, Ltd.	B
Valin, Ltd.	C	Leira Ltd.	D
Abas SR Management Ltd.	E	Slovclean, Ltd.	F
Simacek facility SK, Ltd.	G	ISS Facility Services Ltd	H
Sodexo, Ltd.	I	TVO Europe Property and Facility Management Services, Ltd.	J
Property Manager, Ltd.	K	Watch, Ltd.	L
Schaller facility, Ltd.	M	Okin Facility SK Ltd.	N
Strabak Property and Facility Services Ltd.	O	Atalian KAF Facility Ltd.	P
IBM Slovakia Ltd.	Q	Somat Group Ltd.	R

Table 1. The complexity of the portfolio FM services in Slovakia.

FM service / Company	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	R	S
<b>1) Cleaning Services</b>																		
Interior cleaning	X	X	X	X	X	X	X	X	X	X	-	-	X	X	X	X	-	X
Exterior cleaning	X	X	X	-	X	X	X	X	X	X	-	-	X	X	X	X	-	X
Special services (height works)	X	X	X	-	X	X	X	X	X	X	-	-	X	X	-	X	-	-
Cleaning of vehicles	X	-	-	-	X	X	X	-	-	-	-	-	X	X	-	X	-	X
Disinfestation services	X	-	X	-	X	X	-	-	X	X	-	-	X	X	-	X	-	-
Ironing and laundry services	X	-	X	-	X	-	X	-	-	-	-	-	-	-	-	X	-	-
Carpet Cleaning	X	X	X	-	X	X	X	X	-	X	-	-	-	-	-	X	-	-
Treatment of green and exterior	-	-	X		X	X	X	-	X	X	-	-	-	X	X	X	-	X
Transport and processing of waste	-	-	-	-	X	X	-	-	X	X	-	-	-	X	X	X	-	X
<b>2) Building management services</b>																		
Ordinary maintenance and operation	X	X	-	X	X	X	X	X	X	X	X	-	X	X	X	X	-	X
Revision	X	X	X	X	X	-	-	-	X	X	-	-	-	X	X	X	-	X
Ventilation	X	X	X	-	X	-	X	-	X	X	-	-	X	X	X	X	-	X
Maintenance of machinery and mechanics	X	X	-	X	-	-	X	-	X	X	-	-	X	X	X	X	-	X
Electrical installation	X	-	-	-	X	-	X	-	X	X	-	-	X	X	X	X	-	X
Fire Protection	-	-	-	-	X	-	-	-	X	X	-	-	-	X	X	X	-	X
Energy management	-	-	-	-	-	-	-	X	X	X	-	-	-	X	X	X	-	X
Property management	-	-	-	-	-	X	-	-	-	X	X	-	-	X	X	X	-	X
Reconstruction of building	-	-	-	X	-	-	-	-	-	-	-	-	-	X	X	X	-	X
Oil management	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-
Pallets management	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-
Filter management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	-	-
<b>3) Tertiary services</b>																		
Reception services	X	X	-	-	-	X	X	X	X	X	-	-	X	X	X	X	-	-
Help desk services	X	X	-	-	-	X	X	X	X	X	-	-	-	X	X	X	-	-
<b>4) Rent Cleaning Technology services</b>																		
<b>5) Removal services</b>																		
<b>6) Security services</b>																		
Surveillance of buildings	X	X	-	-	X	-	X	X	X	X	-	X	-	X	X	X	X	X
Safeguarding of persons	-	-	-	-	X	-	-	X	-	-	-	X	-	X	-	-	-	-
Transport of cash money	-	X	-	-	X	-	-	X	-	-	-	X	-	X	-	-	-	-
<b>7) Logistics and transport services</b>																		
Persons	-	X	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X
Product	-	-	-	-	-		X	-	X	-	-	-	X	X	-	X	-	X
<b>8) Personal leasing services</b>																		
<b>9) Catering services</b>																		
<b>10) IT services</b>																		
	-	-	-	-	-	-	-	X	-	-	-	-	-	-	-	X	X	X

Source[own study]

