Defining Service Excellence in Facility Management

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This whitepaper concludes two main themes emerging in driving
service excellence in FM. Firstly, that excellence is underpinned by consistency, and
secondly, an absolute confidence in delivering to an agreed set of standards. But
research also shows that this consistency is not enough in itself to guarantee service
excellence.

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Executive Summary

The following whitepaper sets out findings by the Centre for FM Development (CFMD) at Sheffield Business School having been commissioned by ISS to explore client perceptions around service excellence in FM.

A number of senior managers either responsible for FM in their organisations or for services that include it were interviewed and a knowledge review undertaken as per the brief.

While existing material around the concept proved to be limited, a 2004 study found that perceptions of service excellence consistently equated to the small things and the unexpected extras, particularly in relation to the effective resolution of a problem or challenge.

This was broadly endorsed by CFMD's own research. Despite the respondents 'examples spanning many different sectors and scenarios, a commonality was an appreciation of swift and responsive action to an issue that showed good understanding of the customer's needs. Conversely, a poor and ineffectual response was a key determinant when perceiving service as bad.

For others, service excellence remained synonymous with a seamless high end luxury experience, particularly in the hotel sector. Opinion was divided over whether or not service excellence could, and indeed should, be transferred to the FM environment, essentially between those who either did or didn't view it as being reliant on budget.

For some, the pressures of the FM operating environment made service excellence an unrealistic expectation and being seen to deliver it ran the risk of appearing to overspend. The question of just what drives service excellence also raised a wide variety of different perspectives, but with two consistent themes emerging. Firstly, that excellence is underpinned by consistency, and an absolute confidence in delivering to an agreed set of standards. However, this consistency is not enough in itself to guarantee service excellence.

Five shades of customer perceptions about excellence could be seen in that spectrum. We have titled them:

- Deliberate economy
- Economy plus
- Two tier services
- Qualified excellence
- Excellence for all

For this there needs to be that element of positive surprise, the unexpected experience above and beyond what is normal, that moment which exceeds anticipations.

At ISS we believe that this capacity to surprise, to exceed expectations in the day to day delivery of services, is rooted in the individual empowerment of the people who work for us. We call it the Power of The Human Touch.

Introduction

As a business committed to delivering service excellence, understanding exactly what this means to our customers is critical if we are to realise our vision to become the world's greatest service organisation.

Gaining a broad and in-depth perspective around the subject is critical to inform our customer-centric approach and support our drive for continual improvement.

To this end, we commissioned Sheffield Hallam University to carry out a research study around the concept, a move that builds on the existing partnership with ISS established through the delivery of a degree in facilities services.

When a cross section of senior managers with responsibility for FM in businesses across the UK were asked how they defined service excellence the results revealed a wide spectrum of perspectives.

From their feedback a range of models was identified, with at one end the view that excellence was expensive and only justifiable on a pathway that served their own external business customers. At the other end of the range were those who believed in excellence being affordable, and indeed the most obvious route to making the best use of the resources available.

Initial assumptions that striving for excellence is a routine objective for most occupier FM organisations were challenged with the discovery that for many, this can run the risk of appearing to overspend to the core business and therefore not offer value. The question of just what drives service excellence also raised a wide variety of different perspectives but with two consistent themes emerging. Firstly, that excellence is underpinned by consistency, and an absolute confidence in delivering to an agreed set of standards.

However, this consistency is not enough in itself to guarantee service excellence.

For this there needs to be that element of positive surprise, the unexpected experience above and beyond what is normal, that moment which exceeds anticipations.
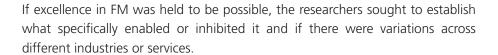
Consistently across many interviews the key to this was seen to be focused around the behaviour and attitude of people, the individuals and teams who are employed to provide the service.

Research Methodology

Research centred upon interviews with existing, former and potential senior customers of ISS across 13 client organisations including banks, professional service firms, telecommunications operators, military bases, airports, manufacturers, hospital trusts and local authorities, to secure a diverse and broad range of opinions.

An intentionally unstructured approach encouraged participants to discuss freely and in depth a number of themes around service excellence generally and then with a specific focus upon the FM environment, using practical and observational evidence.

