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May 2010

In Brief

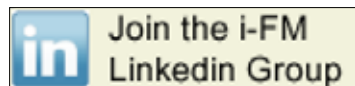
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Welcome to i-FM in Brief

Facilities management is a big and busy marketplace. One leading newspaper recently declared that a new 'outsourcing boom' has started! Does this mean that more businesses will look at FM more seriously? If so, where will they turn for advice and information about this ever changing market?

i-FM, conceived 10 years ago as the 'industry intranet', has grown into an unrivalled, award-winning news and information service for the whole FM sector. We're here to help you understand the business and thrive in it, whether you're a service provider, client or consultant.

Unlike the trade press, we look at FM as a strategic business-oriented discipline. Our subscribers represent the full spectrum from within the industry and, as importantly, from outside. Leading consultants advising clients on outsourcing strategy turn to i-FM as a key source of intelligence.

We are not a traditional trade mag, promoting widgets and gadgets. We provide up-to-date information about the sector. If you want to understand the market to make informed business decisions i-FM is the only online resource you need.

i-FM in Brief highlights recent activity on our website. Whatever your role in FM, you can count on us to bring you the information you need - and the opportunity to get more involved in the industry - through news, features, comment, insights and advice.

There are plenty of resources provided on our site for free, but the full service including daily news, research, market audits, reports and commentary requires full licenced access. Sign up today!

David Emanuel - MD i-FM

News round-up: Q1 2010

At times over the past year or two, the 'news market' has seemed almost as quiet as many of the more conventional markets in the UK. Despite that, there have been some big stories reported on our pages. The first few months of 2010 alone have been pretty eventful.

January marked a further step in implementation for the BIFM's new qualifications strategy, which sees the move away from the old 'part' approach towards a much more structured 'level' approach. This strategy and the whole issue of qualifications in FM was a big focus on both our news and comment pages through much of last year - including the surprise move at the RICS where a new non-degree route to Chartered Facilities Manager status was launched.

The economy and the election were also big, long-running stories, of course - and continue to be so. One area of particular interest (and concern for many) is the post-election impact on the public sector. Undoubtedly faced with a 'new age of austerity', central and local government bodies may - or may not - be the focus of a new drive for outsourcing. The jury remains out on that one.

There have been some interesting changes in the service provider landscape, too - some of them as a direct result of recession, some just because it was a good time to do a deal.

- In January, business advisors Deloitte bought property advisors Drivers Jonas. Deloitte Senior Partner John Connolly said there was a clear opportunity to combine the skills of the two firms to create a team with a unique offer.
- In February, Operon was pushed into administration, then quickly scooped up by Europa. This wasn't Europa's first ambitious move: it had acquired Work Facilities and sister businesses from the Eastlake Work Group in 2009, following its collapse.
- Later in the month, and in a rather more positive context, the cleaning and security services group Emprise acquired security provider Perfectus. Chief Executive Craig McGilvray said the move was part of a wider strategy to grow in key markets.
- In March, VT, the one-time shipbuilding group with declared ambitions to become a support services specialist, gave up its hopes of buying public sector operator Mouchel and agreed to sell itself to engineering group Babcock.
- Later in the month, Jarvis, the infrastructure services group, finally collapsed after years of struggle to re-cast itself as a stable business. Its FM division, a money-maker, was reported to be attracting interest from a number of possible buyers.
- At the end of April, Vinci Facilities revealed that it had bought Faceo as the latest move in its plans to build a broad-based, multi-country service operation
- Finally, the 2010 corporate results season brought some positive business news. BAM FM boasted a fifth straight year of growth; profits jumped at Rentokil; Serco claimed a record order book; MITIE's full-year revenue was up 13%; and HSS bucked the trend in its marketplace with a 12% revenue rise.



We are looking for speakers and sponsors for the 2011 conference. Deadline for submissions 31 July 2010. Act Now!

Our events team is already planning the content and speaker line-up for what will be the fourth in what has become a very successful conference series.

Workplace Futures: strategic solutions - not commoditisation will take place February 2011. If you want to participate you need to act now. Contact David Emanuel to learn more: david@i-fm.net

When we launched the first Workplace Futures event in 2008 it was out of disappointment and frustration. Too many events - then and still today - fail to live up to their promise, either because the driving concept isn't translated into an effective programme or because the programme isn't managed for effective delivery. We set out to be different and better, which we did - and now three events later we have a successful brand on our hands.

