

Because you're worth it

A professional attitude and a willingness to suggest economies help FM and cleaning contractors to be valued by clients.

We have come a long way since the days of unskilled caretakers and cleaners. Professionals draw on a wide range of knowledge to improve conditions for the employees and visitors in every kind of public or commercial building. Contract cleaning, for instance, is a £10 billion business in the UK, employing nearly a million people. In Europe's top five economies, the potential market is said to account for almost 5 per cent of GDP and a German PhD study showed that the volume of the potential market in 41 European countries in 2008 was some €655 billion: €331 billion for internal services and €324 billion for external.

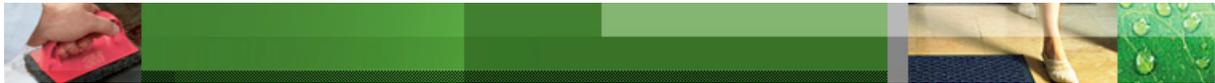
Nevertheless, the chill winds of recession have made facilities managers press their contractors to cut costs. How has the industry responded, and does it feel valued by the clients?

Andy Erskine, MD of **Ocean Facilities Services (+44 (0)1582 491 291)**, says:

“Clients are seeking more from their service providers and getting them engaged at a much greater level. That's good all round for the industry.”

People are looking to reduce costs by working differently, he explains, wanting suppliers to cost savings through innovation rather than just reducing the hours.

Service providers are working across a huge number of different environments, and the knowledge developed across that whole portfolio can be brought together to drive innovation.



“That might be as simple as identifying a more effective method of cleaning that results in less waste, giving the client a cost saving, or it could be re-skilling existing staff. As the client’s requirements change, rather than adding cost to provide additional resource, why not retrain that resource so they’re able to do a much larger role?” Andy suggests.

“You end up with better people because they’re trained at a higher level, and they’re more engaged because they see that you’re taking an interest, and they feel part of the bigger picture. It’s about providing somebody with the knowledge to do more.”

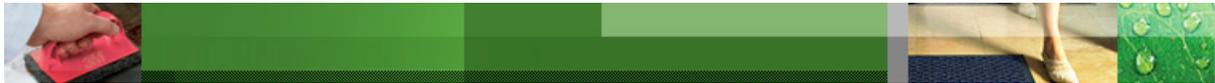
Andy also points to the huge investment being made in electronic and mechanical security systems to protect property. Companies are not necessarily getting rid of security officers, but deploying the resource to manage bigger portfolios – by using innovation and different technology to bring about effective solutions.

“In 2009 we saw everybody just cut costs indiscriminately, but I think it’s changing now. For cleaning, security and FM in general, people are saying: ‘We’ve achieved those “low-hanging fruit” savings, and what are we going to do now that’s different that’s going to drive this on, bring quality up while still allowing us to achieve savings?’

“Nobody wants to spend more money,” says Andy, “but they recognise that they’ve got to retain their staff and they’ve got to improve things for their customers. The only way they can do that is to drive improvement via quality. One way to keep that affordable is multiskilling, where for example a security manager manages the cleaning or vice versa.

Stan Mitchell, chief executive of **Key Facilities Management (+44 (0) 845 094 3744)** notes: “Most clients see facilities management as an expense along with other services, but many acknowledge its importance – for many reasons including their image.

“Attitudes differ from country to country, not just because of the maturity of the respective markets but also because of the maturity of FM, which varies



dramatically. But, in these days of doom and gloom, there's a great opportunity to gain the recognition to make the difference: an opportunity that should not be missed."

Stan accepts that the recession has made clients want to improve efficiencies. "All of them want to optimise their overheads – rightly so – and facilities managers have an obligation to do this.

John Blasco, MD of the hotel housekeeping support services specialist **Hotelcare (+44 (0) 20 7242 7677)** finds that an increasing number of companies are outsourcing their FM and cleaning contracts, because they see the benefit of an external company doing the work; and more are making the move towards centralising purchasing for housekeeping requirements.

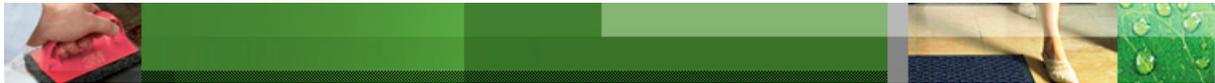
"With the rise of the internet and review sites, companies are recognising the impact of something they may have perceived previously as a small part of their business strategy: room cleaning," he says. "If a customer believes their room is dirty, that opinion can easily be shared over the internet, which can really affect a hotel's reputation."

Hotels believe cleanliness and hygiene are a necessity now more than ever, John points out, and they are employing specialists to oversee this. "It can make or break a hotel."

