

The Strategic Importance of Facilities Management

Unlocking Asset
Management
Potential

The Pulse of Middle East Market

The UAE's facility management market is on the brink of remarkable expansion, with an **expected value of \$ 7.62 billion by 2024 and a projected annual growth rate of 6.68% through 2029¹**. This growth is fueled by robust investments in infrastructure, the growing importance of facility management, and a heightened emphasis on sustainability. Currently, ongoing FM contract awards exceed **\$ 1 billion¹**. A prominent trend is the transition from in-house to outsourced Integrated Facility Management (IFM), allowing businesses to mitigate risks and leverage specialized expertise.

The occupancy rates in residential and mixed-use buildings have gradually recovered post COVID-19, supported by the ongoing developments and economic initiatives in the region. While the office occupancy rates in the UAE are at all time high, the demand for efficient and advanced facility management solutions is escalating. Integration of technology, such as IoT, machine learning, and AI, is pivotal in elevating facility management services, enhancing scalability, flexibility, and service quality. This trend presents substantial market potential initiatives for smart facility management services.

Inside the Industry: A Closer Look

The Facility Management (FM) industry is undergoing significant transformation as organizations increasingly recognize the impact of FM functions on their bottom line and employee engagement. As this awareness grows, organizations are tailoring their FM strategies to

address the unique needs of different facility types. The type of facility determines the specific hard and soft services required, influenced by factors such as the facility's premises, operating model, and departmental structure.

Hard Services

Electrical	Plumbing
Civil & Carpentry	HVAC
Fire & Life Safety Systems	
Energy Management & Sustainability Initiatives	
Critical System Maintenance (e.g., UPS, Chillers)	
Specialized Engineering Services	

Soft Services

Housekeeping & Cleaning	24x7 Helpdesk Support
Security & Lifeguard	Pest Control
Waste Management & Recycling	
Food Catering & Admin Services	
Concierge & Reception Services	
Landscaping & Ground Maintenance	

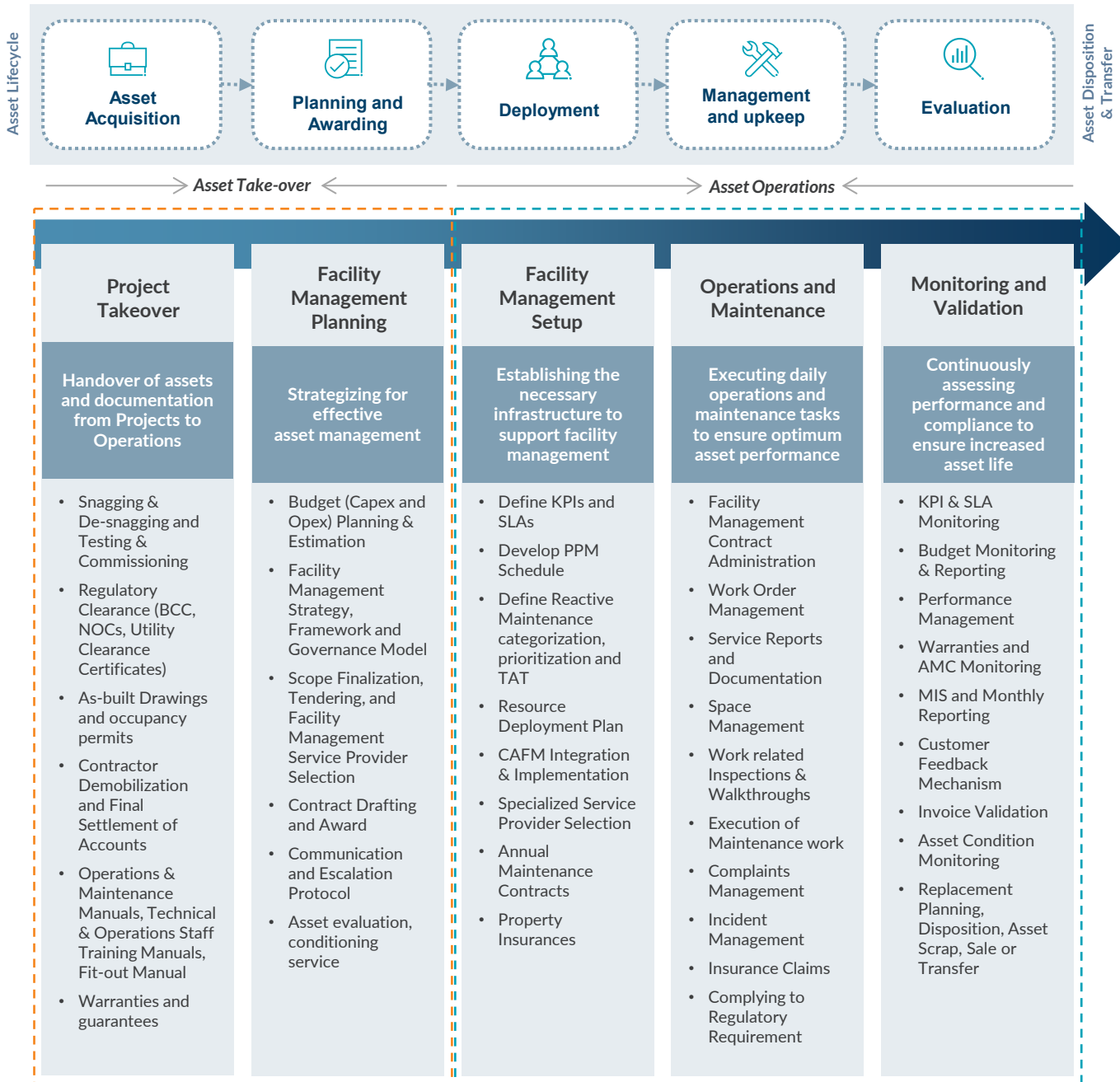
Sources: ¹[Mordor Intelligence, Construction Week](#)