Our results are presented in Table 1, the symbol x means that the service is in the offering portfolio of the company and the symbol - means that the service is not in the offering portfolio of the company. The complexity of offered services was subsequently assessed in the percentage assessments, with results presented in figure 2. Based on the realized survey it can be concluded that the Slovak market many companies offering their services in the field of facility management. The portfolio of offered services in certain companies is relatively wide (for example Atalian KAF Facility Ltd, Okin Facility SK Ltd, TVO Europe Property and Facility Management Services, Ltd., Somat Group Ltd). However, there are companies that are highly specialized only for selected type of services especially in the area IT services, Property management services, or Security services (IBM Slovakia Ltd, Property Manager, Ltd, Watch, Ltd). The results of survey about complexity of offered FM services in the Slovak business environment in the percentage level present figure 2.

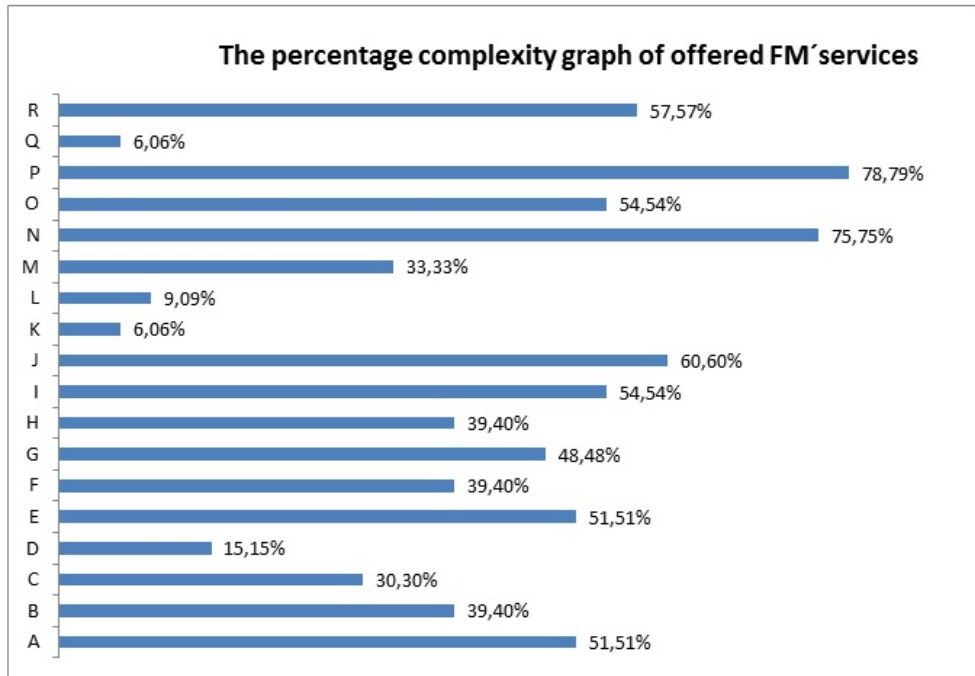


Fig. 2. The percentage complexity graph of offered FM services in the Slovak business environment.

Source[own study]

#### 4. Conclusion

With increasing role of knowledge, experience and amount of information is not within the power of the company to keep pace with world developments in all activities within business processes must be ensured. This fact results in a number of activities that do not represent core activities of their business are solved through the use of outsourcing. When considering the inclusion of these supporting activities into strategic decision, it is possible to complexly address the issue of support core business activities of the company through the facility management. The main criterion is not only the quality of service and price benefits, but also the reliability and safety of professional on the part of the FM service provider. The primary reason why implement Facility management is the enterprise of trying to achieve a desired succeeds in the fight against competitors. Reduce the cost of supporting activities and the other side to release staff and funding for the core business. All supporting processes assumes Facility management by coordinating the management of support activities, solves the problem of cost savings. All supporting processes assumes Facility management by coordinating form of managing support activities, solves the problem of cost savings. It is the wide range of offered services that are currently in the Slovak business environment insufficiently used.

## Acknowledgements

This paper is the partial result of the grant project VEGA No. 1/0268/13, „Perspectives of facility management application for the increasing of competitiveness within the wood processing and forestry companies in the context of outsourcing principles”

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