

Wake Up, a Single European FM Market is emerging

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The moment has finally arrived. The CEN/TC 348 "Facility Management" project has been linked to the latest European Commission policies on Business Services. This is a big opportunity for our profession to influence EU policies. The European Project Team and the 25 national committees are ready to set the standard for the future of FM.

When Dutch facility managers finalised their national standard on FM they immediately realised they had just constructed a fence around their national market. It provided protection against an invasion by foreign FM service providers. The downside of this protectionism act was it would not only make it more difficult to export to other markets and more difficult to learn from foreign colleagues, but also the possibilities of international benchmarking were reduced to zero. So, the Dutch immediately tried to have their national standard accepted as an European standard (EN). However, the European market for FM is still a number of national markets, and like the Dutch FM market, each one still is just as internally focused.

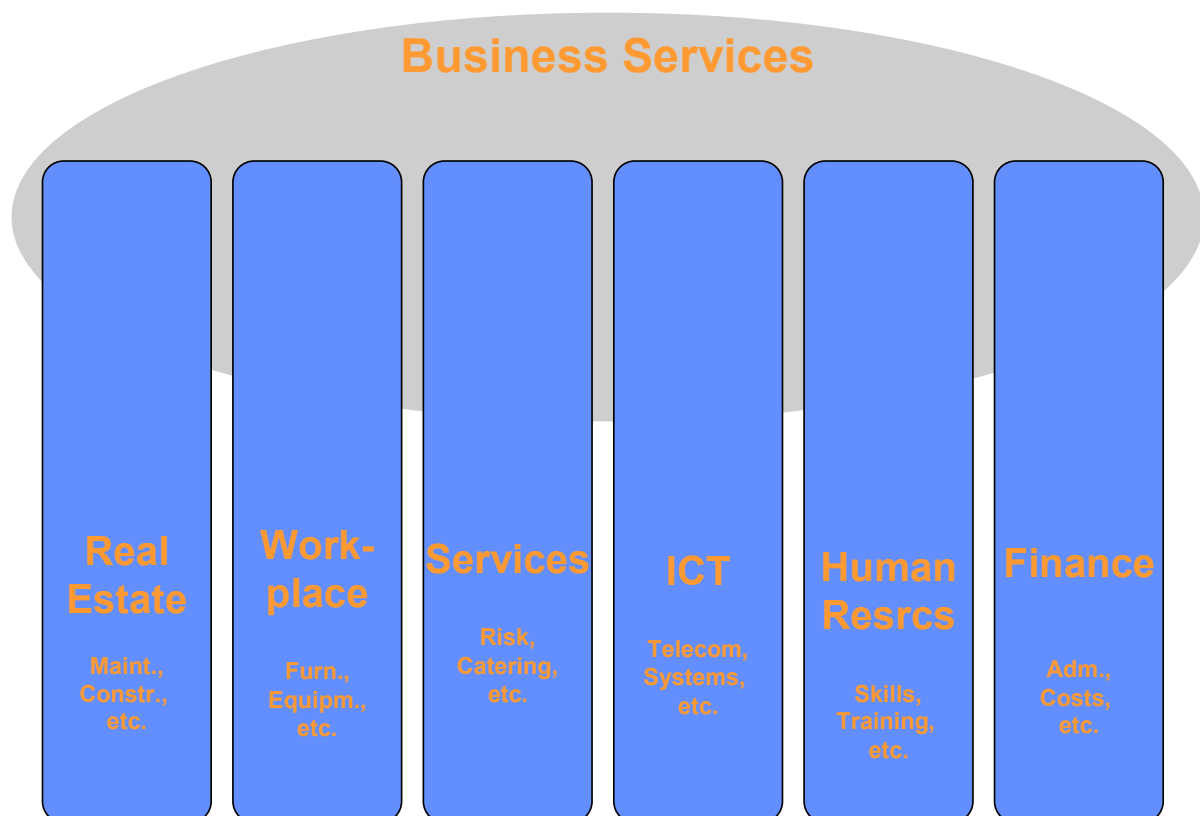
Now a year later things have changed. The Dutch organised a workshop for European experts that identified the potential benefits for facility and real estate managers as well as business providers of an EN standard for FM for national markets. These are

- improved competitiveness in a global market

- improved effectiveness of primary and FM processes
- improved transparency in procurement and contracting
- improved quality of output
- support for certification
- improved communication between stakeholders
- development of new tools and systems.