Here, interviewees were asked to consider what specifically supports or inhibits excellence, addressing factors including procurement, retention, staff and attitude, contract KPIs and flexibility. Where possible, short interviews with users of the services at the interview location were also undertaken to gather examples of excellence or the opposite they had received within the FM environment.

If excellence in FM was held to be possible, the researchers sought to establish what specifically enabled or inhibited it and if there were variations across different industries or services.

Translating Excellence into FM

Quality, timeliness and consistency may be a precondition to service excellence, but it is the unexpected extra that elevates the good to exceptional, from the surprising but pleasing gesture to the resolution of an unexpected problem or issue.

This was one of the key findings from the customer interviews which broadly endorsed the conclusions of Robert Johnston's 2004 research (see Appendix 1, Knowledge Review, p 12).

This had found that for many, excellence represented a seamless, hassle-free experience as well the effective handling of a problem.

Conversely, ineffectual responses to issues were found to be equated with bad experiences.

Personal recollections included the opening of an extra check-in desk at the airport, train guard who went above and beyond to assist a customer with a missing passport to the surprise gift of a box of chocolates, gestures that consistently fell beyond the day to day running of a contract and its usual parameters.

Another prevalent theme to emerge was the significance of a human, people orientated approach demonstrating genuine interest and in-depth understanding of the customer's needs.

For others, excellence remained more associated with expense and luxury, typically hotels and the 'wow factor'.

Working with Excellence

In considering whether service excellence can be transferred to the FM environment, opinions ranged from those for whom excellence was built into the client business model and even seen as a route to actual economy, to those for whom it was unaffordable.

While all agreed that excellence was possible, the main disparity centred on whether or not is it seen as justifiable in their respective operating environments.

For those who saw excellence as luxury, pressures within the FM environment and challenging market conditions meant it was not a viable objective, except perhaps on specific customer pathways.

Being seen to deliver excellence ran the risk of appearing extravagant and overspending to one's employer, and as such sent out the wrong message particularly at a time of austerity.

This did not mean however that the quality or consistency of service was poor or compromised, but that striving for the exceptional was not felt to be appropriate in the context of their business and wrong for their brand.

Here, excellence was perceived as a glossy optional extra that could be reintroduced potentially when the economy improves.

Excellence is compatible with budget

Those who saw excellence as the unexpected extra believed excellence should be driven more robustly within the FM environment.

In their view, welcoming people into any building either as a place of work, or as a visitor, should bring the same service level and expectations to those using a hotel.

Strong proponents of excellence saw it as compatible with budget and attainable for all areas of the business within a budget environment. Choosing to pursue excellence was a business led decision with tangible gains from generating a valuable return on investment, from financial savings to greater payback from staff.

One example from a customer in the professional services environment highlighted that the investment required to run service excellence programmes for key teams and new inductees was relatively small in comparison to other areas of expenditure across the business, but the payback achieved as a result was significant.

This particular case underlined how the nature of a particular organisation and industry and the expectations of its clients or users, influenced attitudes and approaches.

While all interviewees were operating in the same tough climate, for some this was grounds not to strive for excellence, a decision that would to some extent be accepted and even expected by the client.

In an environment such as a hospital however, the expectation of excellent care from service users, and as such, a commitment to delivering this remains consistent irrespective of the financial climate.

Applying Selective Excellence

Selective excellence vs excellence for all

Significant variations in terms of when and where service excellence should and shouldn't be applied emerged from the discussion.

In some cases, distinctions were made in the approach taken at a head office compared to a regional site, between client facing areas and that experienced by internal users (the latter perceived as 'over the top') and between critical infrastructure and retail sites.

This was exemplified in the example raised by two banks questioned, who believed offering service excellence to wealth management clients was vital. However, applying selective excellence was not endorsed by everyone.

Three interviewees believed that a drive for excellence uniformly across the business was an affordable investment that added long term value and ultimately made financial savings.

Here, there was the view that service excellence could not just be demanded of people without being more embedded within an organisation's culture and creating an environment that could support this objective.

This was supported by some of the findings from site visits undertaken by the researchers.

In some cases they discovered among facilities services not intended for external consumers, a perception of excellent service by users that was not expected in the main interview.

