

The F Word - Why Facilities Matter

By Martin Pickard

Leaders of businesses and organisations don't want to talk about Facilities. It's a dirty word associated with cleaning, maintenance and other “non-core” activities. The common view seems to be that facility managers should be neither seen nor heard. In this series of articles originally published in PFM Magazine Martin Pickard highlights six reasons why this should not be the case. Each article provides sound arguments demonstrating the contribution that good facilities management can make to assist the achievement of organisational goals.

This month the focus is on the FM contribution to corporate reputation.

Corporate Reputations Matter

Corporate reputation is a more important measure of success than stock market performance, profitability and return on investment, according to a survey of some of the world's leading CEOs and organisation leaders carried out by the World Economic Forum. Only the quality of products and services edged out reputation as the leading measure of corporate success.

It is a fairly obvious observation given recent business scandals that good reputations are hard to gain but easy to lose. The need to establish trust and confidence is more important than ever. However, corporate reputation is a complicated issue that means far more than just avoiding scandals. How the business is perceived has a direct impact on the bottom line and shareholder value. That makes it an opportunity as much as a threat.

For any company, promoting a positive image to the outside world helps to attract and retain key talent, increase sales and build successful strategic relationships. But for listed companies reputation has an even more direct impact on performance through the financial community that grades, rates and invests in them.

The public sector is equally affected. Politicians and civil servants alike are only too aware of the power of the press and the importance of a positive image with the general public. Hence the rise of the political spin doctor, the public sector equivalent of the professional PR team, managing, planning and seeking to enhance the organisations reputation.

With these thoughts engaging the minds of our business leaders the facility manager who wishes to demonstrate a real contribution to the organisation can find fertile ground. Avoiding scandal through facilities professionalism and enhancing corporate reputation through innovation and responsible actions can make the facility management function an important feature on the corporate landscape.

Scandal

The impact of modern communications on the business landscape means that there really is nowhere to hide your dirty laundry. The internet, mass media, blogging, e-mail and a legion of TV and radio channels ensure that your corporate scandal will be publicised, analysed, picked over, misrepresented and exaggerated and you will have little or no influence upon what is said.

The traditional PR mans job was to keep bad news out of the papers. That has become an impossibility. Far better then to have nothing to hide in the first place. A professional facility manager will be proactively managing many problem areas, preventing and avoiding problems before they occur. Issues like safety, health, fair trading. Discrimination and non compliance can all prove embarrassing hotspots if not properly managed.

- Take the well publicised case of Legionella in Barrow-in-Furness. Seven people died of the disease following an outbreak in 2002 which was traced to bacteria released into an alleyway from the air-conditioning system at a theatre and arts venue in Barrow. Another 172 were infected. It was an architect who cancelled the maintenance contract on the centres air-conditioning system and subsequently negotiated a new contract, which failed to provide for water treatment of the roof-top cooling towers, thus creating perfect breeding conditions for the deadly bacteria.

For four years this case has been appearing in the media as she continues to fight manslaughter and negligence charges. The Council themselves and the maintenance company have also faced charges and all involved have been seriously damaged by the attendant publicity.

- Similar damage has been done to the worlds largest caterer Compass following “serious irregularities” at their Eurest Support Services subsidiary in dealings with the United Nations and consultants IHC Services. A criminal investigation in the US and a billion dollar law suit followed allegations that ESS had illegally acquired inside information on rival bidders for major contracts for UN peacekeeping forces.

An internal investigation, disciplinary action against the individuals concerned and a company restructure have cost the catering giant a good deal but the greatest concern is the possibility of long term reputation damage. A report on the incident by market analysts Dresden Kleinwort Wassertein highlights the way “mud sticks” when awarding governmental and non-governmental organisation contracts.

- Another recent red faced facilities incident that hit the headlines was the case of the illegal immigrants arrested under the Immigration Act while working as cleaners at the Home Office. Five Nigerians were working for cleaning company Techclean in an office of the Immigration and Nationality Directorate which is the department responsible for the deportation of illegal immigrants.

Despite the problem being brought to light by efficient security guards carrying out proper checks, the story was seized upon by the media and used to embarrass the government and ridicule the facilities industry in the process.