Essential Components of Facility Management

Effective facility management encompasses a broad range of activities that ensure assets are managed efficiently from acquisition to disposition.

By focusing on these key components, organizations can optimize performance, ensure compliance, and enhance the longevity of their assets. The discipline encompasses various stages:

Protiviti's Focus Areas in Facility Management



Top Trends Shaping Facility Management by Protiviti

In our comprehensive analysis of facility management across the Middle East, Protiviti identified several critical trends shaping the industry. These include a

shift towards sustainable practices and ongoing digital transformation efforts to modernize facility management processes.



Total Facility Management

Organizations are increasingly adopting the Total Facilities Management (TFM) model, outsourcing non-core business activities to specialized providers. This approach allows them to focus on core competencies while leveraging expert FM services.



Predictive Maintenance

Predictive maintenance (PdM) has emerged as a pivotal trend in facility management, leveraging advanced data analytics and artificial intelligence to foresee equipment failures and perform maintenance proactively. This approach minimizes downtime, extends equipment life, and reduces costs.



Cross-functional Integration of Services

Cross-functional integration of FM with related business functions like procurement, finance, and operations to enable quicker decision making and timely availability of critical resources to overall increase the operational efficiency, enhance user experience, and enables organizations to realize economies of scale.



Enhanced Workspace Utilization

In the wake of the pandemic, as employees have gradually returned to office spaces, there is a heightened demand for improved serviced workspaces. Consequently, companies are now placing greater emphasis on upgrading facility maintenance strategies to uplift employee morale and satisfaction.



Internet of Things

The Internet of Things (IoT) is transforming facility management by enabling live monitoring and control of building systems. Through smart sensors and interconnected devices, facilities can monitor data in real time, optimize energy usage, and improve operational efficiency.



Risks Associated with Facility Management

Effective facility management is vital for organizational assets' smooth operation and longevity; however, several risks must be managed carefully.

Insights from our experience with facility management reviews revealed the following risks:



Preventive Maintenance

Neglecting scheduled maintenance leads to untimely wear and tear, costly repairs, and operational disruptions.



Corrective/Reactive Maintenance

Untimely resolution of issues results in downtime and non-optimized usage of assets.



Contract Administration

Inadequate oversight on contractual requirements can impact on the agreed service levels with vendors, resulting in diminished service performance and output.



Maintenance Automation

The delayed or inadequate setup of the CAFM system results in insufficient facility management control, scheduling discrepancies, and improper monitoring.



Regulatory Compliance

Failure to maintain regulatory compliance in facility management operations, including building codes, safety standards, environmental regulations, etc. may result in fines, legal liabilities, and adverse media coverage.



Customer Experience

Non timely resolution of customer complaints may result in dissatisfaction and jeopardize organizations' reputation.

Managing these risks requires an integrated approach, including technology adoption and strategic planning. Proactive risk management enhances operational efficiency and user experience, ensuring long-term success in facility management.



Strategic Priorities for Organizations



Organizational Governance

- FM Vision, Strategy & Operating Model
- Mapping FM Objectives to the Business Requirements
- Policies and Procedures for Development & Implementation
- Organization Transformation
- FM Data Analytics
- Continued Risk Assessment
- FM Costs and Performance Analysis
- Internal Benchmarking of Costs, Margins, and Prices
- Strategic Procurement and Tendering
- Pre award and Post Award Contract Management



Internal Audit and Review Mechanism

- Preventive & Corrective Maintenance
- Complaints Management
- Energy Management & Sustainability
- Equipment Lifecycle/ Asset Inspection
- Space Management and Utilization
- Work Order Management
- Customer Satisfaction Survey and Service Quality



Compliance Management

- Monitoring & Reporting
- Governance
- Health, Safety & Environment
- Contract Administration
- Regulatory Compliance and Risk Management
- Performance Management System - SLA, KPIs, Scoring, penalties, etc.
- Financial Management



Strategic Target Achievement

- Benchmarking to leading market practices
- FM Service Efficiency Optimization
- Energy Consumption Optimization
- Demand Forecasting
- Asset Maintain/ Repair and Replacement Analysis
- Assessment of Cost, Quality, Resource, and Implementation Feasibility of Outsourcing Solutions
- Strategic Sourcing
- Technology Implementation Support
- Sustainability Assessment

About Protiviti

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, digital, legal, HR, risk and internal audit through a network of more than 90 offices in over 25 countries.

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