

National Asset & Facility Management (NAFAM) Convention 2007
“Facilities & Asset Management: Coping with Future Challenges”

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**Session 4: Capacity Building and Sustainability in Asset and Facility
Management**

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Distinguished guests

Ladies and Gentlemen

1. Thank you for the kind introduction. It is an honor and privilege for me to be here today to speak at the National Asset & Facility Management Convention 2007. I'd like to take the opportunity to express my sincere appreciation and gratitude to my colleagues at JKR, AMPM and ASLI for inviting me to present a paper in this prestigious convention.
2. It is indeed a great honor to be representing UTM on this occasion to share with you the experiences we have in the area of facility management especially on the topic of capacity building and sustainability.
3. We have started our post graduate programs in facility management by offering taught-course and research master degrees since the year 2000. We conducted our courses in two modes that are full-time course at the Skudai Campus and part-time course at the Kuala Lumpur City Campus. Most of our part-time students come from banking and corporate sectors. **We have almost all major banks' asset and/or property managers enrolling in our post graduate program.** This shows that private sector

is more responsive to learn and implement effective facility management services in their premises. We also have a few students from JKR, local universities, police force and other government departments.

4. My paper will be divided into two sections. The first section is on the topic of capacity building and the second section deals with sustainability.
5. In my opinion, **Capacity Building in Asset and Facility Management** could be achieved through the following five steps:
 - a. Developing 'enabling quality culture',
 - b. Cultivating the awareness on the importance of asset and facility management,
 - c. Human resource development,
 - d. Organizational development and
 - e. Institutional and legal framework development.
6. The first step in the capacity building initiatives is developing the **'Enabling quality culture.'** 'Enabling quality culture' is a pre-requisite to ensure that the facility management services could be delivered effectively. One of the facility management outsourcing success characteristics is **compatible cultures and structures** between the client and the provider. What we have today is each organization possesses its own working culture. The organizational working culture that we subscribe today is very much dependent on the capability of the respective leader. We do not have a common working culture like KAIZEN that all parties would accept as a foundation for our future competitiveness. Our previous and current researches on the implementation of ISO 9000 and quality management system in government offices, at project level, and private organizations indicate that we are short of quality culture. The lack of quality culture becomes one of the main hindrances in the implementation of ISO 9000. Since the facility management system is very much similar

to the ISO 9000 system that is to fulfill the customer requirements, similar problems might be found

7. To address the issue of 'enabling quality culture', all leaders at all levels and in all organization (public, private, NGO and even opposition parties) should continuously promote the benefit of the enabling quality culture. We should learn from Japan how to educate the whole nation on the importance and benefits of KAIZEN. Ever since World War 2, the people of Japan have been bombarded with the idea of KAIZEN. Today everybody in Japan knows what is KAIZEN and they are able to apply the concept in all aspects of their life. In our case, our enabling quality culture should incorporate religious values and teachings.
8. Another salient point related to enabling quality culture is that the implementation of facility management services is influenced by the existing leadership and organizational growth. A study showed that varying multitude in societal evolution progress has largely influenced the diverse approaches adopted by the society in cultivating leadership and organizational growth (Mole 1996). Facility management is also affected by the different leadership and organizational growth.
9. The second step in the capacity building initiatives is cultivating the **awareness on the importance of asset and facility management**. 'Cultivating the awareness on the importance of asset and facility management is another pre-requisite, especially to the clients. Apart from the clients, awareness must also be developed to the public at large. Not many people are familiar with the concept of asset and facility management. Awareness is not measured only by understanding the basic concept of asset and facility management. What is more critical is to answer the question, **WHY DO WE NEED** quality management.

Motivational gurus say that IF YOU HAVE ENOUGH REASONS YOU CAN DO ANYTHING in this world. Awareness means that the people are really convinced with the importance of facility management approach and they are committed to invest their resources to make it a reality. Therefore, awareness must begin at the top level and not the other way round. Without the commitment from the top level, all efforts will be in vain.

10. As an example, WHY DO WE NEED facility management services in the operation of LRT station? The importance of asset and facility management for LRT station is more than managing the conventional operation and maintenance. It deals with a bigger scope that is to **FACILITATE THE CORE BUSINESS** as follows:

- a. ENSURE QUALITY SERVICES
 - i. Conducive and pleasant experience
 - ii. Safe and healthy environment
- b. MAINTAIN SMOOTH AND FAST PROCESSES
 - i. Fast ticketing process
 - ii. Adaptable during peak hours
- c. ACHIEVE COST EFFECTIVENESS
 - i. Optimize operation and maintenance cost
 - ii. Optimize life-cycle cost
- d. ENHANCE COMPANY COMPETITIVE ADVANTAGE
 - i. Sustainable profit
 - ii. Enhance reputation
- e. CONTRIBUTE TO THE NATION COMPETITIVE ADVANTAGE
 - i. Improve public transport image
 - ii. Contribute to the nation economic competitive advantage

