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Amaratunga, Dilanthi, Haigh, Richard and Baldry, D.

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# CUSTOMER RELATED FACILITIES MANAGEMENT PROCESS AND ITS MEASUREMENT: UNDERSTANDING THE NEEDS OF THE CUSTOMER

Dilanthi Amaratunga

David Baldry

Richard Haigh

Research Institute for the Built and Human Environment

The University of Salford

## ABSTRACT

In the past, organisations could concentrate on their internal capabilities, emphasising product performance and technology innovation. Organisations that did not understand their customers' needs eventually found that competitors could make inroads by offering products or services better aligned to their customers' preferences. Many Facilities Management organisations today have a mission focused on the customer, and how the organisation is performing its customers' perspective has become a priority for the organisational management. How the FM organisation is performing through the eyes of its customers has therefore become a priority issue for facilities managers. This captures the ability of the organisation to provide quality goods and services, the effectiveness of their delivery, and overall customer service and satisfaction. It places importance on the organisation's ability to achieve its vision, and how it wants to be seen by its customers. This paper will discuss some of the important FM customer related processes and mechanisms associated with its measurement identified through a series of case studies carried out as part of a major research study.

**Keywords:** customer satisfaction, facilities management, performance measurement

## CUSTOMER REQUIREMENTS ASSESSMENT IN FACILITIES MANAGEMENT

Customers are the most wanted people of today. Without them, there will be no market for services, no reason for enterprise, no income, no profit and no survival. Successful businesses today ask their customers what they really want and listen to the answers.

Within the FM setting, customer requirements assessment captures the ability of the FM organisation to provide quality services, the effectiveness of their delivery, and overall customer service and satisfaction. Many FM organisations, today have a mission focused on the customer requirements and how the organisation is performing from its customers' perspective and in satisfying its customers has become a priority for facilities managers. Mission and vision statements routinely declare their goal: "*Our customers are the focus of all we do and our customers' success is our success*", "*We understand our customers anticipating and exceeding their needs*", "*Seek close and durable relationships, partnering for the long-term*" and to provide "*Effective services to an establish effective partnership with external customers*". The current business trends demand that facilities managers translate their general mission statement on customer service into specific organisational processes that reflect the factors that really matter to customers. In a public organisation model the principal driver of performance is different than in the strictly commercial environment: for example customer and stakeholder interests take prominence over financial results. In general, public organisations have a different, perhaps greater, stewardship/fiduciary responsibility and focus than do private sector FM entities.

The re-focus of strategies onto customers instead of products has been undertaken in many of the case study organisations, as identified elsewhere in the paper. At the same time, there has been increasing recognition that the value created by an organisation is dependent on the satisfaction of employees as well as satisfaction of customers.

The virtues of becoming closer to the customer have been promoted in the business literature for some time (Naumann and Giel, 1995). It seems ironic then that many organisations didn't really understand what attributes are most important to customers. In fact, the process of initially identifying attributes is typically referred to as "discovery".

## MEASURING FACILITIES MANAGEMENT CUSTOMER SATISFACTION

Customer related performance measures describe the way in which value may be created for customers and how customer demand for this value is to be satisfied. As already noted, customer relations represent a significant area of concern for facilities managers and indicate a need for performance measures which can adequately reflect important customer oriented factors. Customers' concerns tend to fall into four categories: time, quality, performance and service (Kaplan and Norton, 1992) and consist of measures relating to the most desired customer requirements. This part of the process is considered as the heart of the organisation. If the organisation fails to deliver the right products and services for cost effectively satisfying customer needs on the both short and long term, revenue will not be generated, and the business will wither and die. In this context, facilities managers should have a clear idea of their customer and business segments, and should select a set of core outcome measurements for those targeted segments. These outcome measures should represent the targets for an FM organisation's product and service development process.

## RESEARCH METHODOLOGY

In order to explore issues which describe an understanding of the needs of the FM customer, a review of the literature was the initial step and this included an in-depth examination of literature relating to customer satisfaction and its management in organisations in general and in FM organisations in particular. Further, authors agreed the "case study" approach is the research strategy that matches better with the characteristics of the study. The preference of the case study strategy derives from the fact that the main research question in this work is in the form of "what". This allowed an in-depth investigation of the concepts of process thinking in FM in its real life context. A multi-dimensional case study survey across a number of sectors was carried out.

