Developing the understanding of facility management demand by small and medium enterprises in the UK and China

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28th August 2012

A dissertation submitted in part fulfilment of the

Degree of Master of Science Built Environment:

Facility and Environment Management

The Bartlett School of Graduate Studies - UCL

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Abstract

It is recognised that the insufficient organisational support functions of facility management (FM) hinder the business growth of small and medium enterprises (SMEs). To develop the understanding of the demand for FM services by SMEs in both the UK and China, a combination approach has been adopted in this study. A total of six cases in the media sector have been chosen, among which the three cases in London have a firm size range from micro to medium and the same is true of the other three in Shanghai. Through collecting background information of the firms, taking semi-structured interviews with SME owners/managers and issuing the questionnaires to the interviewees, some useful results have been obtained and analysed.

The results show that the range of the applied FM activities increases with the firm sizes and that two media firms in different territories but with similar sizes adopt similar FM services. It also shows that the perceived FM service performance in the UK firms seems to be better than that in the Chinese firms. Although the outsourced service quality is sometimes below the expectation, the propensity of outsourcing FM services is high in the office-based organisations. Based on the results, a FM outsourcing strategy for different sizes of SMEs is proposed: micro-sized companies may outsource a single business support service, the small-sizes firms may outsource bundled FM services, and the medium-sized companies can outsource total FM (TFM) to a specialist provider. Finally, the managerial implications for the FM demand side, FM providers, prospective entrepreneurs, public policy makers and FM staff have been discussed and the limitations applied in this project have been identified.

Keywords: facility management (FM), service demand, business support service, SMEs.

Acknowledgement

I would like to thank my supervisor, Mr Peter McLennan, for his great help and constructive advice during the research process.

I would like to thank all the individuals and organisations for providing extremely valuable responses to allow me to complete the dissertation.

I would also like to thank my family, who always support and encourage me to get through all the difficulties.

1. Introduction

It is generally agreed that small and medium enterprises (SMEs) play a vital role in the global economy (Audet and ST-Jean, 2007; Chen, 2006; Guanasekaran *et al.*, 2000; Ndubisi and Matanda, 2011; Chong and Lin, 2008; Cragg *et al.*, 2011; Dixon *et al.*, 2002). They account for the majority of economic activities and are considered as the backbones of economy (Smith and Fingar, 2003). Data from the European Commission show that there are approximately 19 million SMEs, constituting 95 percent of all enterprises in Europe (Uden, 2007). This sector contributes to two thirds of private-sector employment and more than half (52 percent) of private sector turnover (Uden, 2007). In China, 2.4 million SMEs constitute 99 persent of corporations and generate 75 percent of jobs and 60 percent of total industrial Gross Domestic Product (GDP) (NBS, 2003; China Statistical Yearbook, 2008).

However, SMEs are vulnerable due to resource constraints and management weaknesses (Southiseng and Walsh, 2010; Gray and Lawless, 2000). Their limitations include financial resources, management and marketing, lack of skilled staff, weakness in external information networks and difficulty in accessing modern technologies (Tababe and Watababem 2005; Scozzi *et al.*, 2005; Rothwell and Dodgson, 1991; Cigolini *et al.*, 2011; Smith and Fingar, 2003; Winch and McDonald, 1999). Amongst all the problematic areas, poor management, the inadequateness of financial resources, the wrong selection of business location, the lack of competency in marketing and the failure of fully integrating information and communication technologies (ICT) into business processes are often identified as the particular issues that hinder the growth of SMEs (Ihua, 2009; Orser *et al.*, 2000; Gray and Lawless, 2000). All the non-financial problems reveal the insufficient organisational support functions of facility management (FM), whose duty is to *encompass multiple disciplines to ensure functionality of the built environment by integrating people, place, processes and technology* (IFMA, 2010). It has been identified that as SMEs often have unstructured organisations and generally no dedicated FM department, managing facility-related resources appears ineffective (Cigolini *et al.*, 2011). The consequence that SMEs are unable to make long-term planning will be unavoidably resulted from the focusing on the day-to-day FM operations and short-term requirements (Southiseng and Walsh, 2010).

In the current economic downturn, experiencing the complex business environment and the rapid changes in technology and customer expectations, companies are facing ever greater challenges of survival (Hsu *et al.*, 2008). The competency of SMEs in increasing revenue and responding to the changing market will be weakened if the FM problems are remained in organisations (Cherbakov *et al.*, 2005). Therefore, SMEs are urgent to seek ways of alleviating FM problems, improving business performance and gaining competitive advantages. Due to the lack of internal resources and managerial ability, SMEs are considered to acquire external sources to meet the needs for business growth (Espino-Rodriguez and Padron-Robaina, 2004 and 2005; Cragg *et al.*, 2011).

Nevertheless, it is found that the rate of turning to external resources by SMEs is relatively low in both mature and emerging FM markets. The FM market in Europe has been developing and growing mature since 1980s (Salaris, 2002). A survey in the Italian SMEs shows that less than 5 percent of companies outsourced services to FM providers, which indicates that most SMEs keep FM activities in-house (Cigolini *et al.*, 2011). In the UK, the publicly-provided business support schemes for SMEs received little success in helping the survival and sales growth of SMEs (Wren and Storey, 2002). The main reason for the phenomena has been pointed out as the lack of the understanding of external FM services that SMEs need by the business support services providers (Morrison, 2003). In China, FM is still an emerging profession and market (Elmualim *et al.*, 2010). The agencies positioning themselves as the professional bodies of providing FM services are still rare. As the FM market is demand-driven, it is necessary to investigate the actual needs of FM services by the potential clients, i.e., the SMEs (Amaratunga, 2000).

A number of researchers agree on the opinion that the required FM services vary from organisation to organisation (Chotipanich, 2004; Barrett and Baldry, 2003; Price, 2002; Hinks, 2002). There are some case studies on the demand of FM services for hospitals but there is little study on the SMEs' demands for FM services (Heng *et al.*, 2005). Some scholars argue that analysing the support needs by SMEs is difficult due to their characteristics of implicit demand, poor planning and management (Cagliano *et al.*, 1998). On the contrary, some studies have grouped and classified FM client organisations by using independent patterns (Kaya and Alexander, 2005 and 2006), and this demonstrates that different organisations may share similarities in service demand. The media sector is primarily composed of SMEs, which takes a proportion of 2 percent in the global GDP and grows faster than the average GDP growth rate (Nayaradou, 2006). This project aims to develop the understanding of the needs for external FM services for SMEs in the media sector under the two different market environment conditions — the UK and China.

This dissertation will firstly present a ground research around the demand on FM services. It will analyse the possible FM services required by SMEs and the values of FM services to SMEs with a discussion of the criticality of FM functions in different sectors. It will describe the reasons and the channels that SMEs acquire FM services and the current understanding on the needs for external services by SMEs. Then it turns to the methodology applied in this study. A total of 6 case studies in the media sector will be chosen, among which the three cases in London will have a firm size range from micro to medium and the same is true of the other three cases in Shanghai. Three steps have been taken to gather the data of the demand for FM services: collecting background information of SMEs, taking semi-structured interviews with SME owners/managers and issuing the questionnaires to the interviewees. After the integration of gathered information, the results on the FM services currently involved in SMEs, the interviewees' opinions towards the importance and performance of FM activities and their propensity to outsourcing FM services will be presented.

Following that, a discussion on the results will promote a deeper understanding of the demand for FM services by SMEs. Then it will explore the managerial implications on the FM demand side, FM supply side, public policy makers, prospective entrepreneurs and FM practitioners. For the FM demand side, SME owners/managers may reconsider their corporate strategies in managing FM resources and services to improve business performance. For the FM providers in both the UK and China, they can see the market scope and consider how to meet the current and future market demand. For the public policy makers, they may be inspired on how to more effectively have the public resources used by SMEs. For the prospective entrepreneurs, the outcome will give them enlightment when they are about to set up their own business. For the FM practitioners, they may be aware that their career path can be greatly affected by FM market developing. Finally, the limitations of this survey will be identified.

2. Literature review

2.1. FM scope – possible FM services required by SMEs

FM covers a wide field of activities related to workplace, facility, support services, property, corporate real estate and infrastructures (Ancarani and Capaldo, 2005). There are different classifications proposed by the academic researchers. One classification of FM scope is premises, support services and IT (Williams, 1996). The classification seems to emphasise the FM function to physical infrastructures rather than to cover all the FM activities. Another classification is proposed as building services, space services and services to people (Barrett and Baldry, 2003). It appears a reasonable categorisation, but perhaps without indicating the concept of management as the main discipline of FM. This classification has not been prevalently adopted. A more common way of categorising FM activities is dividing them into "hard FM" and "soft FM" dimensions, where the hard FM refers to physical infrastructure maintenance and the soft FM denotes the services required for the operation of buildings or facility (Liyanage and Egbu, 2005; Akintoye and Chinyio, 2005; May and Pinder, 2008; Amaratunga and Baldry, 2000; Nutt, 2000; Drion *et al.*, 2012). This dimension involves the majority of operational FM activities, but misses the strategic FM-related activities such as site selection and space planning.

