

# Demand for FM Services on Rise

Facility management (FM) is fast becoming an integral part of the businesses and demand for outsourced FM is increasing. Rohit Kapoor, Executive Director & COO, EFS Facilities Services in discussion with Rahul Trivedi shared his thoughts on the market and various aspects of facility management.

## What is the current market scenario for FM Services in India?

The facility management sector is still a fragmented industry comprising few organized players in the market. As the awareness about FM services grows, we will definitely see the growth and entry of more number of established FM companies. Over a period of time, the smaller unorganized



## The need for investment in FM Services

In today's competitive world, any enterprise needs quality infrastructure, employee satisfaction, efficient management and retention of skilled workforce to succeed as an organization.

These are the prerequisites that help companies actualize their goals of profitability and enhanced customer satisfaction at effective cost. This is where facility management service providers have gained prominence as a value add to the business.

Integrated Facilities Management (IFM) is the solution for companies struggling to reduce cost while improving customer satisfaction. It helps in increasing the productivity of the business by reducing costs, minimizing risk and increasing end-user satisfaction.

IFM experts bring in new ideas and market intelligence on the table and backs up the business to achieve the desired outcomes.

sector companies will either become more professional or will get acquired by bigger FM firms. The corporate across Indian cities now realize that for the longevity of their assets, a professional FM service provider is necessary. Globally, FM sector has already reached its growth peak and is stagnant now. The companies are cognizant of the importance and value of facility management and the sector itself is in the process of consolidation. In India, there is a need to introduce benchmarking, best practices, compliances and regulations for the FM sector to help it come at par with the global standards.

The major challenge in the sector is that the market is dominated by small and medium-sized unorganized players who either under-quote or offer low-cost operating models. Technology is yet to make an impact on the Indian FM market, unlike developed markets and there is a shortage of trained technical and non-technical manpower.

**What are the growth drivers for the FM sector in India?**

Consumer awareness is the most important growth driver for this sector. Any organization’s biggest investment is in its workspace real-estate. FM provides an integrated approach to operating and maintaining, the buildings and infrastructure of an organization for prolonged functioning. FM services also help create an environment that strongly supports the primary objectives of that organization. More and more companies are looking to outsource all or part of their facility-related operations to FM service providers in order to be able to solely focus on the work that is core to the business. In fact, the hospitality industry which till now was reluctant to outsource the facility management services is also changing. Today, the decision to outsource is based on much more than the traditional core vs. non-core and cost-reduction parameters. Companies are looking for strategic partnership in their FM service provider that will help drive the corporate initiatives.

**It is predicted that the Indian facility management market will cross \$19B by 2020. In my opinion a regulatory body like RERA for real-estate is definitely required for the FM sector.**

**Regulatory and compliance standards for FM sector in India**

FM is a manpower dominated service so all HR compliances such as PF, ESI, mandatory insurance etc. become important to adhere to. Other major compliances are related to the OEMs, finance (TDS, VAT etc.) and Health, Safety, and Environmental & Quality (HSEQ) which include ISO certifications. We at EFS are managing all. Labor license for more than 20 people is a regulatory requirement, though a company may not require a labor license for a site which has only five people but it needs to enroll them in PF and ESI. To bring everybody under the same umbrella and provide discipline in the industry some standard regulations and guidelines will be helpful. Given the fast growth rate of the FM industry and presence of both organized and unorganized players, the industry needs a regulatory body.

**EFS Facilities Services best practices & supply chain management**

The company has invested in technology such as CAFM (Computer aided facility management) and handheld devices to the employees so that any complaint can be tackled at the same point of time. The ticket is given to the specific technician so that they can be present on the site. The in-house software developed by our Dubai team has been integrated with our financial package which is JD Edwards and a separate module in JD Edwards is CAFM. On a test check basis we provided the software to two of our customers with the EFS team at the site working with the clients for the roll

out which is expected to happen by third quarter of 2017.

We have tie ups with all major OEMs of India so that the clients can avail Annual Management Contracts (AMC) from their preferred OEMs. Since, the company has a pan India presence and volumes in terms of business; we do not compromise on SLAs (Service Level Agreements) and KPIs (Key Performance Indicators).

**What is the company’s service portfolio and clientele?**

The company’s client mix ranges from large government entities to many Fortune 500 companies. We offer total facilities management solution comprising over 75 services in business verticals such as Oil & Gas, Banking, Industrial, Public Sector, Integrated Workplaces, Education, Retail and mixed use developments. The FM oriented services include management of third party providers, providing technical manpower on the site based on the contract, Annual Maintenance Contracts (AMCs) for both high side and low side, technical operations & maintenance, Soft services, commissioning and transition management and adhoc services like Quality assurance, Call Centre and Help-desk Management, Contracts compliance, and life-cycle management among others.