Table 1 outlines the eight case studies which were investigated (it is worthwhile to note that the abbreviations listed in the following table were used throughout this research to refer to the relevant case studies due to confidentiality of information associated with the case studies) (See Amaratunga (2000) for detailed information on case studies):

Table 1: Case study organisations

Organisation	Industry sector
CABO FM	Public sector – Health
CAMA FM	Public sector - Health
CACE FM	Public sector - Health
CASU FM	Public sector – Higher Education
CASA FM	Public sector – Higher Education
CALA FM	Public sector – Higher Education
CAAB FM	Financial sector
CALO FM	Semi government sector

The decision to carry out a multi-dimensional case study survey across a number of sectors as identified in Table 1 was influenced by evidence from the literature survey that management perceptions of the role of facilities can vary considerably according to the type of business and the environment of the particular business sector. There is also the possibility that by confining the study to a particular sector not enough cases would be found to develop theory. The decision to extend the study to cover multi sector case study applications was also influenced by the fact that the process would strengthen external validity.

Within any FM organisation there are a number of customer-related critical success factors that require focused management attention to ensure requirements and expectations of the customers are met as effectively as possible while accommodating cost efficiency issues. In this context, preceding sections identify different FM customer related critical success factors and associated measurement techniques exposed identified through this study.

## EXPLORING CRITICAL SUCCESS FACTORS AND ASSOCIATED MEASUREMENT TOOLS FOR MEASURING CUSTOMER RELATED PERFORMANCE IN FACILITIES MANAGEMENT

### 1. Quality

This is the customer's satisfaction with the quality of services delivered. Users of facilities services within organisations may view FM as a monopolistic supply, with quality and value being dictated by managers who are out of touch with the needs of the occupiers and the external customers who are unable to claim compensation for poor service. Schonberger (1990) proposes, *"each function in a business should be a customer of the next in chain"*, and advocated the use of the internal customer culture in order to improve service relationships between functions, eliminating internal conflict, enabling organisations to turn their competitive energy outwards – *"we should be fighting the enemy not ourselves"*. Front line employees who deal with external customers need support from service suppliers within their own organisation, and the total quality of the delivery chain is only as good as the individual links within it. Quality is an intrinsic part of customer service and yet quality evaluations are *"not made solely on the outcome of the service, they also involve evaluations of the process of the services"* (Parasuraman et al, 1985).

The primary focus of facilities customer service is to ensure that the customer derives maximum value from the service provision (Madeley, 1996). Albrecht and Zemke (1985) developed the customer service triangle as shown in Figure 1.

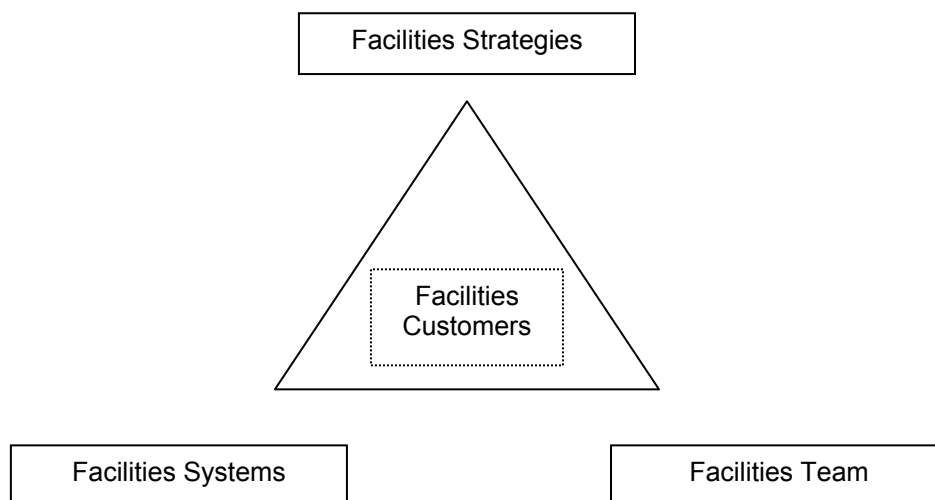


Figure 1: Customer service triangle [Source: Adapted from Albrecht and Zemke (1985)].