That service excellence was being achieved in places that were not prioritised with the greatest investment demonstrated that it could be realised without being expensive.

Emerging Models of Service Excellence

Deliberate economy

Here, excellence is pursued only in certain areas of a business that were seen to contribute most to the client's value proposition such as prime office locations and retail sites. There is a commitment to excellence but one that is prioritised and delivered only in what is felt to be the more appropriate context.

Client Management		External Consumers
Client FM Management		
Service Provider		Internal Consumers

Two tier plus

Here, there was more emphasis on excellence by the service providers at a facility than had been led to believe in the main interview and a recognition of the criticality of the partnering relationship between the users and the service provider.

Client Management		External Consumers
Client FM Management		
Service Provider		Internal Consumers

Economy plus

Here, the business imperatives are similar, with excellence seen as affordable 'even for directors'(critical infrastructure and retail might be treated differently). However, the service providers in these examples were found to be delivering those little 'extra mile' touches that internal consumers saw as excellent, particularly in terms of their response to problems.

Client Management		External Consumers
Client FM Management		
Service Provider		Internal Consumers

Qualified excellence?

A business-focussed description of enhancing the end user experience and the role of cleaning staff in the process was highlighted with the interview describing a journey. However an impression was given that it was the business itself rather than its service provider driving the change.

Client Management		External Consumers
Client FM Management		
Service Provider		Internal Consumers

Two tier services

Further distinctions were evident within businesses where consciously superior experiences were offered to specific clients. For example two banking customers saw excellence as essential for high net worth clients and a professional service firm spoke of driving for excellence in client facing areas (including front of house 'business lounges'). Here, excellence for internal users was seen as 'over the top'.

Client Management		External Consumers
Client FM Management		
Service Provider		Internal Consumers

Excellence for all

Here, a general drive for excellence was described by the respective businesses that included involvement from their service providers. For those who see excellence as affordable, it is a state of mind and as such it is possible to go the extra mile in a budget environment, by making the most effective use of existing resources for example. Here, excellence is actually a means to best value.

Client Management		External Consumers
Client FM Management		
Service Provider		Internal Consumers

FM drivers   LIght blue = Economy   Blue = Excellence   Red = Blended   Grey = No impact on external customers

Conclusions: Commonalities

Having the right people in the right job

The question of just what drives service excellence also raised a wide variety of different perspectives, but with two consistent themes emerging. Firstly, that excellence is underpinned by consistency, and an absolute confidence in delivering to an agreed set of standards. However, this consistency is not enough in itself to guarantee service excellence. For this there needs to be that element of positive surprise, the unexpected experience above and beyond what is normal, that moment which exceeds anticipations. In accordance with Johnston's findings, the research has underlined that service excellence is widely recognised as something extra that goes beyond consistency and good service, which tends to be an expected minimum standard.

With the unexpected extra a prevailing theme, it follows that the more diverse and flexible the offering, the better equipped the business is to respond to issues with an effective solution. Therefore the bundle of services, innovative culture and holistic approach more likely to be found in an integrated services environment suggests that an integrated provider is well placed to deliver excellence.

However the findings also highlight an underlying conflict. If excellence is largely defined by the response to the unexpected, it follows that being perceived to deliver excellence is reliant on the unexpected and unpredictable moments that do arise.

These are often small and demand responses in practice that are incompatible with the uniform and consistent Service Level Agreements usually driven in the facilities services environment. The type of industry and specific constraints of an operating environment consistently emerged as a determining factor in whether or not excellence was pursued.

Conclusions: Differences

Balancing Excellence with financials

"You don't have to work in a palace to deliver excellent service."

Opinion was divided between those who saw service excellence as being compatible with budget and those for whom is was too expensive except on specific customer pathways. In making these distinctions, the providers were consistently found to prioritise excellence in the areas where there was greater interaction with people.

For those who see excellence as affordable, it is a state of mind and as such it is possible to go the extra mile in a budget environment, by making the most effective use of existing resources for example. Here, excellence is actually a means to best value. This was evident during site visits including one to a sergeants' mess. The customer interview prior to this had indicated that the service offered to visiting officers was superior to that provided to other ranks and therefore excellence was not prioritised at this particular site.