Based on the previous work by the researchers, a modified classification of FM is proposed in Table 1. It shows the boundaries of FM services, where the total FM (TFM) is consist of hard FM, soft FM and the other business support services. In this table, the business support services refer to the ones that facilitate and underpin the business development but are unsuitable to be grouped into either “hard FM” or “soft FM”. This group of activities provides supplementary and completion for the FM scope. It is noted that marketing and HR have been marked with asterisks. These two functions were not included in the traditional FM concept, but in practice, some recently developed professional FM providers such as Creative Space Management Ltd have included marketing and HR in their whole FM service package.

Hard FM	Mechanical & Electrical maintenance (M&E)	Building extending & alteration
	Fire & security	Plant maintenance and repair
	Building structure and shell maintenance	Landscape maintenance
	Building fabric refurbishment	
Soft FM	Cleaning	Health & safety
	Security	Mailroom
	Catering / vending	Switchboard
	Portering / courier service	Reprographics, print & fax
	Waste disposal	Office furniture & stationary provision
	Laundry	Energy distribution & management
	Pest control	Reception / helpdesk support
	Accommodation	Telecom service
	Car parking	Travel & transportation
	Grounds maintenance / gardens	Business hospitality
	Warehouse housekeeping	Office move service
Business support services	Property leasing & renting service	Information and Communication Technologies (ICT)
	Site and location selection	Marketing *
	FM contract control and management	HR *
	Space planning, configuration, allocation and utilisation monitoring	
NB: Hard FM: physical infrastructure maintenance and repair;		
Soft FM: services required for the operation of the building or facility;		
Business support services: services that facilitate and underpin business development.		

Table 1 - Scope of facility management activities

SMEs do not necessarily require all the FM activities. They usually have specific problems in organisations and no universal conceptualisations on FM demand can be achieved (Barrett and Baldry, 2003; Price, 2002; Hinks, 2002). They may need a certain package of services, including the supports currently needed and the supports needed during the change (Cagliano *et al*., 1998). Although the scope of FM for SMEs is on a case-by-case basis, it is believed that the classification on FM demand can be made and certain rules may be found out (Chotipanich, 2004). It has been attempted by Kaya and Alexander (2005 and 2006) of grouping and classifying client FM organisations of different sizes in various sectors using ten independent patterns, where the closest peer organisations can learn and share experiences. It is thus predicted that in this project, the firms to be studied will have a certain level of similarity as they are all belong to the media industry, and it is likely that the SMEs have similarities in the demand for FM service.

2.2. Values of FM services to SMEs

FM has been summarised of having three main elements that may bring in values for SMEs: the management of hard and soft elements of physical assets, the application of physical assets to support the organisational culture and the impact of both elements on people (Grimshaw, 2007). When FM functions are aligned to the core business objectives, they can not only directly support the core business but also influence the interface between the physical workplace and people (Amaratunga, 2000). A visualised FM blueprinting suggests that the management of the core and support process interface can improve the effectiveness and the efficiency of organisations (Coenen *et al*., 2010). A consensus has thus been achieved through the literature that FM is often positioned as a non-core function that may add value to the core business if appropriately managed (Tucker and Pitt, 2009; Amaratunga, 2000; Drion *et al*., 2012; Ventovuori, 2007).

Different sectors, enterprise sizes and development stages of SMEs are the crucial factors determining the demands for FM services and the FM values. Studies suggest that different sectors may adopt different forms of FM service, in which condition, the significance of FM functions to the core business varies. Proactive management of constructed hotel facilities assists the realisation of higher occupancy rate, profitability and the business repeat (Okoroh *et al.*, 2003). This is an evidence of the value of hard FM. The cross-functional practices of FM have proved that it has a brokerage role and added value to the health care sector partly because of its ability in managing information and knowledge (Heng *et al.*, 2005). In the higher educational sector, the better quality and better management of the university physical facilities and library and laboratory spaces bring in educational performance improvement (del-Palacio *et al.*, 2011). The value-added contribution of FM in infrastructure services in regional retail centres has been studied by Cant (2005). Through creating a welcoming environment and maintaining the shop to high standards, the sales have higher growth prosperity. The crucial supportive function of FM to the core business has been demonstrated through eight case studies covering various sectors in the Netherlands and Finland (Lindholm and Mudrak, 2005).

Referring to the UK standard industry classification (SIC) from the FAME database, some major sectors of interest are identified and classified according to the criticality of FM services. As shown in Figure 1, the criticality of FM functions is divided into three categories: wholly core, partly core partly non-core and wholly non-core business. This is in consistence with the spectrum of FM services described by McLennan (2010). The difference is that in the FM spectrum, the criticality of FM is determined by the rate of FM staff over the total employees. In this table, it can be seen that FM activities are the wholly central business to the FM providers. For the sectors such as theatres where customers will visit the site when they consume the services, the tangible physical environment and the intangible service will together shape the customer perception of the service (Bitner, 1992; McLennan, 2004). In this circumstance, FM is potentially central to organisation's core business and the provisions are classified as partly core and partly non-core to business (Drion *et al.*, 2012). It is argued that the FM application in hotel is the core business as the customers have direct contacts with hotel facilities (Okoroh *et al.*, 2003). However, there are also wide backstage FM activities and interactions supporting the core business operation, which are performing non-core functions. For the office based organisations and manufacturing companies, FM activities have non-core functions.

In this research, the media sector has been chosen and it is located in the “non-core” category. It is possible that the sectors, to which FM can contribute core values, may have a more advanced managerial concept on how to move FM functions from the operational cost position towards the value-adding one. If they can prove it through successful practices, the other organisations such as the media firms may get inspirations on how to treat their FM needs. The other factors such as enterprises sizes and development stages may influence FM demands and values as well.

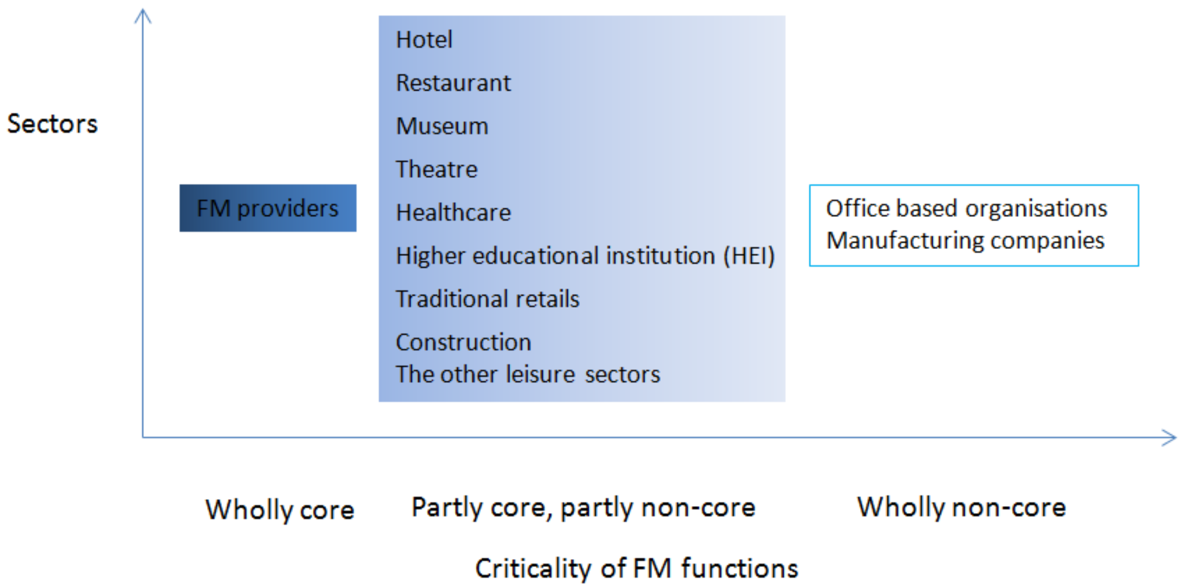

Figure 1 - Criticality of FM functions in different sectors

2.3. How do SMEs acquire FM services

SMEs have the choice of operating FM activities relying on either internal or external sources. Due to the limitation on resource and management skills, SMEs often do not have the competence to perform FM functions (Markeset and Kumar, 2005). When they seek for external resources to support their business development, the common objectives are service cost reduction, headcount reduction, focus on core business, competitive strategy, access to expertise and service quality improvement (Gay and Essinger, 2000). A study in the hotel sector shows that outsourcing non-core FM activities will positively influence the organisational financial performance and hotel activity rate (Espino-Rodriguez and Padron-Robaina, 2005). In some other situations, it is commonly seen that outsourcing contracts are terminated as the customer expectations on services outcomes are not met.

Numerous studies have analysed the main factors for decision-making by companies on conducting business activities. It has been summarised in Figure 2 that the current performance and the criticality can be two decisive factors on the acquisition of services support. For the core business activities with good performance, companies prefer to keep them in-house. For the non-core business with under-expected performance, they may outsource them to proper service providers.

For the non-core business with good performance and the core business with under-expected performance, they may seek external support to enhance the value for money. This argument is supported by the hospitality services study. In the hotel sector, the strategic value of FM activities has been analysed and categorised. The results show that the decision of keeping FM activities in-house or outsourcing is usually based on traditional factors, activity performance, sustainability and transferability (Espino-Rodriguez and Padron-Robaina, 2005). The better the activity performance is, or the higher core competencies the activities achieve, the lower the propensity of outsourcing is (ibid). This finding coincides with the outsourcing decision studied by Barney (1999), Argyres (1996), Quinn and Hilmer (1994), Cox (1996), Quinn (1999) and McIvor (2000).