In the above diagram, facilities strategy represent a statement of competitive advantage and value to customers, facilities systems represents processes, quality control, information and productivity, and facilities team represents facilities service provider teams.

The assessment programme of CACE FM was consistent with and supported CACE's core values and critical success factor strategies as listed in the CACE business plan, in customer orientation which measures how business decisions and actions are responsive to the customer's needs. In this sense, CACE FM captured information from its customers relating to quality of products and services delivered by its Facilities Directorate, degree of shared commitment among participants, implementation of best practice initiatives, and information on work environment quality.

Superior image of the services provided was a major theme within CALO FM. CALO FM communicated and demonstrated its reputation for quality of the service provided and innovation in order to maximise the perceived value to the customer: “*We need a brand image that positions us as an innovator*”.

### **Measures for quality**

The objective is to measure the service provided and it assesses how well the FM organisation manages its relationships with its customers and is a key indicator of the amount of emphasis and effort the FM organisation places on the satisfaction of its customers.

*Customer satisfaction measures* provide feedback on how well the organisation is doing and relates the extent of internal and external customer satisfaction with the quality of the information and services provided. The importance of customer satisfaction probably cannot be overemphasised. Customer satisfaction is a psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service (Butz and Goostein, 1996). Customer satisfaction can also be defined as satisfaction based on an outcome or a process (Pizam and Ellis, 1999). Vavra’s (1997) outcome definition of customer satisfaction characterises satisfaction as the end-state resulting from the experience of consumption.

The NHS plan (Department of Health, 2000a) has set out a range of initiatives and requirements, which renew the emphasis on clean and tidy hospitals. The patient environment programme was set up accordingly and it is a national initiative which provides hospitals with support and framework within which to immediately improve standards of cleanliness and tidiness. Patient Environment Action Teams (PEAT) have been identified to undertake inspections of hospitals. PEAT members have been drawn from NHS professionals, including infection control nurses, domestic/hotel services managers and estates and facilities managers. Teams will also include patients’ representatives and people from commercial organisations providing cleanliness services within the NHS. CACE FM, CABO FM and CAMA FM were all actively engaged in carrying out PEAT assessments and had undertaken a full assessment of current conditions and developed an action plan to bring standards up to excellent conditions. The elements which had been assessed were: entrances and main reception areas, internal decoration and signage, visitors toilets, smells, internal cleanliness and tidiness, furniture, linen, support service staff, grounds and gardens, external cleanliness and tidiness and external decoration.

Further, to track the specific goals of providing a continuous stream of attractive solutions, CACE FM measured its *customer satisfaction* (internal and external customers both) and information on quality of products and services delivered, range of service offered, and whether services were received in accordance with customer service requirements. Information on personalised quality services, shared commitment among service providers to improve quality and number of new services introduced were also collected through customer satisfaction surveys.

CALO had an innovative approach to *customer satisfaction* in its facilities division and identified five objectives for its customer satisfaction survey process:

- Determined the degree of customer satisfaction;
- Measured factors associated with the quality of their services;
- Identified the opportunities for process improvements;
- Established a baseline to measure improvements over time; and
- Benchmarked customer satisfaction relative to similar organisations as best in class.

In order to meet these objectives CALO FM used surveys with different timing. The customer satisfaction capturing process at CALO FM had helped not only to satisfy customers but also to achieve excellence in providing facilities services.

*Help desks* supported the procedures for handling service and job requests, incident handling and procedure management information to support the improvement of service quality at CASA

FM, but there was a need for investment in better-trained, more expert staff and good knowledge support systems. Periodic review of the day-to-day operational quality performance was key to continual improvement of the facilities services and a knowledgeable and responsive operator was a great asset to customers.