However the high praise and commendations from visitors in a guest book on site, revealed that excellence was being delivered without a reliance on cost.

For some organisations it was considered too expensive to be a viable objective, running the risk of appearing extravagant by the client organisation. This was particularly evident from organisations that ultimately came under foreign ownership. Here, the current climate and market conditions meant it was not felt to be appropriate to pursue.

Appendix 1

The Knowledge Review

To inform the interview stage of the research project, a knowledge review of service excellence based on published literature has been conducted summarising what is known about the topic in general as well as in relation to facilities services.

As a concept, excellence remains more associated with the Business to Consumer (B2C) environment rather than Business to Business (B2B), a bias reflected in the relevant literature found. This has tended to focus on the match or disparity between customer perceptions of the service received and their expectations.

Existing material that considers the topic within the B2B environment was limited; however a 2004 study by Robert Johnston, Towards a Better Understanding of Service Excellence, was a notable exception and identified a consistent theme.

Here, Johnston asked senior managers within service organisations and members of the public what they understood as the difference between excellent and poor service from the viewpoint of service consumers. Interestingly, many of the respondents' cited service that was hassle-free and easy to do business with as opposed to an experience that involved big gestures.

A determining factor for many centred on either the effective or ineffective resolution of an issue. Nearly 50% of the statements described excellent service as being about problem handling and 64% of statements around poor service focused on complaint handling.

This asked randomly chosen members of the public and 20 senior managers across a wide range of service organisations what they understood as the difference between excellent and poor service from the point of view of external end users reacting as service consumers.

A core theme to emerge centred on problem handling. Responding effectively to issues that arose was found to be a determining factor when perceiving service as excellent, while ineffectual responses equated to bad experiences. The study also found that delivering a promise, providing a personal touch or going the extra mile to be important factors, though these were mentioned to a lesser degree.

The need for greater differentiation

It was evident that existing literature tended to refer to FM in generic terms through relatively simplistic categorisation such as in-house or outsourced, Total FM or bundled and single services.

Robert Johnston's report, for example, explored perceptions around service excellence in relation to a broad range of service organisations bundled together as one entity as opposed to individual industries with different concerns.

As a result, a significant question needs to be addressed: Is excellence generic or specific to different kinds of facility? This report has therefore identified the need for a greater distinction to be made across facilities services through a classification

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Quadrant 1

Simple facilities offering retail, leisure or hospitality services where FM is treated as an extension of the business brand and service management.

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Quadrant 2

Office premises where the impact on end users is usually less direct and the risks of systems failure less acute for some companies.

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Quadrant 3

Facilities rarely noticed by the end user unless there is a catastrophic failure.

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Quadrant 4

Complex but risky environments, especially acute hospitals.

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based on their potential impact to end users (external or internal) as well as the degree of risk associated with the failure of services, systems or plant.

Each of the four categories or quadrants (summarised below) has been researched and reviewed separately as part of the knowledge review process.

Key findings per Quadrant
Quadrant 1: Service delivery facilities

In terms of measuring excellence via surveys and blind shopper tests, this is the area where most attention has been devoted.

Here, the physical premises forms part of the service offering or Servicescape, a concept developed by Booms and Bitner in 1981, emphasising the impact of the physical environment in which a service takes place. This can include both the exterior (landscape, exterior design, parking, signage and surrounding environment) and interior (interior design and décor, equipment air quality, temperature and ambiance).

Companies most traditionally associated with service excellence such as Disney sit in this category and display a high level customer understanding, often demonstrating a better understanding of buyer psychology than buyers themselves. There is an on-going commitment to understanding where expectations from the external end user are set, through the development of models such as service blueprinting (multi-level mapping of service journeys). Those in this category will recognise their role in the end user experience, for example retail parks such as Meadow Hall in Sheffield, see themselves as offering a visitor experience with facilities staff trained and encouraged to contribute to that experience.

This is also evident at Sheffield Hallam University, where domestic staff are used as ambassadors on open days to positive effect on parents of prospective students.

While they may be delivering basic facilities, they are trained and engaged to assist with queries and problems and therefore able to enhance the experience for end users, a key aspect of excellence identified in Johnston's research.