However, this decision-making criterion does not necessarily apply to SMEs due to the specific characteristics of SMEs. As SMEs often have informal structures, owners and managers may dominate the firm and make decisions on non-business criteria (Hudson *et al.*, 2001; Gray and Lawless, 2000). It seems to still remain unclear that how SMEs perceive the FM value and how they manage the activities. If uncovered information can be gathered from the key decision-makers on the FM function sourcing strategy, the suspicion on the SMEs' decision criteria can be tested and solved.

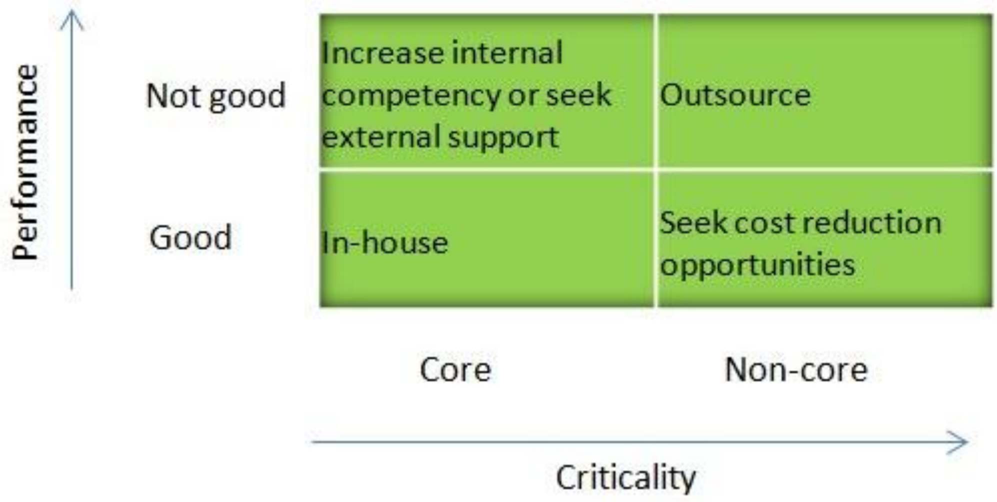

Figure 2 - Contractual decision-making on criticality and performance of services

2.4. Current understanding on the needs for external services by SMEs

SMEs have fragmentation of the service demand and they may be provided with business services from public service providers, collective association service providers and private sector suppliers (Meneghetti and Chinese, 2002; Bratton *et al.*, 2003). There are evidences showing that the demands for external service by the SMEs are not fully understood by the public sector. The public service providers has been offering business support services to SMEs, whereas it has been criticised that the government business support organisations provide discrete services, and therefore SMEs make little use of public resources and services (Bratton *et al.*, 2003; Audet and ST-Jean, 2007). The evaluation on the UK enterprise initiative scheme reveals that the publicly-provided business support had little or no beneficial impacts on the survival and sales growth of SMEs (Wren and Storey, 2002). Hard FM and soft FM services are merely included in the SME support schemes but some elements belong to "the other business support services" touched. For instance, the UK scheme provides marketing support, which is stated by themselves as the most valuable service to SMEs. Nevertheless, the adoption rate of the service is quite low that only approximately ten percent of corporates have applied the support programmes (Curran, 2000).

Another conventional face-to-face programme conducted by the public business support organisations also ended with limited success because of weak marketing, poor promotion and failure in meeting the SME's needs (Gray and Lawless, 2000). It appears obvious that the public service providers do not fully understand the SMEs' needs and are unable to generate strong support for their development. One speculation is that the value of the intellectual business support perceived by SMEs may be lower than that by the scheme initiators. It needs investigation whether the provision of hard and soft FM services will promote the successfulness of the public schemes or not.

There are different views towards how the private FM service providers understand the service demands. Some researchers claim that FM companies know what the core business needs and that services can be outsourced to specialist companies (Atkin and Brooks, 2000; Espino-Rodriguez and Padron-Robaina, 2004). This opinion causes suspicion due to the lack of theoretical and practical supporting evidences. Other scholars and practitioners hold the view that the SME service demands are difficult to analyse and the FM suppliers' priorities are not equal to the buyer's (Cagliano *et al.*, 1998; Ventovuori, 2007).

Examining the current FM market in the UK, it is found that the FM sector has been growing because of increasing demand. The FM clients have been causing increasing purchasing volume and they may bundle multiple sites or services to one or multiple service providers (Lehtonen and Salonen, 2006). There are debates on the current position of FM sectors in UK. Some experts considered that the industry tended to grow mature as the FM was gradually evolving from the operational non-core business to strategic functions (Ancarani and Capaldo, 2005; Goyal and Pitt, 2006; Moore and Finch, 2004; Ventovuori *et al.*, 2007). This view is supported that the outsourcing and procurement practices of FM services are at the transformation phase (Tolman *et al.*, 2009). It has been observed that new services start to appear and the total FM is becoming popular (Ventovuori, 2007).

On the contrary, some argue that FM is still an area lacking of understanding and attention. From the theoretical perspective, a review on the Journal of Business-to-Business Marketing showed that there has been no article addressing FM (Jensen *et al.*, 2012). The FM sector has caused tremendous market activities and interactions but neglected by the academic journal. From the practical perspective, a survey shows that the majority of senior managers ignored FM as a strategic issue (Kaya *et al.*, 2005). As for the current FM market in China, the published studies are still rare as this market is emerging. The professional FM body BIFM just launched in Shanghai in 2010 with the entering of multi-national FM companies and sprouting of local FM firms (Keane, 2010).

To promote the sustainable growth of the FM sector and to deliver effective services to organisations, numerous suggestions of best practices are given. For instance, an integrated district oriented approach has been proposed to enhance competitive advantages to clients in the Italian FM sector (Meneghetti and Chinese, 2002). When the FM providers clarify the demands, they may be able to focus on the client requirements. It is generally encouraged that the FM providers should offer wider service packages, build closer buyer-supplier relationships, explain benefits to clients, match the provision precisely to the business need and implement quality and performance measures to meet the clients' needs (Ventovuori, 2007; Jensen, 2010; Pratt, 2003; Smith and Pitt, 2007; Chang and Chen, 1998).

After reviewing the current understanding on the demand for FM service, it seems that the practices of the FM providers need improving. As the development stages of the FM sector in the UK and in China are different, and the potential buyers' needs are partly dependent on the services the market already has, it is probably that the needs identified by the SMEs in different locations are different. To achieve better supporting functions to SMEs, the first step is to have a thorough understanding of what the clients need.

In the literature review, the FM scope discussed by the academic researchers has been summarised with the proposal of a modified classification of FM, where TFM is consist of hard FM, soft FM and the other business support services. There are numerous studies on the values of FM functions to the business and the criticality of FM services to different sectors has been indicated. The literature implies that the current service performance and the criticality can be two decisive factors on the decision making of service acquisition. However, due to the specific characteristics of SMEs, it still remains unclear how SMEs perceive the FM value and how they manage the activities. As the business support services delivered by public schemes and the private FM service providers are ineffective, it is of significance to have a thorough understanding of the clients need. This research thus aims to develop the understanding of the demand for FM services by SMEs in the UK and China to promote the business development of all the parties involved. The media sector has been chosen, which has not been studied before but considered as a significant element in the GDP growth, and the data will be collected from the potential buyer side.

3. Methodology

3.1. Overview

The main objective of the research is to develop the understanding of the actual demand for FM services by SMEs and this requires an adoption of proper methodologies. The geographic parameter, sample size and the industrial factor have firstly been determined. The geographic parameter has been determined as London-based SMEs and Shanghai-based SMEs. It is expected that the former ones could be a representative demand for FM services demand in a relatively mature FM market, while the later ones could represent the demand for FM services in an emerging FM market.

As an initial aim of the methodologies is to achieve a balance between the depth and breadth of the study, it indicates the sample size of this study. If one or two in-depth case studies were chosen, it would be possible that the organisations were atypical and the results drawn out would have limited implications for the researcher and other organisations. If a wide range of SMEs were intended to be targeted, a large number of questionnaires needed to be spread. According to the empirical experience that the response rate of the electronic surveys is usually lower than 5 percent, obtaining 50 valid surveys requires a sending-out of over 600 questionnaires, which seems time consuming and impractical. Due to these considerations, it has been decided that 6 case studies will be chosen, among which the three cases in London will have a breadth of different sizes of companies and the same is true of the other three cases in Shanghai.

Then the media sector has been selected as the main industry to be studied in this dissertation. The first reason for choosing this research field is that the media sector belongs to the knowledge-based industry, which seems more advanced in managerial strategy than the labour-based companies. The enlightment for labour-based companies will be brought in through evaluating how knowledge-based firms manage their demand for FM services. Another reason is that the media sector is a prospectively growing industry, which grows faster than the average growth rate of GDP. Studying the demand of SMEs in this sector will help seek solutions to leverage their business performance. Although there are other industries growing nowadays, choosing more than one sector may introduce more variables and uncertainties in comparing the demand for FM services in the UK and China. The third reason is the resource accessibility to the author.

