

## THE TASK OF THE FACILITY MANAGEMENT IN REAL ESTATE DEVELOPMENT

Viera SOMOROVÁ

*Facility management is a modern method of the management of the supporting activities. Its application in the development is one of the most important components by saving of the operating costs of the development firms. Facility management can be applied as an integrated component of corporate management. The second form of application of facility management is an outsourcing.*

*The article is aimed to an explanation of facility management as a method of effective management of corporate supporting activities. This article has been elaborated within the VEGA 1/0813/08.*

**Key words:** facility management, corporate management, real estate development

Real estate development is the continual reconfiguration of the built environment to meet society's needs [1]. Development presents an integrated factor among estate traders, investors, designers and building firms. Development differentiates from the classic building industry since its products – buildings - are not dedicated to particular client but for an unknown client in the real market.

The aim of the development process is the creation of a building, where it can either be rented by future unknown users or sold in the real estate market. We will concern ourselves with the first possibility – the development firm rents the building.

The rental of the building space is the general business activity, or core business of the development firm. The activities, which create the conditions for the successful process of the core business, are the supporting activities (services). They involve first of all administration of building, the planning of its reconstruction, other services such as cleaning, post, safety, inventory, etc. These supporting activities must be managed. A new method of management is used in the development firm – a facility management.

Facility Management is the unique planning and control of all supporting activities within the firm. It appears as a support-services management method. There are three possible ways of managing the supporting activities. The first is where the firm manages everything on its own. The second one is outsourcing – a supply firm manages the supporting activities, while the third relies on a combination of the developer and a supply firm managing the supporting activities. Outsourcing is usually offered by firms, which the core business is the facility management.

To enable the business to fulfil the formulated goals, it manages the corporate activities that may be defined as:

- Primary – core business (processes)
- Secondary – supporting activities (processes).

*Main activity* (core business) may be characterized as dominant, functional process, performed by the company in order to fulfill its primary function. Business entities perform main activities in order to fulfil fundamental goal of the business – profit.

*Supporting activities are mainly all the other activities that are do not belong to the main functional process of business activity but they create conditions for successful running of the core business. Among supporting activities we can mention finances, human resources, informatics and telecommunications, technical and other processes. In the production sphere these include mainly the administration of the entity, operation, and maintenance, planning of reconstruction, services like cleaning, alimentation, mail, and lease of spaces, moving services, equipment and administration of real estates.*

Costs related to the realization of supporting services often mean the evaluation to the total business costs, i.e. total costs for main and supporting activities not a negligible sum. In spite of this fact, leading workers in business entities do not enough emphasize the management of supporting services. Their capacity is fully used by the core business. From the point of view of the corporate management it is an ineffective time. Such a time “loss” may consequently result in minimization of the corporate management effects; business entity loses dynamics, quality workers, and profit.

Core business (fundamental activities) optimization is continuous and, the activity of the management is fully centred on it. The main goal of the management should be firstly the maximal effectiveness of the core business. Focusing of corporate attention to the core business is possible only when the management has a programmed separation of the supporting activities from the core business.

Facility Management method enables the Quality management of the supporting activities. It is expected to control and to optimise the supporting activities (processes) in entities with the goal of effective running of the core business.

International organization called International Facility Management Association (IFMA), associating more than 18000 members from 50 countries defines the Facility Management as: *a method that within the organizations mutually harmonizes the workers, the working activities, and the working environment integrating the principles of business administration, architecture, human and technical sciences.*

Three main subjects have an important task in this phase:

- the developer
- the architect
- the facility manager.

The Developer is a leader who is ultimately the responsible parties when it comes to managing the creation of the built environment. Developers tend to be driven, innovative people who work with an extensive team of professionals to complete a complex and dynamic process. A developer with extensive background knowledge looks for needs to fill, sees possibilities and has a dozen ideas. Generally the developer consistently plays one role throughout the development process. He coordinates people and helps realise a particular vision (Miles, Berens, Weiss, 2000).

The Architect is a key subject in the design phase of the development process. An architect increases the functional efficiency of a building's design. An architect does not just simply draw the developers' or his own ideas, but becomes involved in the development process from the start. In addition, the architect can help guide a developer in selecting for a specified use or developing an alternative concept.

The Facility Manager is a manager who has the combination of a specialist with a wide knowledge (technical, economical, ecological, psychological, ethical, etc.). They have sufficient practice with the right practical experience. The facility manager is responsible for the impeccable running of the supporting activities.

What is the task of the Facility Manager in the design phase of the development process?

The design phase can start after the developer has signed the contracts (he has decided on a general contractor, determined general rent or sales requirement). The architect as a member of the development team – beyond assisting in basic planning – provides basic services. Some of them are: schematic and final design, preparation of construction documents, administration of the agreements between the developer and the builder, etc. (American Institute of Architects, 1995). The design process is characterised by many iterations. Step-by-step the building assumes its final shape.

In the design process, there is an opportunity to minimise the possible market risk, that is, the inability to be competitive (to keep the space competitive in an evolving market, minimise operating costs, maintenance costs, costs for repair or innovation, energy costs, etc.). Facility Manager should significantly co-operate with his or her operating experience in this period of time. They are not a competitor or opponent to the architect in the preparation phase, but rather their partner. The leading task in the project phase is up to the architect, the Facility Manager should economically and operationally develop suggested individual versions and present their pros and cons. Final decision should always be up to the designer as well as the developer.

## Conclusion

It is highly required, during the proposal, preparation and construction of the building, to include the know-how of the Facility Manager in the development process. Their contribution will reap benefits many times over in lower operating costs, as well as their effectively working support services.

## REFERENCES

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2. American Institute of Architects, You and Your Architect, Washington D.C.: Author, 1995