Industry veteran Steve Wright founded the Quality Assured Services (QAS) business, and remains a director since its acquisition by Incentive FM Group to become **Incentive QAS (+44 (0) 845 1488 121)**. He is deputy chairman of the British Cleaning Council – a lobbying group for 20 trade associations, which he served as chairman for three years until summer 2010.

"I've worked in the cleaning industry for 44 years and seen three recessions, but this is the worst," he says.

"We see companies saying they might as well take the work back in-house because they think they could do it cheaper themselves. Long ago that was never the case,



because the contracting businesses worked on more favourable terms than direct employees. But legislation has changed that, with the minimum wage, minimum holidays, minimum sickness and maternity rights. That's moved the contracting market very close to working directly for a company.

"The cost savings of contracting out aren't as great as they were, but it's the logistical side where we stack up. Everybody thinks they're an expert, because they clean at home, but as professionals we really know how to clean. We have the expertise, experience, equipment, materials and chemicals to do that. A client can acquire those, but it's not quite as easy.

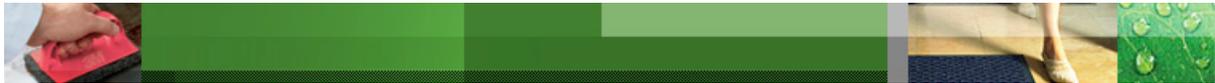
"A facilities manager can't mend the air-conditioning unit, but he can put a new toilet roll in the toilet. That makes him think he has all the skills he need to do the job. That's the problem we're up against. You don't take your BMW into the garage and say: 'Can I use your tools, I want to do it myself'. So why should you do it with cleaning?"

FM and cleaning contractors suffer in a recession, but not as dramatically as manufacturers, who may simply stop production. Cleaning and FM cannot be halted so abruptly.

"What tends to happen is that when contracts come up for renewal, people move the goalposts to drive down costs," says Steve, "either from an equipment, materials or frequency point of view, or by cutting people out of the business.

"It's foolish to dig your heels in and say: 'No, we're not changing and you've got to pay us what you should pay us' – because if they go bust they're not going to pay you anything.

"So you work with the clients and look at things like frequency. You could cut down the frequency of cleaning or stop doing things in certain ways. If a normal office is having its carpet vacuumed five times a week, why do that when you don't vacuum your home five times a week.



“Cleaning is all about time and everything is time-measured. Everything is calculated on the basis of how long it takes you to do these tasks, and that translates into the number of hours you need to clean the building – and consequently how many staff you need. If you cut down those hours, you’ll need fewer staff. That’s the way we can reduce costs to our clients,” says Steve.

“From an FM point of view, clients are talking to us about adding services we haven’t undertaken before. In some cases this can be actually directly doing the work, or in some cases it can be managing it on behalf of the client.”

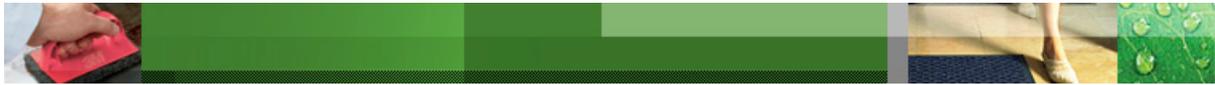
Security has become an increasingly complex activity, ranging from simple guarding with a man on the door through to sophisticated electronic systems, CCTV, listening devices and more.

“A few years ago, it was almost as though any thug who could speak could be a security guard,” says Steve. “Nowadays we have some very highly trained security professionals who have to be certified and approved and Criminal Records Bureau checked.”

Some clients have separate contracts for cleaning, security, catering, air-conditioning, garden maintenance, planned maintenance and decorating. The smart ones tend to group them into bundles, to simplify the reporting and invoicing structure and save time and money. Facilities managers at the highest level are looking at releasing time, as their other responsibilities grow.

Clients may joke about the worth of cleaning and FM contractors, but recognise the value of their contribution, Steve believes. “Facilities managers are delivering a service themselves. Their customers are the people that work in the building, and our customers are facilities managers. We genuinely have a common goal, and the skill is working with an FM to achieve that. It’s a bit like a marriage, you have to work at it.

“When the FM and his procurement team tender a contract, they invite five companies. At that stage they believe any one of those companies can do the job, but they’ve got to decide which they feel they can work with best.



“We, as contractors, are valued because without us they would find life much more difficult. People may think they can do it themselves, but the difference is in the service delivery and the quality and expertise. So we’re heavily into KPIs (key performance indicators) and spreadsheet analysis of our work in financial and service levels.

“We’re dealing with much more professional facilities managers. Over the past 30-odd years, they’ve come from housekeepers, house foremen or caretakers to director-level facilities managers.

“Facilities management of a building is a huge cost centre and needs to be run by professional managers,” says Steve. “We’re moving in the right direction. Cleaning, security and catering may not be sexy, but they’re much higher up the corporate agenda than they’ve ever been before.”