3.2. Sample selection method

The target group is selected as SMEs within the media sector in both the UK and China. The concept of SMEs is generally determined by the number of employees and turnover, and it varies from country to country (Guanasekaran *et al*., 2000). In this research, the definition of SMEs by the European Union (EU) Department of Trade and Industry is adopted, where entities having 0 to 9 employees are classified as micro enterprises, those having 10-49 employees are small enterprises and those having 50-249 employees are medium enterprises (Koh *et al*., 2009; Dixon *et al*., 2002). According to the classification, a total of 6 firms have been chosen as case studies, labelled as firm A, B, C, D, E and F. Among these companies, the former three are London-based companies while the later three are Shanghai-based ones. The firms A and D belong to the micro-sized category, the firms B and E belong to the small-sized category and the firms C and F belong to the medium-sized category.

The method of selecting the firms A to F will be described below. The ideal way of selecting firms is through the random sampling of organisations, but because of the limitations on resource and time, this method is difficult to carry out. It is therefore considered that SMEs who have a liaison with UCL or the author will be more approachable. It may be easier to get trust from the targeted firms and the response rate is predicted to be higher than random sampling. The samples of London-based SMEs in the media sector were firstly determined. The author contacted the UCL Higher Education London Outreach (HELO), which is aimed at facilitating the collaboration between the HEI and the London's SMEs (can be accessed via http://www.ucl.ac.uk/advances/business/support/helo).

A list of London enterprises was obtained, most of who were seeking expertise, research and knowledge from HEI to prosper their business. From the list, the companies suspected as in the media category were marked and the names of the marked firms were typed into the FAME database to check whether these firms were grouped into the media sector or not. After this filtration, it has been found that five organisations met the selection standard. Through the contact with these companies, an agreement of being studied as a case was achieved with the Firm A. Meanwhile, searching the employer companies from the Career Service London and asking their willingness to be studied resulted in the approval from Firm B and Firm C.

The samples of Shanghai-based SMEs in the media sector were determined as well. The Firms D, E and F were a convenience sample of organisations with which the author has a connection and they were carefully selected to represent SMEs with different sizes.

3.3. Information gathering method

To gather the information on the actual demand for FM services by the targeted 6 SMEs, three steps have been taken: collecting background information, taking semi-structured interviews and issuing the questionnaires. The first step was to explore the background information about the firms through various channels, including official websites of the companies and their liaised organisations. The knowledge on the core services that the firms were providing, the main clients they were having and the latest trend they were going has been gathered and analysed. The information laid the foundation of understanding the firm business and the business support services they might need.

The second step was to conduct semi-structured interviews with the key players in the six organisations. The ideal information gathering strategy was the face-to-face interview with the owners or the general managers of the SMEs, who were the key-decision makers in the FM process. The employee number, the interviewee position and the interview method in each company are presented in Table 2. It can be seen from the table that all the interviews are conducted face-to-face except those with company D, which was interviewed via telephone

Firm reference	Employee number	Interviewee job position	Interview method
A	3	Owner	Face-to-face
B	40	Account manager	Face-to-face
C	219	HR manager	Face-to-face
D	8	Owner	Telephone
E	45	General manager	Face-to-face
F	160	General manager	Face-to-face

Table 2 - Interviewee job position and interview method for each firm

due to the time schedule crash. Telephone interview is also a quick and cost effective way of achieving data. As for the interviewee job positions, most of the interviewees were owners or general managers except Firms B and C, where the account manager and HR manager were approached, respectively.

The interview questions were designed around the demand for general business support services and performance rather than focusing on the specific demand for FM services. This is due to two reasons, one is the consideration that the interviewees might have limited knowledge on the FM field. Direct questions on the demand for FM services might cause confusion and hinder the effective information delivery by them. The other is to investigate the real attitudes and beliefs held by the interviewees towards FM activities.

The interviewee of each firm was interviewed for approximately one hour. The interviews with Firms A to C were conducted in English while those with Firms D to F were in Chinese. The dialogues were recorded and the scripts were used for further data analysis. Meanwhile, keynotes were taken down during the interviews by the interviewer. For Firms E and F, a site visit was made before the interviews took place, and it provided a direct observation on the facility-related activities.

The third step was to send the questionnaire via e-mail to the interviewees one week after the interviews. The main purpose was to collect the information that might be missed out at the interviews and this method could systematically collect data. Based on the scope of FM activities summarised in the literature review (Table 1), 36 activities were listed and allowed the respondents to tick the appropriate ones. As attached in the Appendix, the questionnaire covers ticking the current FM activities involved, five most important services, the FM activities which are performing below the expectation, the activities which have been outsourced and the activities which are willing to be outsourced. Before sending the questionnaire out, it was tested on a classmate to gauge the opinions on the content of the survey and some fine-tuning was made based on the feedback. Finally, only two surveys were received from the interviewees. It can be summarised that a combination approach has been applied in this research. The methods of background information collecting, interview, site visit and questionnaire were selected as the most practical tool to employ for the understanding of the demand for FM services by SMEs.

4. Results

Through the integration of the information collected from the semi-structured interview and the questionnaire, it will present the results on the FM services applied to each SME, the interviewees' attitudes towards FM activities and how the FM activities will be managed.

4.1. FM services currently involved in SMEs

Figure 3 demonstrates the number of current FM elements involved in the 6 samples, where the horizontal axis refers to the firm sizes, the red column represents the Shanghai SMEs and the blue one represents the London SMEs. There are totally 36 elements of FM activities listed in the survey. The micro-sized companies only use a limited range of FM activities, which are subjected to "soft FM" and "the other business support services". The reason that none of the hard FM services are involved in the firm operation is that both of Firm A and Firm D have virtual offices, which means that none of the physical infrastructure maintenance and repair would apply to them. The small-sized companies are applying a certain percentage of FM activities, covering the aspects of hard FM, soft FM and the other business support services.

The medium-sized companies apply an even wider range of activities than the small-sized ones. Almost all the FM services are involved in the Firm C and Firm F, but it has been noticed that none of the SMEs applied the following two activities: grounds maintenance / garden and energy distribution & management. "Grounds maintenance / garden" is irrelevant to those media companies because the Firm A and D adopted virtual offices and thereby they

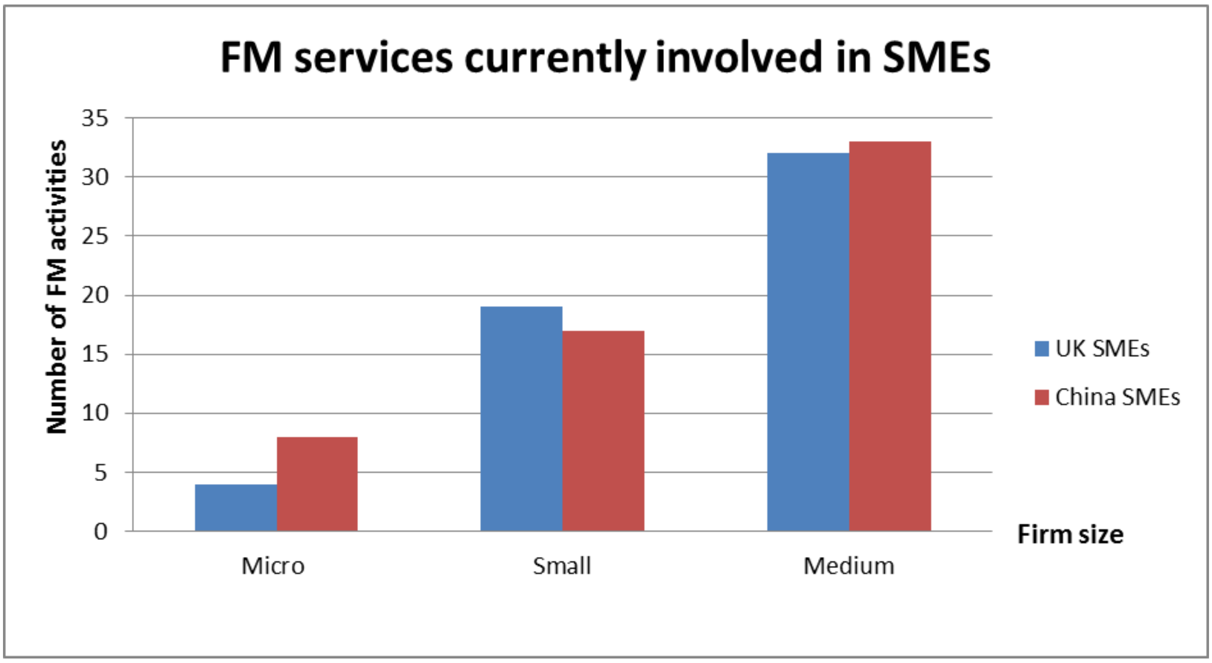

Figure 3 - FM services currently involved in SMEs

did not require grounds maintenance. As for the other four firms, their offices were all rented from the landlord or from the real estate agencies, and they did not have the duty of care for the grounds. Energy distribution and management has not caused the attention of the SMEs as energy consumption was not a prominent item of expenditure of the firms and the interviewees thought it unnecessary to monitor and record the energy distribution. Through the observation from the data and further analysis, no distinctive difference has been found between the FM services applied by the UK firm and by the Chinese firm when they have a similar firm size.