The 2011 programme will be unique. Aimed at both the service providers and buyers (not operational FM's) it will showcase the various strategic solutions, comparing and contrasting the different FM business models from single service through to TFM.

www.workplace-futures.co.uk

FM Briefings set to grow

If there is one thing every operation facilities manager needs it is good, reliable information. FMs need to understand the issues in and make decisions about a wide range of topics - from catering to CAFM, and from furniture systems to energy services.

That's why we've launched a new series of FM Briefings designed to help practising facilities managers to identify best-of-breed product and service providers by assembling in one place the information they need to create facilities that contribute to greater efficiency and improved workplace well-being.

Each Briefing focuses on a specific service area and brings together information from suppliers under an unbiased introduction from a leading industry expert.

And now there's more. Next month we'll be relaunching our FM Briefings series. They'll be back, bigger and better, but still focused on ensuring that practitioners have easy access to the information they need. In addition to provider details, each Briefing will include more news and information on the service area plus specially commissioned articles offering insights and advice from the experts.

The schedule kicks off with catering in June, followed by security in July, integrated FM in September, furniture suppliers in October, M&E services in November and environmental management in December.

Each of these briefings is an opportunity for suppliers both national names and specialist boutiques, to promote their services and differentiate their offering in the marketplace. It's the most cost effective promotional opportunity you'll get in FM. £525 + vat provides suppliers, with a lifetime exposure on i-FM. Briefings will be promoted to our 32,000 strong subscriber base, the biggest of its kind in this industry - over five times more than our nearest competitor.

To find out more - go to the briefings area on the site:
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FM markets: uncertain times



What next for this business? Where are the reliable growth markets? Is even hoping for stability a bit risky?

The public sector

Last year, market research firms were painting a fairly rosy picture of demand and opportunity in central and local government markets. Then we started to see the reality of cost pressures begin to hit: Birmingham Council was not alone in talking in terms of massive job losses. Edinburgh Council declared that the future lay in outsourcing. That may well be true, but anyone contemplating this sector should not under-estimate (a) the uncertainties associated with these post-election days (it will be some time later that the full scale of budget impacts begin to emerge); and (b) the political sensitivities, especially at local level, of being seen to cut programmes and heads, and simultaneously to appoint private sector partners.

Central government inspires a bit more optimism in business development terms. The issues of efficiency and effectiveness - and the role of asset and service management around those - seem to be increasingly appreciated. The High Performance Property and Operational Efficiency Programme initiatives, amongst others, are being taken seriously, at least at the centre. There appears to be both a need and a drive there that will survive the change in government. The OGC's recent establishment of

an FM directorate is a good sign - even if it takes some time to deliver any impact.

As PFI, especially in healthcare, has dried up over the past few years, a number of commentators and suppliers have looked to Building Schools for the Future for new opportunities. The principle looks good - massive spending on all secondary schools in England. However, recently two trends have emerged: first, we are seeing local programmes being developed through a mix of PFI funding and other models, as against the predominance of PFI in the early days....the non-PFI schools do not offer the promise of long-term FM deals; second, reports are beginning to emerge of cutbacks in local plans as funding pressures bite. Again, as the budgetary impacts emerge over the coming weeks and months, government commitment to these spending programmes should not be taken for granted.

Social housing still looks like a big, stable market encompassing both construction and maintenance activities. The maintenance contracts are generally on the long side - 5, 7, 10 years typically - and can vary from a few dozen properties to thousands. There are a number of well established big players in this area already and several others working to expand their relatively limited market shares. Newcomers who can build on existing construction skills and

public sector experience might gain entry, but it won't be an easy road.

The private sector

Market research firms agree that UK corporate FM will be slow this year and much of next, picking up again towards the end of 2011. Perhaps the one good thing about the 'great recession' is that it's over, and many companies are on the road to recovery - or at least able to think again about services for the future. Public sector uncertainty, however, could of course affect some private sector decision-making.

Another trend that at least two research firms agree on is growth in the integrated services market. Recent studies - one of the UK and one of Europe - see this being driven by the cost and efficiency benefits that such deals can offer. Service providers who operate in this area have been making that argument for years, and they'll be pleased to have some third-party endorsement.

A look back at contracts won over the past year or so reveals another trend. The really big deals, such as Interserve's at HSBC and EMCOR's at Prupim, are very much the exception. Looking even more exceptional are the wide-ranging 'corporate PFI'-type deals of some years ago. Much more typical now are single or multi-service contracts valued at £10, £20 or £30m or so.