Image

If corporate reputation is the lasting impression that the outside world has of an organisation then the image that stakeholders respond to is an important part of the story. The image of a business goes well beyond mere application of the brand, it is the visual manifestation of the organisations complete identity.

The former Chairman of Unilever, Sir Michael Perry, laid down a six-point guide to the maintenance of corporate image which works particularly well when considered from an FM perspective.

1. **Analyse Performance** – By which he means you should continuously and robustly consider the current perceptions of all stakeholders. In facilities management we have more people involved in or affected by what we do than almost any other management function. You must know what they are thinking. You may not always like it but what suppliers, landlords, staff and regulators think about your organisation will affect the dealings that you have with them
2. **Attack Costs** – Find ways to do this constantly and sensibly. It's not about a downward spiral in quality more a relentless pursuit of inefficiency. Left alone, costs will always increase. Every organisation needs its facility manager to deliver and improve the return on its facilities management investment.
3. **Keep Innovating** – The only sustainable route that an organisation has to provide value relative to its competition is through a commitment to learning and effective change management. The professional facility manager should be a leading champion of change within the organisation
4. **Promote Yourself Effectively** – The application of the brand through advertising, corporate dress, logos, building signage and every single transaction that people have with your business should enhance the image and thereby the reputation of your organisation. Everything from the state of your gardens to the responsiveness of your switchboard and the logo message on your franking machine has the opportunity to contribute here.
5. **Build Partnerships** – Suppliers, customers, neighbours and staff - all of your stakeholders can be engaged in the pursuit of an enhanced corporate image. These people all have the potential to become advocates for your organisation.

6. **Customer Focus** – Customer obsessed organisations stand a far greater chance of long term success. By establishing a culture of customer service throughout the organisation that attitude can become as embedded as NDA. As the primary internal service department facilities management can play a major part in that process as both role model and facilitator. Approaching every decision and challenge from the customers perspective will make certain that such focus can be maintained.

CSR is The Opportunity

Corporate Social Responsibility represents the single biggest opportunity that the ambitious facility manager has to enhance and promote the reputation of the organisation they serve. As public and private sector organisations alike become ever more concerned with good corporate citizenship, many issues that facility managers have battled for years have suddenly become board room agenda items.

Topics like sustainability, energy, waste minimisation, recycling, fair trading, community involvement, work life balance, a quality working environment and customer service are all components of the corporate responsibility remit. The professional facility manager now has the opportunity to provide the business with a host of good news and can gain support for further investment in positive action.

There are many examples of good practice to be found in the CSR field such as:

- HSBC distributing 7000 desks and other surplus furniture generated by its move to Docklands to a variety of charities, schools, religious groups and community organisations rather than sending it all to landfill.
- Ford investing in renewable energy generation at its operational site in Dagenham using wind turbines and thus reducing greenhouse gas emissions
- BMW creating a mature modern apprenticeship scheme for its electrical and mechanical maintenance activities in the West Midlands.

Across the country facility managers are attacking workplace problems, reducing the quantity of waste going to landfill, driving down energy consumption and supporting local businesses and community issues.

Conclusion

Reputations matter to organisations today more than ever before. A good reputation attracts customers, staff and investors while the impact of scandal, disaster or service failure may take years to repair.

The good work delivered by professional facility managers can prevent many such problems. However, the current focus on corporate citizenship

represents a significant opportunity for the ambitious facility manager to enhance the reputation of their business and thus make a direct contribution towards a significant organisation goal.

The question is whether facilities management will grasp the opportunity to take a pro-active strategic lead or continue to respond at a tactical level and miss out on the chance to raise its credibility higher than ever before.

Martin Pickard CFM FBIFM is the Immediate Past President of the UK Chapter of the IFMA. Martin is a trainer, consultant and journalist specialising in facilities management. He was awarded the 2005 BIFM International Award for Excellence in FM Journalism and has over 30 years experience in all aspects of the profession. For more information see his personal pages at www.denton-house.com or Martin can be contacted on martin@fmguru.co.uk

For more information on **PFM Magazine** see www.pfmonthenet.net

The six areas to be considered in this series are:

- 1 Talent
- 2 Compliance
- 3 Efficiency
- 4 Reputation
- 5 Risk
- 6 Productivity

Next Month - Risk