4.2. Most important FM activities to SMEs

Amongst all the FM activities, the most important ones were selected by the interviewees and the results are shown in Figure 4. The vertical axis reveals the number of samples that consider the activity located at the horizontal axis as one of the top five important FM services to their firms. In the figure, the red column represents the Shanghai SMEs and the blue column represents the London SMEs. From the figure, it can be observed that the first three activities belong to the "hard FM" category, the middle eight activities belong to the "soft FM" group and the last two items belong to the "the other business support services" classification. This implies that the three categories of FM services are all valuable to the SMEs to some extent and the interviewees tended to agree that "the other business support services" could add value to their business performance. In this category, marketing is most valued by the targeted SMEs and followed by ICT. It is noted that if the two activities encompass the disciplines to ensure the functionality of the built environment, then they should belong to the FM field. From the distribution of red and blue columns, it can be

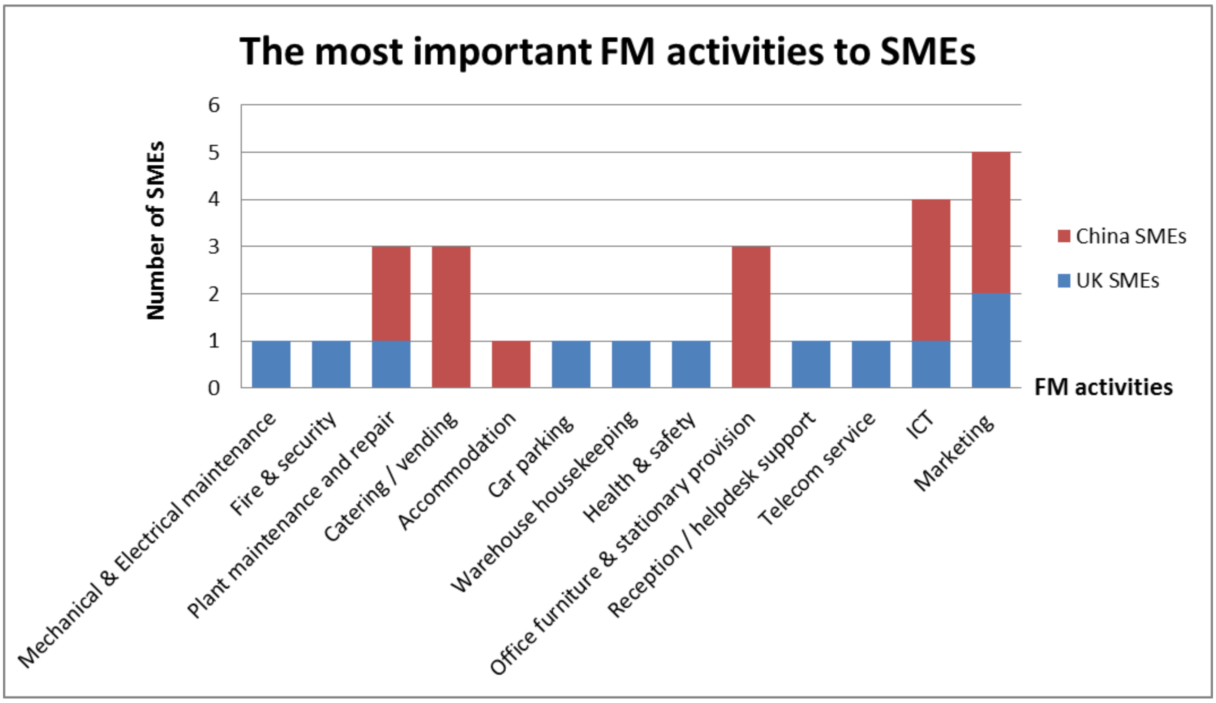

Figure 4 - Most important FM activities to SMEs

observed that the three Chinese SMEs hold similar views towards the most important FM activities with the evidence that an amount of only 6 items were selected by them. By comparison, the UK-based SMEs have diverse perspective towards it.

4.3. FM activities which are performing below the expectation

The interviewees' answers to the question of "what FM activities in your company are performing below the expectation" are interpreted in Figure 5. The vertical axis reveals the number of samples that consider the FM activity located at the horizontal axis as poorly performed in their firms. In the figure, the red column represents the SMEs in China and the blue column represents the SMEs in the UK. It can be seen from the figure that the performance of "reprographics, print & fax" has caused the most unsatisfactory among the

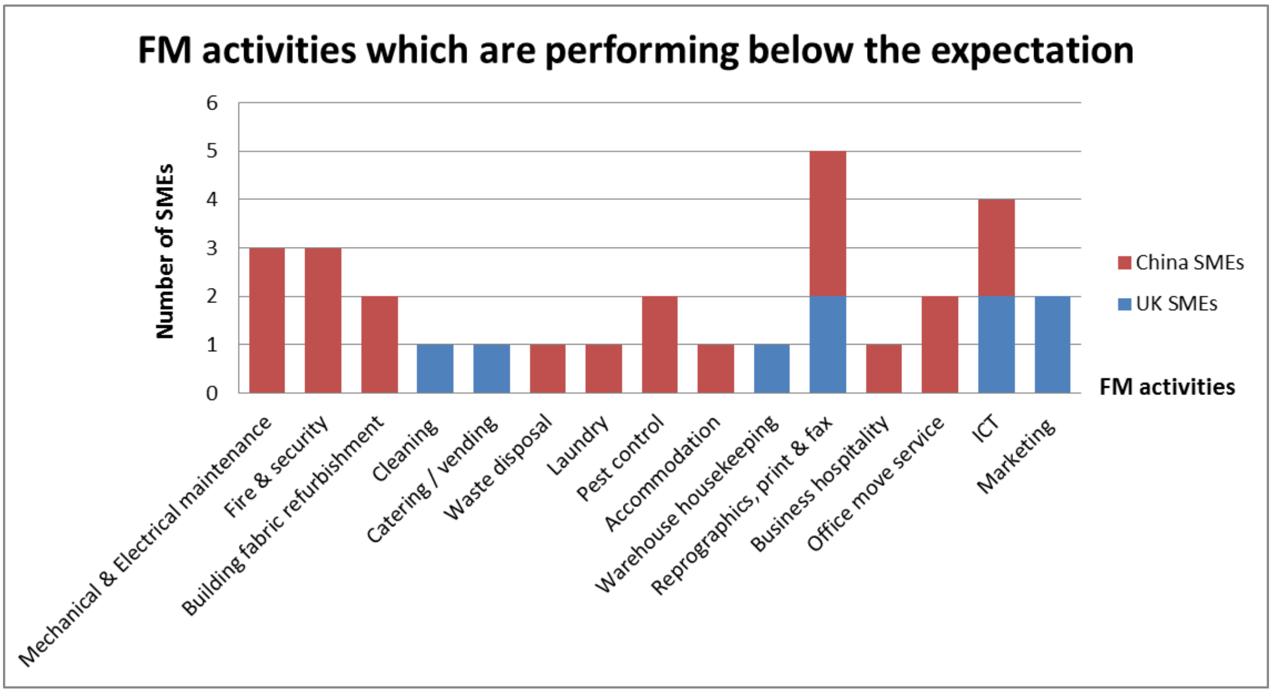

Figure 5 - FM activities which are performing below the expectation

interviewees, but strangely, none of them considered it as one of the top five important FM activities. It seems that people often have the experience that they were desperately waiting for hard copies of materials but the printer just broke down. This resulted in their perception that "the printers always don't work". The second highest column is ICT. Unlike the "reprographics, print & fax", four out of six interviewees considered ICT as an important activity and they agreed that improving the ICT performance could make progress on the business.

It can be observed from the distribution of red and blue columns that the red area is larger than the blue one. This is because the Chinese interviewees reflected more activities of being unsatisfied while the interviewees in UK expressed that the firms were "performing well". The unsatisfied activities reflected by the Chinese SMEs cover hard FM, soft FM and the other business support services, while those reflected by the UK SMEs only cover the latter two. This implies that the satisfaction of hard FM in China is worse than that in the UK and one conjecture is that the construction quality of buildings is not fully recognised by the users in the Chinese companies. The building shell can easily become eroded in one or two years and this will cause frequent maintenance. If the building maintenance is not in time, unsatisfactoriness will be caused among the occupants.

4.4. FM activities which have been outsourced

The question of "what FM activities have been outsourced" has been asked and the results from the interviewees are shown in Figure 6. The vertical axis reveals the number of samples that choose the FM activity located at the horizontal axis as being outsourced in their firms. In the figure, the red column represents the SMEs in China and the blue column represents the SMEs in the UK. It can be seen from Figure 6 that the services of cleaning, portering / courier service, waste disposal and pest control are the most popular outsourcing activities. For the SMEs both in China and in the UK, their outsourcing FM activities contain the elements in hard FM, soft FM and the other business support services. For each firm, there is no direct correlation being found between their perception of the importance of the activity and their decision on outsourcing that activity. The data also reflected that the outsourced FM activities in some Chinese firms were considered as being "below the expectation of performance", which indicates that outsourcing did not necessarily mean the guaranteed service quality. In addition, it has been perceived that some services were taken care by the landlord or the real estate agencies but some interviewees were unable to articulate whether a certain activity was covered in the contract or not.

