

The Facilities Management market in the Middle East is fast evolving with maturing regulations and increasing customer sophistication focussed on world-class services



Following the construction of some breathtaking developments, the Middle East region is now witnessing a tremendous transformation in the Facilities Management (FM) market. Large assets intensive organisations have realised the importance FM services holds to their business stakeholders and customers. These organisations are therefore gradually moving away from seeing FM as a cost to business to treating it as an enabler for setting differentiation in the market.

To some extent, this shift can be attributed to the sophistication achieved by adoption of new outsourcing models and tools in more developed markets. This has led to raising the bar in terms of the FM service and quality benchmarks now available and expected by the world-class destinations being envisioned for the Middle East.

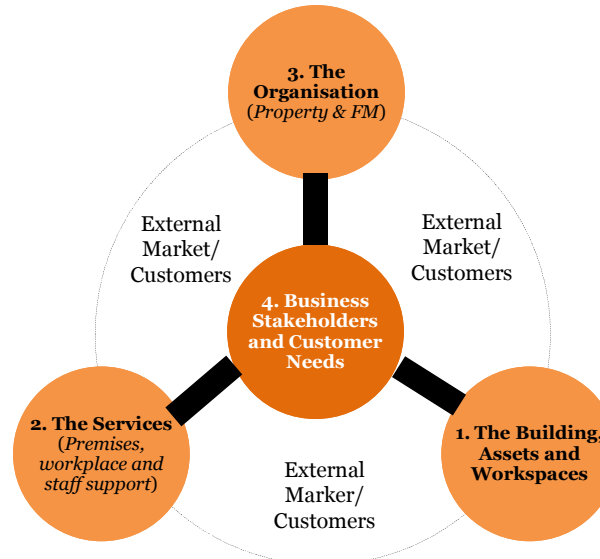
But in addition, the role of FM is changing with the development of newer regulations e.g. green buildings, national safety framework and building codes, etc. The industry is maturing and becoming more professional.

In this fast moving environment, the following are some of the key trends that are emerging:

- **Shifting mindset** – Organisations are becoming more aware of the importance and scope of FM to the continuity of their businesses. They are beginning to think about their FM services more strategically when making procurement decisions.
- **Value for money (VfM) shift** - FM providers and organisations are gradually focusing more on a balance between service, quality and costs to differentiate themselves. Regulators are prescribing service and quality benchmarks to newer developments.
- **Technology adoption for better service** - Organisations and FM providers are aiming to adopt new technologies and green building techniques. Innovative technologies will not only provide efficiencies but are also well received by customers and society at large.

Your FM strategy should therefore be tailor made and inline with recent developments.

Figure: Key components of your FM strategy



How can PwC help ?

PwC have developed a comprehensive service offering in the area of facilities management based on the issues we hear from our clients and our capabilities in delivering a relevant and sustainable outcome

Our typical mandates include:

Vision, Strategy and business case:

- Independent advice on leading practices in FM
- Estimating the baseline and the benefits of change
- Developing FM vision, strategy and operating model
- Options appraisal and business case development
- Mapping FM objectives to the business requirements

Value, testing and benchmarking:

- Baseline measurement of FM cost and performance
- Verify VfM to client-side stakeholders post contract
- Testing complex solutions in FM for VfM
- Understand costs, margins, prices and their drivers
- Facilitating post contract PFI benchmarking

Opportunities to reduce costs:

- Cost reduction benchmarking (costs, processes, etc)
- Contracts review and re-engineering
- Impact of consolidating or bundling contracts
- Cost reduction and benefits management scheduling
- Service efficiency reviews

Implementing changes:

- Managing risks, issues and stakeholders
- Advisor on procurement / contracting process
- Effective engagement with the market
- Support on commercial negotiations
- Organisation transformation support

Facilities Management

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your services*

Facilities
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Key questions from our clients

- Am I incurring the right costs on FM and are there any opportunities for efficiencies ?
- How can I transform my FM function to best support broader corporate goals ?
- Is my in-house FM Value for Money (VfM) or should I outsource ?
- How can I enhance the FM services that I am providing to my customers ?
- How do I ascertain the demand for FM services and the true cost to deliver them ?
- What are the successful FM supply chain contracting strategies/ models available ?
- Can I get fully independent advice or support on the procurement of my FM contracts?
- What options do I have on re-engineering my FM supply chain failing to meet its objectives ?
- How do I monitor the business risks associated with my FM activities and their impact?
- As an FM provider, am I well aware of market needs, trends and competitive strategies ?

Examples of our recent experience:

Municipal authority in the UAE: We established the strategic vision for corporate governance policies, standards and high level processes and systems for FM service provision and sourcing for this large government entity.

Large bank in the UK: We undertook a review of existing corporate real estate and FM services to identify gaps, conduct options appraisal and ultimately develop a preferred strategy and solution for the new headquarters building of the bank.

FM provider in Qatar: We developed the stakeholder and organisational strategy and helped formulate the new operating model, organisational structure, roles and responsibilities as well as performance measures for this leading FM provider

Our team

Our multidisciplinary Capital Projects & Infrastructure team (CP&I) in the Middle East includes engineers, management consultants, finance/ accounting specialists and real-estate practitioners. We have extensive experience of advising leading FM providers and in-house functions in both the public and private sectors and across sectors including real-estate, financial services, retail, telecommunications, oil & gas, transport, healthcare, municipality, media and real estate.



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