11. Human resource development is the third step in the capacity building initiatives of asset and facility management. The nature of the asset and facility managers' role is quite similar to the project managers' role. Whilst a project manager's role is required during the design and construction stage, a facility manager's role is required during the operation and maintenance stage. **A questionnaire survey conducted in Kuala Lumpur suggests that the roles of a facility manager are as follows:**

- Operations
- Maintenance
- Integration & Problem Solving
- Planning & Project Management
- Quality Assessment and Innovation
- Building Management
- Environmental Management
- Insurance Management
- Risk Management
- Fleet Management
- Real Estate Management
- Accounting and Financial Management
- Security Management

12. To develop a competent facility manager who is able to perform the above roles, we in UTM suggest that professionals related to assets and facilities like architects, engineers, surveyors and others to be re-trained at the post graduate level. We propose the following **curriculum to be used in the master degree of asset and facility management** (Institute of Asset

management, UK; British Institute of facilities Management; and International Institute of Facility Management, USA):

Competency Level	Competence	Description
Level 1 Strategic	Strategic Asset & Facilities Management	<ul style="list-style-type: none">• Asset Management• Real estate Management• Facility Management• Organisational Management• Corporate Management• Value and Risk management• Financial management
Level 2 Tactical	Human Resource And Workplace Management	<ul style="list-style-type: none">• People management• Communication• Leadership skills• Asset portfolio management• Understanding building design• Environmental issues• Space management• Quality management• Project management
Level 3 Operational	Operations and maintenance	<ul style="list-style-type: none">• Asset and facilities audit• Facilities services• Support services• Customer services• Management of furniture and equipment• Management of Plant and Machinery• Procurement

13. The fourth step of the capability building initiatives is organizational development. There are many ways to develop an organization such as implementing the **ISO 9001:2000 quality management system, total quality management system or other good management system**. By implementing good management systems, clients, consultants and contractors would have compatible systems and structures that are required for the success of facility management services delivery. The success of any management system development mainly owes to credible leadership. **Credible leadership** would create the vision for the organization, spread and foster the vision so that everybody buy-in the idea, actively participate during the implementation and organize life long learning for the organization. Further challenge may emerge when an organization is involved with foreign facility management team.

14. Finally the fifth step of the capacity building initiatives is institutional and legal framework development. **Malaysian Asset and Facility Management Institute (MAIFI)** should be established like other professional bodies. The function is to ensure the delivery of professional facility management services. The institute must be fully supported and if possible sponsored by the industry and operate in collaboration with the universities and other government agencies. The main objective of the institute should be to help our facility management services to be competitive in the global market. On the legal framework, the government should enact a new act to govern the facility management services. I propose that the government establish **Public Facility Management Council** under the chairmanship of the Prime Minister to oversee all aspects of this profession. The members of the council should comprise the private sector (consultants, contractors and suppliers) and the public sector (JKR, ministries, universities, and other related bodies).

15. **Sustainability initiatives** should begin by educating the asset and facility industry on the benefits of reducing the overall impact of facilities on the natural environment and on building occupants. Sustainability should be embedded in the new development projects. However, sustainability initiatives for existing facilities would normally require strategic decisions. The following are typical pertinent questions that may be considered in making the strategic decisions:

- a. Is the usage of existing facilities being optimized?
- b. What is the better option - to refurbish or to rebuild?
- c. How could we reduce the electricity and water bills?

16. The first issue regarding sustainability is the usage of existing facilities. **Facilities audit** should be carried out to provide current data on the actual usage of existing facilities. Sometimes many changes made to the facilities are not recorded and not documented. As a result the new additional facilities may be under-utilized. Therefore, any request for new facilities must take facilities audit results into account to avoid unnecessary wastages.

17. Some premises may require refurbishment works due to changes in the usage of the building or facilities. Major refurbishment work is required when the owner plans to change the whole function of the facilities. However, refurbishment works may not be economical for old buildings and new construction project may be more cost effective. In this case, cost comparison must be done, to decide whether **to refurbish or to rebuild**. It is much better if the decision making process could be done rigorously by using certain decision support system.

18. Another critical issue related to sustainability is to reduce the electricity bill.

Electricity bill consumes nearly half of the total operation and maintenance cost. Reducing the bill would not only be beneficial to the environment but also saving substantial amount of money that could be spent for other purposes. There are four golden rules to reduce electricity bill that are maintenance, reduce usage, efficient operation and select energy efficiency appliances.

19. As a summation, I have presented two major topics that are capacity building and sustainability. I have emphasized five steps in the capacity building initiative that comprises enabling quality culture, cultivating the awareness on the importance of asset and facility management, human resource development, organizational development, and institutional and legal framework development. I have also touched on sustainability initiatives with the aim to reduce the overall impact of facilities on the natural environment and on building occupants as well as making strategic decisions pertaining to the optimum usage of the facilities, to refurbish or rebuild, and reducing energy bills.

20. On that note, I would like to once again thank my colleagues at JKR, and others from AMPM and ASLI for giving me the opportunity to speak at this Convention.

Thank you.