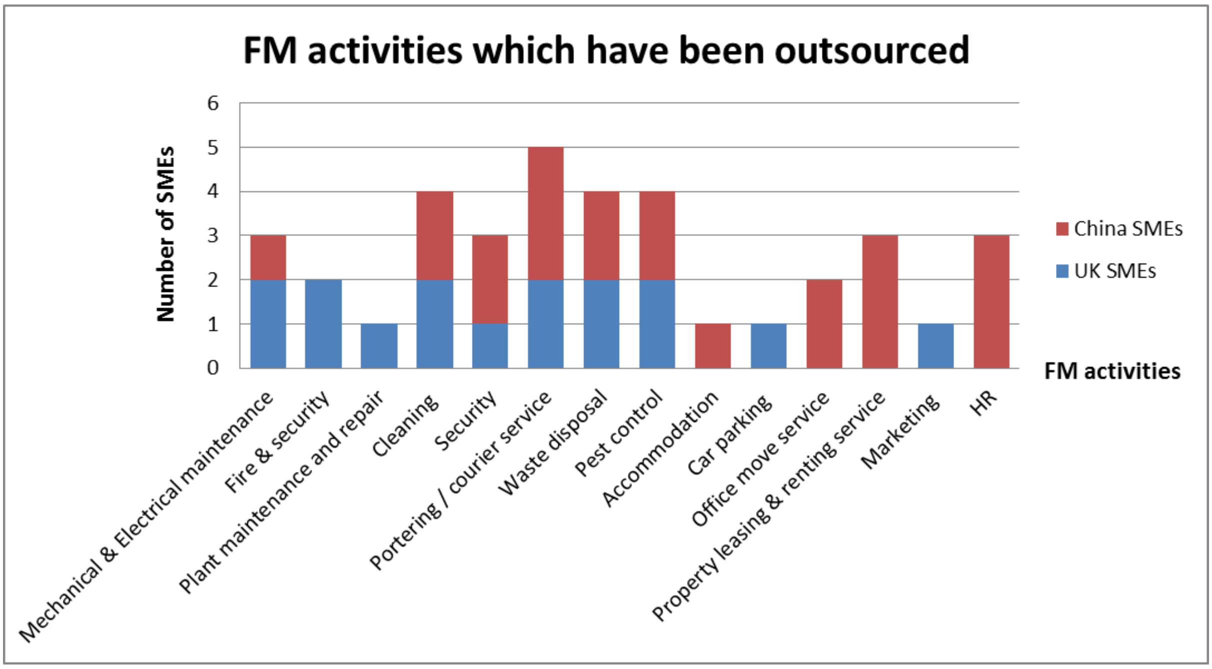

Figure 6 - FM activities which have been outsourced

4.5. FM activities which are willing to be outsourced in the future

The survey also investigated the interviewees' opinions on "what FM activities are willing to be outsourced in the near future" and their answers are presented in Figure 7. The longitudinal axis reveals the number of samples that mentioned the element located at the horizontal axis as the FM activity that was willing to be outsourced by the firms. In the figure, the red column stands for the SMEs in China and the blue column stands for the SMEs in the UK. It can be observed that the majority of data were collected from the Chinese SMEs. The FM activities they were willing to outsource contain the elements in hard FM, soft FM and the other business support services. The Firm D was planning to rent an office and the interviewee expressed the FM services they wanted to outsource as well.

By comparison, it seems that the SMEs in the UK gave few responses on this question but actually, some professional services mentioned by Firm B were out of the FM realm. The owner of the Firm A said that if they needed a real office with the growing of business, they might be willing to outsource office move service and property leasing & renting service, but at the time of interview, the only key thing to the development of their firm was marketing. Among the activities chosen by a certain interviewee, some activities were considered as important, some below the expectation of performance and some others belong to neither of the above two. Thus no correlation was found between the perception of the importance or the performance of the activity and their propensity of outsourcing that activity.

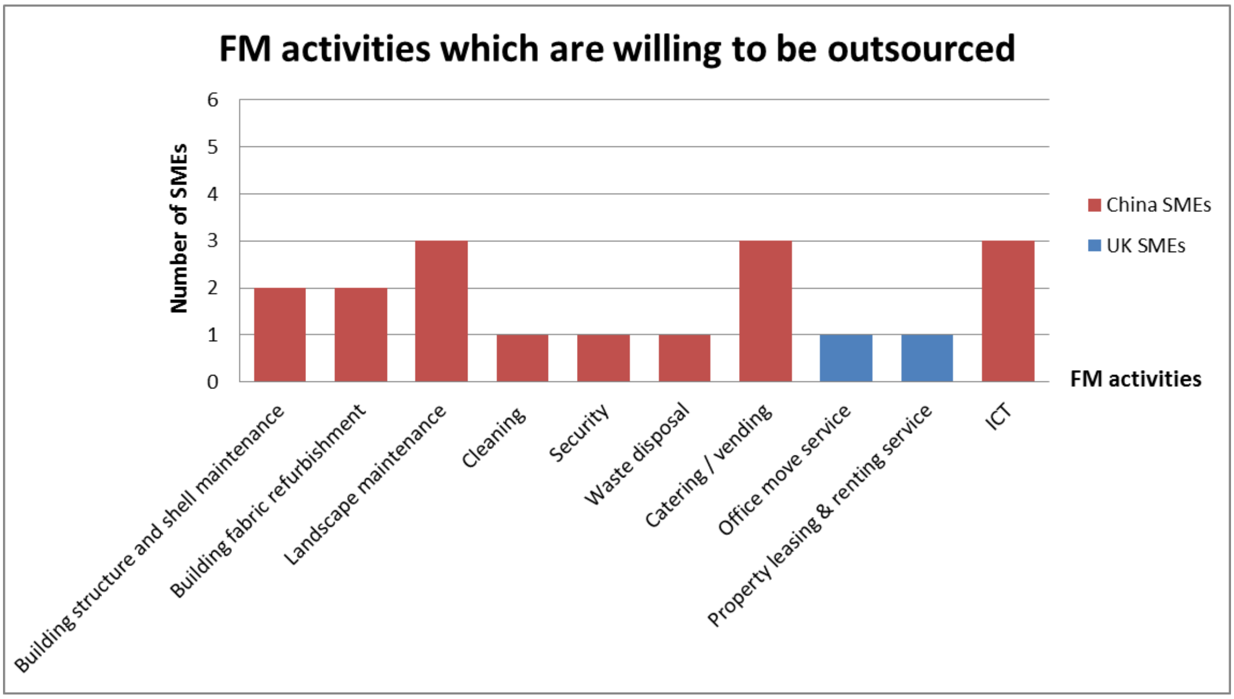

Figure 7 - FM activities which are willing to be outsourced in the future

4.6. Choice between a single FM service provider and multiple FM providers

The question of “did you choose a single service provider or multiple providers” was asked and the interviewees had consistent answers. Expect Firm A, all the other firms have a certain level of outsourcing FM services to the specialist companies, such as cleaning companies, security companies and express companies. They said that they chose multiple providers because they did not find a suitable FM provider capable of providing all the services they required.

4.7. Possibility of outsourcing most (all) of the FM services to a specialist company

Then the interviewees’ attitudes towards “outsourcing most (all) of the business support services to a specialist company” was examined. They generally agreed on the possibility of “likely” if reliable providers were found. When being asking about the criteria of “reliable”, they replied that “reliable” indicated that the provider had a good reputation and had had delivered successful services to the other media firms.

5. Discussion

5.1. Discussion on the results

Six points can be summarised from the results and the understanding of the demand for FM services by SMEs can be developed. The first point is that in both London-based SMEs and Shanghai-based ones, the range of the applied FM activities increases with the firm sizes. Two media firms with similar sizes have adopted similar FM services. This verifies the guess in the literature review that it is possible to classify the FM demand and to find out certain rules on the clients’ need. It has been perceived that the SME owners/managers did not pay much attention to certain FM elements. It can be argued that FM is under-valued by SMEs but this may owe to the fact that FM does not contribute enough value to organisations. The FM position in organisations and the value created by FM are mutually affected. Therefore, if the FM position is intended to be leveraged, its functions should be better managed.

The second point is that hard FM, soft FM and the other business support services all have valuable elements to the SMEs and marketing is most valued by the targeted SMEs. It may help to explain why some pioneers in the FM sector such as Creative Space Management Ltd (mentioned in the literature review) have included marketing in their TFM package. The Chinese SMEs hold similar views towards the most important FM activities while the

UK-based SMEs have diverse opinions towards them. As these activities are not sector-restricted, it is likely that the results of "the most important FM activities" may apply to the other office-based firms with similar cultures in China. For the UK-based SMEs, the different development stages and different corporate cultures are predicted as the main factors that caused the diverse opinions on the importance of FM activities.

The third point is that the Chinese interviewees reflected more activities of being unsatisfied than those in the UK. One reason may be that the FM service performance in the UK firms is better than that in the Chinese firms. For instance, FM staff in the UK firms may proactively transform the organisation's constructed facilities from overhead to resources (Hands and Wilson, 1997). This managerial concept transformation is initiated in the sectors to those whose FM functions are partly core and partly non-core, such as hotels, HEI and traditional retails, as described in the literature part. Gradually, the other sectors may have realised the concept that FM service can generate business values. When the FM staff are able to create personalised workplace for the occupants, it is likely that the working motivation of the workers can be stimulated and the working efficiency is expected to be improved. Another reason is that a closer relationship was built between the interviewer and the Chinese interviewees so that they were more willing to express the shortages in their firms.