At CABO FM, a help desk cultivated a strong customer service orientation and a human face and demonstrated factual improvements in service. Help desk evolved to be the primary day-to-day service interface with the customer and the main monitor of service performance and incident handling.

## **2. Timeliness**

This is the customers' degree of satisfaction with the timeliness of the delivery of facilities services. The attributes significant to the customer are linked directly to value added processes of whether the services are delivered on time within the organisation and are put into a form consistent with the quality and service partnerships measurements.

CAAB FM commented: *"We have identified that customer satisfaction measurement has an advantage and it provides a customer view of our performance, which can then be compared to our internal perception. We now have a balanced view of our performance, together with some ideas of our strengths and weaknesses. Assuming that we are in a competitive marketplace, we still have information on how our customers view our performance. Our only comparative viewpoint of reference is ourselves. In any competitive environment, it is important to add the dimension of competitive comparison to our customer satisfaction information"*. Accordingly, *service delivery response time, timeliness of communication with customers and timeliness of contract completion* were some of the issues that CAAB considered as important in capturing information from its customers.

CABO believed on "deliver on its promises" strategy and wanted to strengthen their reputation for value by focusing on delivering on specification and on-time to their customers. CABO believed that: *"Unless service delivery is handled better, with more accuracy and punctuality they will have trouble convincing customers on services that they provide"*.

### **Measures for Timeliness**

Satisfied customers are the mainstay of any business. Knowing what customers like and dislike can mean the difference between success and failure. Accordingly, *customer satisfaction surveys* are the most commonly used method for acquiring responses on timeliness. Almost all the case study organisations have some form of user feedback. Extent of internal and external customer satisfaction with the timeliness of different services and facilities provided is monitored through this mechanism.

One of CALO facilities managers commented: *"We need customer satisfaction measurement because we need to satisfy our customers. Therefore, we need to fully understand what the customer wants from service before we can deliver to that expectation, and before we can ever hope to measure customer satisfaction accurately"*. Accordingly, CALO analysed response times and help desk calls and records absenteeism. Call handling desks and service support help desks had progressively become centres of excellence in service delivery, promoting creative environments and becoming proactive as well as reacting quickly to unforeseen events.

CALA kept records on whether services were delivered when needed, if milestones were consistently met, if service was received on schedule, whether CALA FM did a good job to prevent problems that may lead to delays in providing FM services, and whether FM services provided timely information regarding changes affecting other divisions' actions.

CALO had an organisational wide objective of 98% satisfied customers. Since the same approach was used throughout CALO, it was possible to benchmark the various parts of the organisation by comparing them with each other. In this way, CALO FM collected information from its customers on whether customer requirements were researched in a timely and accurate manner, if planning was effective in obtaining timely services, and whether CALO FM developed FM strategies early in the planning process and collaborated with other divisions of CALO.

### 3. Degree of service partnerships and communication

The perceptions, choices, and behaviour of all participants in the FM process affect the outcome of the service delivery. This element is based upon the degree of responsiveness of the FM team, the success of mechanisms which support teambuilding, and the degree of satisfaction with communications and problem solving.

For this critical success factor, the primary objectives are to provide effective service to and establish effective partnerships with, external and internal customers. Effective service and partnerships are key ingredients in assessing the health of any FM organisation in terms of satisfying customers' needs.

CACE FM identified collaboration, effectiveness of communication of FM objectives, flexibility of service delivery and degree of promotion of teamwork between FM and its customers as important issues to be captured from customers under this critical success factor.

The products that CAAB markets were all based on providing a high focus for customer service. Therefore, the customer relationships, and measuring the service provided, had become even more important. At CAAB FM, various methods were used to monitor customer perception of facilities service and associated relationships. Examples are satisfaction surveys, transaction based feedback cards and customer focus groups. CAAB had done some experiments with transaction-based feedback cards, which provide a continuous flow of information between regular surveys. The results from all sources were analysed, and improvement tables were compiled; every trend and comment logged, numbered, and allocated to an individual who was to take appropriate further action. The philosophy at CAAB FM was that every item of feedback represented an improvement opportunity.