What's new at the institutes and associations?

With the Conservatives and Liberal Democrats building a virtually unprecedented alliance in support of a common cause, it's tempting to ask whether we might ever see such a thing happen in FM. Could the various institutes and associations move beyond the smile, handshake and memorandum of understanding stage to join forces and really get behind this industry in a concerted way? Sadly, it doesn't seem likely.

In the meantime, each continues to pursue its established agenda.

The BIFM has declared April's annual conference a success. It was certainly good to see the event brought to London, though the choice of venue raised a few eyebrows - and caused noticeable fits of huffing and puffing as people faced numerous sets of stairs in the search for where they were meant to be next. That was preceded in March by a Members Council meeting where Ian Broadbent, Group Property Director at Hallmark Cards and Chair of the North region, was elected incoming Chairman. He will take up the role in June at the Institute's AGM. Of course, the other big change underway here is the roll-out of the new qualifications scheme, a complete departure from what has gone before and one that could, over the long-term, bring real meaning to the BIFM membership designation.

At the RICS, there's a new team running the facilities management professional group. That title in itself is worth considering: the old 'faculty' tag was abandoned last year, judged to be a bit stuffy and too easily misunderstood. The Institution has been on something of a modernisation campaign, trying to bring new life to its professional groups and even opening up its routes to membership. The introduction last autumn of official

guidance on FM practice, followed by a new non-degree path to Chartered FM status, caused quite a bit of discussion (and some bad feeling), but RICS remains largely inward looking. Modification in that stance might produce quite an enthusiastic take-up of their new membership option.

And finally, the change agenda continues to re-shape the FMA. At the trade association's 15th AGM, held in April, Director General Chris Hoar reported that membership has almost doubled since his appointment at the beginning of last year. Participation in the monthly networking events has also shot up, which sometimes seems to surprise even the organisers. Plans are in place for further growth, and to ensure the organisation can cope two new voluntary positions have been created: Vice Chairman (John Moriarty, MD at FSI, was elected to be the first titleholder) and Deputy Vice Chairman (now Debra Ward, MD at MITIE Client Services). Richard Sykes, MD of Carillion Service Solutions, was elected to serve another term as Chairman. It will be worth watching to see how the association retains its focus as it grows.

Also worth watching, at least for a couple of months, will be the progress of a new group in this crowded and fragmented market: EUFM - the European Union for Facilities Management. That sounds a bit more important than it really is. EUFM is in reality a brand new venture with ambitions to become a networking organisation for clients and providers across Europe. It is also a commercial venture that hopes to make money through membership fees and events. Its launch produced quite a bit of discussion on our LinkedIn pages, almost all of it along the lines of 'the last thing this business needs is another industry association'. To be fair, some of the critical reaction was

based on the fact that the group seemed to be positioning itself precisely in the territory of the established professional and trade associations - while apparently it really wants to work in conjunction with them. Do we need another group? Time will tell.



2010 e-business award: enter now!

The i-FM e-business Award is a well-established feature in the annual PFM Partnership Awards.

Focusing on the tangible and enduring business benefits to be gained from new information and communication technologies, the award provides the opportunity for companies and organisations to gain the recognition they deserve for exploiting these new technologies to improve business process and performance.

The award covers the whole range of 'e' initiatives, including websites, intranets, extranets, e-procurement, desktop services, online PR and marketing campaigns, benchmarking and other information services.

Tell us how you are making good use of technology. The first step is easy - just email us - but remember the deadline for your entry is 28 May.

www.i-FM.net/ebus-awards/

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- Features - written by our team, or commissioned by us, plus important articles sourced from other leading publications
- Comment - regular insights, views and opinions from experienced practitioners and market observers
- Research - current and archived studies tailored to major issues in the UK market
- The Top 50 - our pioneering benchmark tracking the top players in UK FM
- FM Briefings - an ongoing series, each targeting a specific service area to ensure practising FMs have the



information and knowledge they need to make efficient and effective decisions

- i-FM Jobs - listings of the current opportunities, plus advice and support for jobseekers
- FM Pages - our dedicated information centre for service providers and buyers
- And much more - including background on the FM market, our unique 10-year news and feature archive plus insights into how FM

has grown and developed over the decade, links to training providers, our industry events calendar, a round-up of awards and winners, links to relevant organisations and information sources... and much much more.

Don't just take our word for it, talk to any FMA corporate member. The industry's trade association places such importance on our service that it provides a licence to each of its members as part of its benefits package.

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