The fourth point is that most of the SMEs in this sample have outsourced certain levels of FM activities but the service quality was sometimes below the expectation. In the literature review, it has been identified that the FM services outsourcing rate was lower than 5 percent in some European countries (Cigolini *et al.*, 2011). However, this percentage may only subject to the manufacturing companies. For the office-based companies such as media firms, the outsourcing rate is predicted much higher than that. The reason is that the knowledge-based firms, especially the targeted Chinese SMEs, prefer to outsource some skill-based FM services as they want to control the headcount and as a lack of competency to seek proper FM staff. It exposes the management weakness and resource constraint, which is one typical problem faced by SMEs as described before.

The fifth point is that the SMEs were willing to outsource most (all) of the FM activities to specialist companies although the performance of some outsourced FM activities was below the expectation. According to the literature, the better the activity performance is, or the higher core competencies the activities achieve, the lower propensity of outsourcing is (Espino-Rodriguez and Padron-Robaina, 2005). However, the results from this survey do not obey the rules summarised from the previous studies (refer to Figure 2). No correlation was found between the perception of the importance or the performance of the activity and their propensity of outsourcing that activity. Even the outsourcing service quality was sometimes below the expectation, the interviewees still considered it better than managing the activities in-house. This implies that in the office-based SMEs, the cost of keeping FM activities in-house is high and that the outsourcing potential is high.

The Chinese SMEs generally posed negative attitudes towards FM consultancy services, which included FM strategy making, site and location selection and marketing etc. The interviewees expressed that the traditional FM services such as cleaning, catering, security and maintenance were most wanted by their firms but they did not believe that FM consultancy would add value to the business performance. They insisted that no one else should know their firms better than themselves and that consultancy services should waste money. Their opinion might be caused by the personality of entrepreneurs that the firm owners over trusted themselves and undervalued the external help. It might also be caused by the chaotic consultancy market that the prospective buyers could hardly trust on. By comparison, the British SMEs had an open view towards FM consultancy services. They would accept operational FM activities as well as strategic FM activities as long as they needed these.

The sixth point is that most of the SMEs chose multiple providers as they did not find a suitable FM provider capable of providing all the services they required. When such a supplier is present, the SMEs are likely to contract out most of the FM services. This shows a lack of proactive response from FM providers as pointed out by Cant (2005). This result supports the view that FM providers do not fully understand the clients' need and incapable of supplying precise services to the buyers, as stated in the literature review by Cagliano *et al.* (1998) and Ventovuori (2007).

The suggested mode of FM outsourcing strategy for different sizes of SMEs is presented in Figure 8. According to Figure 8, the service range varies from specific to general with the change of SMEs' size. The micro-sized companies may outsource single business support service, the small-sizes firms may outsource bundled FM services, and the medium-sized companies can outsource TFM. The exact FM services in the contract should be based on the agreement of both supplier and buyer sides.

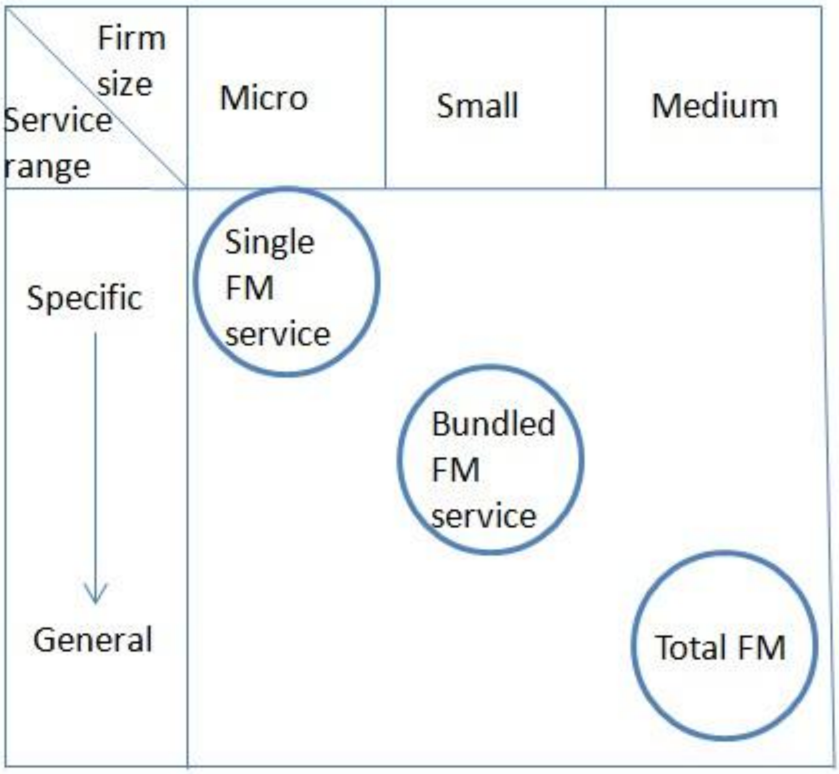

Figure 8 - FM outsourcing strategy

5.2. Managerial implications

From the discussion on the results, managerial implications will be evaluated for the FM demand side, FM providers, prospective entrepreneurs, public policy makers and FM staff.

For the FM demand side, organisations in the same sector with a similar size and development stage probably have a quite similar demand for FM services. Some office-based companies, to whom FM is wholly non-core business, have a high propensity of outsourcing these activities. The firms may share the experience of contracting out FM services, compare the perceived service quality with close groups and best practices may be achieved. Some manufacturing companies may be better at selecting labour-based FM staff than the office-based companies as they have more experience in contacting with skilled workers. Outsourcing FM activities will be an option if the companies are unsatisfied with the current in-house service performance or if they are eager for a corporate culture change. The change can be facilitated by introducing new blood of human resources. It is believed that the sectors such as hotels and museums may have more sophisticated view towards certain FM elements, because some FM activities are the core business to them and they have put efforts in studying and managing their operations. These sectors are encouraged to develop benchmarks for FM service quality so that performance measurement tools can be improved.

For the FM providers, the key implication is to consider how to meet the current and future market demand, to achieve the service performance optimisation for the clients and to realise market share growing of their own companies. For the FM suppliers in China, they may acknowledge from the results in this survey that currently, the Chinese SMEs value and tend to outsource the traditional FM activities, namely cleaning, catering, security and maintenance. If the FM providers consider SMEs as main target clients, they should address the demand and provide them with proper services. As the owners/managers of the SMEs did not see FM consultancy of being worth investing, the FM providers may temperately put it aside and concentrate on developing the traditional FM services. It seems an appropriate way for the providers that they should build corporate reputation based on the services they are mostly good at, and find a unique selling point to secure a foothold in the market. The Compass Group is an example of following this routine with the fact that when entering the market in China, it firstly developed business in catering, which was its strongest field.

For the FM providers in the UK, their situation seems different from those in the China's market. Unlike China's FM market which is emerging and non-saturated, the FM service performance in the UK appears to have achieved higher user satisfaction and the market seems more mature. This indicates that the growing space for the FM providers is smaller and their development should be against the competition from other FM suppliers or property management providers. When a FM provider has become a leader in one service, it may expand the business scope and deliver service packages to buyers. As can be seen from Figure 8, the providers may deliver single business support service to micro-sized firms, bundled FM services to the small-sizes firms, and TFM to the medium-sized companies. It is predicted from the reactions of the interviewees that FM consultancy services may have a larger number of buyers in the UK. FM suppliers should realise the different demand preferences in different territories so that localised services can be generated.

For the prospective entrepreneurs, this research provides them with enlightment when they are about to establish their own business. The foundation of calculating the current market scale can be laid through collecting data from the FM demand side, as suggested by Moss (2008). Based on the scale and development trend, FM professionals can predict how the demands may change and estimate the future growing space of the market. With a deeper understanding of the market, the entrepreneurs may shape their ideas on how to position themselves. It is noticed that the e-business has been penetrating into various sectors and the entrepreneurs may identify cost saving opportunities through e-channels and deliver innovative FM services. They should have a proactive view towards the market development direction and contribute to establishing a healthy market.

For the public policy makers, they may realise from the results that a wide range of business support services are in need by SMEs while not covered in the current enterprises initiative schemes. The schemes containing the elements in hard FM, soft FM services and the other business support services can be attempted to be popularised to SMEs, and the barriers for the SMEs to use public resources should be removed. It needs investigation whether the provision of these services will promote the successfulness of the public schemes or not.

For the FM practitioners, career path can be greatly affected with the FM market developing. When the individuals are working for a company where FM service is a non-core business and determined to be outsourced, the FM staff may face the risk of losing their jobs. It is therefore important that FM staff train and develop themselves into irreplaceable roles to their employers. As discussed before, some FM providers have the opportunity of expanding business in the related field. The business growth generates promotion opportunities in the corporate department restructure process for facility managers and operation managers who have practical experience and transferrable skills. The FM practitioners having accumulated experience may become experts and professional consultants in this field, playing as external examiners for the organisations that need suggestions. On the other hand, some fresh graduates may enter the employment market and choose FM-related jobs. They may have the option of choosing big firms or SMEs as a starting point of career. They may be aware from this survey that SMEs have low awareness of energy management which has been causing worldwide increasing attention. This implies that working in SMEs may results in restricted view in some aspects and the new workers should fully realise this and equip themselves with modern vision.

5.3. Limitations of this research

There are a number of limitations in this project. Firstly, the boundary of FM activities has not been clearly set. As the FM realm consists of varies daily operational activities, FM may have different practices in different regions and sectors. In this study, classifying marketing and HR as the elements of FM may cause debates. With the market developing, new elements may be added into the FM practice and their objectives have been aligned as better supporting the business performance.