At CAAB FM, a "distributor partnership" was considered as important as the organisation work closely with its service suppliers to ensure a superior experience for users by "*Positioning themselves as a strong business partner to attract the best service providers*".

#### Measures for service partnerships and communication

The extent to which customers are satisfied with effective partnerships was measured and the data for this measure came from *customer satisfaction surveys*, like the previous instances identified above. The measure provided feedback from customers regarding their satisfaction with the degree of partnerships that existed between FM functions and customers in terms of responsiveness, cooperation and level of communication.

Service partnerships were considered important in delivering an effective FM service within CACE FM. CACE FM worked closely with service suppliers to ensure a superior experience for users of facilities within CACE FM. CACE FM believed in positioning itself as a strong business partner to attract the best service suppliers. Regular *customer surveys* carried out provided information about the effectiveness and efficiency of such collaborations.

Customer perceptions on issues relating to: flexibility in trying to meet the customer requirements, communication between the customer and the CAMA FM, provision of adequate information to process actions, responsiveness to end users suggestions and recommendations and the standards of the manuals produced, were assessed at CAMA FM.

#### SUMMARY

In the rapidly changing business environment of the 1990s, becoming truly customer focused is essential for the survival and success of virtually any business. Meeting and exceeding customer expectations is no longer the domain of only innovative, world-class competitors (Naumann & Giel, 1995). Customer satisfaction is the leading criterion for determining the quality that is actually delivered to customers through the service and by the accompanying servicing (Vavra, 1997). Therefore, the measurement and achievement of a high level of customer satisfaction demonstrates the FM's attention to stakeholders' goals. As a performance measure, this method has the following merits:

- Easy to administer;
- Allows targets to be set against which actual performance could be measured;

- Allows transparency of FM operations; and
- Does not appear to have any dysfunctional consequences if pursued by the organisation.

Within the FM organisation there are a number of internal business processes that require focused management attention to ensure requirements and expectations are met as effectively as possible.

Further, measurement of customer satisfaction has received considerable interest in recent years. Customer satisfaction surveys are extensively used to determine the effectiveness of the FM system in providing quality services in a timely and accurate manner in meeting customer expectations. Customer satisfaction surveys also often provide a numerical value for the level of customer satisfaction, a percentage for example. Such index numbers indicate trends in satisfaction and allow correlations to be identified in order to assess the drivers and consequence of customer satisfaction. These surveys are utilised to obtain customer perceptions regarding the FM system and recommendations resulting from these surveys are promptly evaluated and results communicated to customers in a timely manner.

This paper has outlined three types of customer related critical success factors and associated performance measures uncovered primarily from the case studies. These critical success factors are quality, timeliness and degree of partnership and corporation. Following table (Table 2) summarises the findings:

Table 1: Types of customer related critical success factors and associated performance measures

<b>Critical Success Factor</b>	<b>Associated Measurement Tools</b>
Quality	Customer satisfaction surveys , help desk output
Timeliness	
Degree of partnership and corporation	

These three types of issues provide a new perspective on the management of facilities which are aimed at increasing the effectiveness of the core organisation through increasing facilities performance. They are also a basis for the discussion around performance measurement in FM through the exposure of each type of critical success factor. Ultimately FM organisations shall use the measurement of customer satisfaction in dimensions identified above to identify the drivers of customer satisfaction so that they can develop long-term managed relationships with their customers.

It is not the existence of these types of success factors which is important issue for facilities managers but the way in which they are being measured, that is the exposure and the development of a shared understanding of each type of critical success factors and related measurement tools. The case study data provides evidence that it is always desirable to expose these performance measurement bases, as it is the first step in achieving a shared understanding or consensus within FM organisations.

An important point to note is that perceptions of performance are often more important than the FM organisation's actual performance in determining customer satisfaction. Even though the organisation's performance is outstanding, if customers perceives it to be poor or no better than the competition their satisfaction may well be low. If there is a shortfall between perceived performance and actual performance, the virtues of performance must be emphasised. It is also important to consider the importance that customers place on the different dimensions of performance. The organisation has to excel in aspects which customers care about most.

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