Quadrant 2: Offices

This is the sector where FM, as we know it today, originated in 1978 and embraces everything from corporate towers in London's Canary Wharf to council premises in Canning Town.

Here, FM is focused on protecting value by minimising loss through effective recovery, for example through the use of specialised operations critical to the smooth running of corporate systems. Tangible evidence to demonstrate how services in this category contribute to value creation is limited. However a notable exception is a 2005 account that highlights FM's contribution to the work of the GCHQ (the UK's surveillance centre) by improving response times to major terror incidents studies.

Quadrant 3: Production and manufacture

These are the facilities that external end users do not see or hear of unless something goes wrong; and with the client's reputation at stake, there is often a reluctance to outsource critical services.

It could be argued however, that business critical services need not be a client's core competence and can be outsourced to suitably skilled providers. A study by Shaw and Haynes (2004) that focused specifically on facilities projects; assessed the significance that 301 users across four sites placed upon 26 service delivery variables.

The six factors to emerge were: Professionalism (customer disruption minimised, seamless project handover); provision of competent staff; communications (quick responses given to requests for help); understanding the customer (willing to adapt to requirement changes and agreed deadlines met); reliability and demonstrating value.

These echo the sentiments of Johnston's report findings in which promises being delivered, seamlessness, people being treated as individuals and effective problem handling were all raised.

Quadrant 4: High risk external user facilities The most common facilities in this category are acute hospitals.

The Centre for FM Development (CFMD) at Sheffield Business School has a long track record of conducting NHS research and research reports used were based upon staff and patient focus group surveys, national surveys, in-depth case studies of four help desks among others.

Considerable evidence points to facilities services shaping patient perceptions and that facilities staff are motivated by contributing to patient care and experience. High standards of cleanliness and food were the two facilities factors upon which

the groups questioned placed most importance and both elements affected peoples' opinions of the NHS confirming the criticality of facilities services to end user perceptions.

A commonality across healthcare sites delivering excellence was a managerial focus and commitment to communication as well as consistency in leadership. The significance of problem solving emerges once again through the research exploring help desk usership. Here, receiving accurate reassurances of when a problem would be resolved was identified as having the most significant influence on service user perspectives in this environment.

What have we discovered?
Sector-specific disparities

As a starting point, it is apparent how the nature of different sectors and operating environments dictate attitudes and priorities around service excellence. For those running experience-based business, service is an intrinsic part of an overall customer (external end user) experience whereas in retail, perhaps surprisingly, given customer footfall and interaction, service is seen as less of an influence on consumer behaviour than product placement and advertising.

Theory into practice: Alignment with Johnston

Permeating the research across the different categories are themes that support the core findings of Johnston report, most notably around problem solving. We have a number of examples of facilities' contribution to service excellence with staff delivering basic services while assisting with customer/visitor issues and in doing so, enhancing the end user's experience.

Likewise, the significance attached the role of the help desk in setting expectations and determining perceptions of service excellence is also very apparent.

In the study examining the most important service delivery variables for over 300 internal end users, the outcome was aligned to Johnston's. The key factors cited were: professionalism (customer disruption minimised, seamlessness); provision of competent staff; communications (quick responses given to requests for help) ; understanding the customer (willing to adapt to requirement changes and agreed deadlines met); reliability, and demonstrating value.

Mind the Gap

Recent studies tend to confirm the findings of those conducted 20 years earlier; that a wide gap remains between how FM tends to perceive the design, provision, commissioning and servicing of offices and the views/needs of either internal end users or client businesses.

Furthermore, a gulf remains between how FMs tend to give priority to KPIs regarding how service was delivered, and the focus of users who were more concerned with results.

The Centre for FM Development (CFDM)

Bringing world renowned academia to the discipline of facilities management, The Centre for FM Development (CFMD) at Sheffield Business School is helping to shape FM leaders of the future. Having been incorporated into Sheffield Business School in 2005, the centre's partnership with ISS has led to the provision of recognised university qualification in facilities services.

As the first programme of its kind in the UK, it enables established managers to gain a formal qualification and acquire in-depth core knowledge by drawing on the latest strategic and academic thinking around the subject.

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