Secondly, only the media sector has been chosen and surveys were conducted. It is noted that FM applications in this sector do not necessarily apply to the other office-based organisations.

Thirdly, limitations exist in the sample selection method and sample size. It has been mentioned that due to resource and time restriction, the samples were not selected randomly, which might unavoidably cause bias in the results. The sample size is relatively small and it seems debatably whether the selected SMEs can represent the mainstream views from the media sector or not.

Fourthly, the ideal interviewees were designed as the owners or general managers of SMEs but in reality, account managers and HR managers were interviewed in the absence of the ideal interviewees in some circumstances. It is considered that due to position and knowledge differences, their views towards FM demand may vary from the opinions held by the owners. In addition, some real information may not be exposed to the interviewer because of the intention of protecting their companies.

Finally, the survey was conducted in London and Shanghai, and therefore the application of the results and implications may subject to territory.

6. Conclusion

In reviewing of this dissertation, it firstly introduces the importance of SMEs in the global economy. They are acting as the backbones of the economy in both the UK and China. The typical problems in SMEs which hinder their growth have been identified and it is noted that almost all the non-financial problems reveal the insufficient organisational support functions of FM. In the current economic downturn, SMEs require better FM services to meet the business growth needs. However, due to the lack of the understanding of external FM services that SMEs need by the business support services providers, the rate of turning to external resources by SMEs is relatively low in both mature and emerging FM markets. To improve the business performance of SMEs, it is necessary to investigate their actual needs for FM services. Numerous researchers and practitioners agree on the opinion that the demand for FM services vary from organisation to organisation. The main purpose of this project is developing the understanding of the needs for external FM services for SMEs in the media sector under the two different market environment conditions — the UK and China.

The dissertation then presents a ground research around the demand for FM services. The FM scope discussed by the academic researchers has been summarised and a modified classification of FM is proposed, where TFM is consist of hard FM, soft FM and the other business support services. It is found that numerous studies focus on the values of FM functions to the business and the criticality of FM services to different sectors. The current service performance and the criticality are considered as two decisive factors on the decision making of service acquisition. However, it still remains unclear how SMEs perceive the FM value and how they manage FM activities due to the specific characteristics of SMEs. As the business support services delivered by public schemes and the private FM service providers are ineffective and have a low adoption rate, it is vital to have a thorough understanding of the clients need. This research chooses SMEs in the media sector, which has not been studied before, as a potential FM services buyer, and explores the actual FM services demand by them.

A combination approach has been employed for the understanding of the demand for FM service by SMEs. As described in the methodology section, the geographic parameter, the sample size and the industrial factor have firstly been determined. Six case studies have be chosen, where the three media firms are based in London and the remaining three are based in Shanghai. In both of the locations, the sizes of SMEs range from micro to medium. Then the sample selection method is introduced and the definition of SMEs is determined. To target the

SMEs within the media sector in the UK, the organisations which have a liaison with UCL have been contacted and proper ones have been approached. In China, a convenience sample of organisations that the author has a connection with have been targeted and they were carefully selected to represent SMEs with different sizes. Then the information gathering method has been described into three steps: collecting background information of the six sample organisations, taking semi-structured interviews with the owners or the general managers of the SMEs, and sending the questionnaire via e-mail to the interviewees one week after the interviews, whereas only two surveys were received from the interviewees.

Through the integration of the information collected from the semi-structured interviews and the questionnaires, the results on the FM services applied to each SME and the interviewees' attitudes towards FM activities have been shown. The first result is that in both London-based SMEs and Shanghai-based ones, the range of the applied FM activities increases with the firm size, and that two media firms with similar sizes have adopted similar FM services. The second result is that hard FM, soft FM and the other business support services all have valuable elements to the SMEs and marketing is generally most valued by the firms. The Chinese SMEs hold similar views towards the most important FM activities while the UK-based SMEs have diverse opinions towards them.

The third result is that the Chinese interviewees expressed more activities of being unsatisfied than those in the UK. The fourth result is that most of the SMEs in this study have outsourced certain levels of FM activities but the service quality was sometimes below the expectation. The fifth result is that the SMEs were willing to outsource most (all) of the FM activities to specialist companies although the performance of some outsourced FM activities was below the expectation. The Chinese SMEs generally posed negative attitudes towards FM consultancy services, while the British SMEs had an open view towards the services. The sixth result is that most of the SMEs chose multiple providers to outsource FM services as they did not find a suitable FM provider capable of providing all the services they required.

After summarising the main points of the results, the suggested mode of FM outsourcing strategy for different sizes of SMEs is presented. The managerial implications for the FM demand side, the FM providers, the prospective entrepreneurs, the public policy makers and the FM practitioners have been discussed. For the FM demand side, the firms may share the experience of contracting out FM services, compare the perceived service quality with close groups and best practices may be achieved. The sectors experienced in using FM services are encouraged to develop service quality benchmarks so that performance measurement tools can be improved. For the FM providers, the Chinese SMEs value and tend to outsource the traditional FM activities, namely cleaning, catering, security and maintenance. If the FM providers consider SMEs as main target clients, they should address the demand and provide them with proper services. For the FM providers in the UK, the market seems more mature. When a FM provider has become a leader in one service, it may expand the business scope and deliver service packages to the buyers.

For the prospective entrepreneurs, it is expected that the entrepreneurs may identify a market gap and deliver innovative FM services. For the public policy makers, they may consider the provision of the popular business support services in enterprises initiative schemes. For the FM practitioners, their career path can be greatly affected with the FM market developing. They may face the challenge of losing their jobs, promotions or job-hopping. It is cautioned that they should equip themselves with knowledge and practical experience and make proper career decisions. Finally, a number of limitations applied in this project have been identified: the boundary of FM activities has not been clearly set, only the media sector has been chosen and the restrictions in sample selection method, sample size and the interviewees' knowledge.

Further research directions on the demand for FM services will be pointed out. It needs exploring that how the FM suppliers can generate innovative FM services packages and innovation business process that precisely customised to the clients' need. When the outsourcing deals are made, the trust and cooperation between the parties are crucial to the successfulness of service delivery (Markeset and Kumar, 2005). Studies can concentrate on the different types of customer relationships and identify the effectiveness of the relationships to the service delivery and integration. For one specific service firm, it can be studied that how the FM providers change the service portfolio of the firm before and after it adopted FM service delivery.

On the other hand, studies can turn to the intelligent management of FM, such as the adoption of computer-aided FM (CAFM). It is suggested that the tools should be more likely adopted in FM service providers than in the SMEs keeping FM in-house (Bainbridge and Finch, 2009). The analysis can be made on whether CAFM will become the trend or not. Examining the current research on the FM market, it seems that the market scale estimation in the UK is still within debate, while in China, there is a lack of research and valid data. This area can be investigated and conceptual frameworks of FM need developing. The ultimate goal is to integrate the core and support business processes and to improve the effectiveness and efficiency of business performance (Coenen *et al.*, 2010).

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Appendix

A survey on the business support service demand by Small and Medium Enterprises (SMEs)

Dear Madam/Sir,

I am currently conducting the survey for the dissertation, which aims at investigating the business support service demand by Small and Medium Enterprises (SMEs) in both UK and China. In this questionnaire, a total of 5 questions are set to collect the information about the service demand by your company and current management strategy on the business support services. Could you please spend 3-5 minutes filling out the questionnaire and send it back to me? Your respond will be extremely valuable for my research. Please be assured that your personal information will remain confidential and the firm will be anonymous in the further data interpreting. Thank you for your cooperation!

Basic information about your organisation			
Organisation name:		Employee number:	
Founded year:		Job position:	

1. Please tick (√) the activities that are applicable to your organisation.

Business support services	Activities currently involved	Tick 5 most important services	Tick the activities which are performing below the expectation	Tick the activities which have been outsourced	Tick the activities which are willing to be outsourced
Mechanical & Electrical maintenance					
Fire & security					
Building structure and shell maintenance					
Building fabric refurbishment					
Building extending & alteration					
Plant maintenance and repair					
Landscape maintenance					
Cleaning					
Security					
Catering / vending					
Portering / courier service					
Waste disposal					
Laundry					
Pest control					
Accommodation					
Car parking					

Grounds maintenance / gardens					
Warehouse housekeeping					
Health & safety					
Mailroom					
Switchboard					
Reprographics, print & fax					
Office furniture & stationary provision					
Energy distribution & management					
Reception / helpdesk support					
Telecom service					
Travel & transportation					
Business hospitality					
Office move service					
Property leasing & renting service					
Site and location selection					
FM contract control and management					
Space planning, configuration, allocation and utilisation monitoring					
Information and Communication Technologies					
Marketing					
HR					

2. Please outline the other business support services (not being mentioned in the table above) needed by your company.
   ____

3. Please outline the other business support services (not being mentioned in the table above) outsourced by your company.
   ____

4. If your company has outsourced any of the activities mentioned above, did you choose a single service provider or multiple providers? Please choose the most appropriate answer.____________________

A. A single provider B. Multiple providers C. Not available

5. In your opinion, what is the possibility for your company to outsource most (all) of the business support services to specialist companies? Please choose the most appropriate answer. ___________________

A. Very likely B. Likely C. Not likely D. Not available