The workshop also learned about the unstoppable macro economics within the European Union and how to use standards to develop a European FM market.

Voluntary standards provide solutions to interface problems that can occur when the provision of services crosses national borders. They permit the Facility Managers to compare products and services and this strengthens competition and efficiency. In the absence of previously agreed and balanced standards, market transparency remains low and the effect of switching to an alternative supplier can be both costly and risky. EN-standards will benefit the FM services providers by enabling them to focus on delivering services and benefiting from some economies of scale. They will also be able to increase their market presence and their negotiating position by compliance with the standards. The European Commission will promote the setting up of such voluntary standards, in the same way as it has for manufactured products.



The Project Start

After talks with senior executives of the European Commission, NEN, the Dutch Standardization Institute, volunteered to be the Secretariat of the Technical Committee (TC) 348 "Facility Management" of CEN (Comitee Europeen de Normalisation). Jappe van der Zwan of NEN is the secretary of the CEN/TC, Remko Oosterwijk of Cap Gemini Ernst & Young, is chairman and Fred Kloet is marketing manager responsible for promoting the project and helping to find financial support. A Project Team was formed and it has organised meetings with the National Standardization Bodies and their national market representatives. Most countries have started their own national committees to participate in the development of these European standards. So far, only Norway (NS3454), Austria (A7000), Germany (DIN32736) and The Netherlands (NEN2748) have their own official national standard on FM but also other countries that are relatively new to FM have joined the project in order to develop their own markets more rapidly.

After CEN approved the establishment of the official Technical Committee in September 9, 2002, the 36 months countdown for developing two standards started. A 'stand-still' agreement made by all CEN-members ensures that new initiatives to develop national FM standards are no longer allowed ensuring that the CEN/TC 348 is the only project to deliver any FM standards. In fact, two standards will be developed - a classification of terms and definitions describing what FM in Europe is, and a guideline to be used when developing FM contracts (internal as well as outsourced). All participants are determined to have these two EN standards accepted by September 2006.

According to the current status of the project the European market of Facility Management is formed by the following sub-markets:

- real estate
- energy
- maintenance
- insurances
- cleaning
- security
- catering
- reprographics
- internal corrective services
- internal relocations
- furniture.
- office supplies
- knowledge management
- ICT
- office automation
- transport of staff
- mail services
- human resources
- financial administration
- the management of these services.

This very broad focus reflects the fact that FM appears to be something completely different in different countries. However, the current project is not developing standards in the individual services as other groups are already doing that, such as the CEN/TC 319 "Maintenance", CEN/TC 328 "Cleaning Services" and CEN/TC 247 "Building Automation, Control and Building Management".

European Commission

The European Commission has launched its programme on liberalising the internal market in services and Facility Management is one of the sub-sectors within what is called 'Business-related Services'. (see <http://europe.eu.int>)

Currently, within the EU::

- Nearly 90% of all SME's in the EU are in service industries
- 40% of business service providers say that eliminating barriers to cross-border trade would increase their sales by up to 20%
- The services sectors (e.g. business services, distributive trades, hotels and restaurants, transport, energy, telecommunication, tourism and leisure, etc.) account for more than 60% of total employment in the market economy of the EU.

In its document COM(2003)747 published December 2003 "Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Commission of the Council" called 'The competitiveness of business-related services and their contribution to the performance of European enterprises, Facility Management is seen as one of the major services for the performance of enterprises. However, the classification published in that document and shown below is not based on any EN standard and neither has there been any consultation with the European Facility Management market or CEN/TC 348 "Facility Management".

ANNEX I, Classifications of services and additional figures, Box 1. Major services required for the performance of enterprises (functional approach)

FUNCTIONS IN ENTERPRISES	MAIN BUSINESS-RELATED SERVICES	FUNCTIONS IN ENTERPRISES	MAIN BUSINESS-RELATED SERVICES
Administration	Management consultancy Legal services Auditing and accounting	Information management	Computer and IT services Telecommunications
Human resources	Temporary work Recruitment of personnel Professional training	Marketing and sales	Advertising Distributive trades Public relations Fairs and exhibitions After-sales services
Financial intermediation	Banking Insurance Renting and leasing	Transport and logistics	Logistics Transport services Express courier
Production and technical function	Engineering and technical services Tests and quality control – R & D services Industrial design Maintenance and repair of equipment	Facility management	Security services Cleaning services Catering Environmental services / waste disposal Energy and water services Real Estate (warehouses)

The CEN/TC 348 Project Team has been invited to present their standardization project in Brussels because the European Commission thinks standardization is important to develop a market without 'fences'. The Project Team has asked representatives from the demand side as well as the supply side of the FM market to present their views on the FM project and show how it supports the Commission's strategy to liberalise the business services market. The European Commission wants to ensure that:

“Any Business Service lawfully provided in the country of establishment should in principle be freely available to clients in other Member States, without the need to verify in each instance whether it is compatible with regulatory, administrative, professional provisions or other barriers in the client country. These barriers to entry are: price regulation, tariffs, technical standards, licenses, product differentiation, excess capacity, etc. Elimination of these barriers will reduce costs and assist Business Services providers in extending their activities beyond their national borders.”

(ISBN 92-828-6670-X and http://europa.eu.int/comm/internal_market/en/services/services/index.htm)

The European Union uses the NACE-code (Statistical Classification of Economic Activities in the European Community) for gathering statistical data on the internal market. This code is a classification of terms connected to similar codes used by the World Trade Organisation and the United Nations. In the United States they use the North American Industry Classification System. The European Commission uses the code to analyze the internal market but so far they have not been able to analyze the FM market. The EN standards for FM will be linked to the NACE-code, so, once we have the EN standards in place the European Commission can analyze our market and help us to develop a single FM market currently worth about 450 billion Euro.



Planning

At the end of January the working group responsible for the classification, CEN/TC 348/ WG 1 met in Budapest. In March the working group responsible for the formulating guidelines for FM contracts, CEN/TC 348/ WG 2, will meet in London. Two chairmen of the working groups have been elected - Stan Mitchell from the UK and Mr. Paul Stadloder from Germany, proposed, respectively, by the British Standards Institute (BSI) and the German Standardization Institute (DIN).. By November this year, the draft versions of the two EN standards for Facility Management will be published for comments in all 25 countries and industry consultation through their respective national standardization bodies.

The next steps are a more formal procedure with official voting and resolutions proposed by persons approved by the national standardisation bodies. If we can keep the momentum and support of all professionals working in our market we can deliver the two EN standards for Facility Management by the end of 2006 and all 25 countries will be required to introduce these standards in their national market.

Market support

This project would not be possible without financial assistance from interested FM organisations. Who in return are in a 'full cooperation partnership' with the Project Team. So far the following organisations have committed themselves to support the development of the EN standards in FM for the full 36 months of the project:

- Planon (also lead sponsor)
- HolaPress (also lead sponsor)
- Johnson Controls (also lead sponsor)
- GlaxoSmithKline
- UPC
- Interface
- Jones Lang Lasalle
- Altys
- Archibus
- Faceo.

However, more organisations (especially from the demand side) are needed to support the progress of the Project Team and to represent our market in Brussels.

The Project Team continues to contact potential stakeholders to support the project on a European level. This is an important project for future development of facility management in Europe, but not everybody is immediately positive about supporting it. Some people think the European market will replace their national market and this leads to market protection. On the contrary, Europe is a brand new continental market that is emerging in addition to existing regional and national markets. . .

The single EN standard will help to develop, operate and administrate FM in 25 countries. So, it is time to wake up and participate. It is not a dream anymore!

For more information on the CEN/TC 348 project please contact:

Your FM association or National Standardisation Body or send an e-mail to Mr. Jappe van der Zwan, Secretary, Jappe.vanderZwan@nen.nl or

Mr. Fred Kloet, Marketing manger, fred.kloet@villafm.com .
Lead sponsor HolaPress is developing a website specially for this project. The address will be www.fm-standards.net

About the author:

Fred Kloet has recently moved from The Netherlands to Italy. With the help of several FM universities and companies from around Europe he has started the European Centre for Facility Management, named Villa FM, near Rome, Italy. (www.villafm.com) Fred has worked for the European Council of Ministers in Brussels and has been board member of FM associations. He is a bachelor in Facility Management and is well known for his efforts to develop a European market for Facility Management.

