

STUDY REGARDING THE EVOLUTION AND SCOPE OF FACILITIES MANAGEMENT, POINTING OUT ASPECTS OF FACILITY MANAGEMENT IN AGRICULTURE

Eugeniu LITVIN

The Academy of Economic Studies of Moldova, 61 Mitropolit Gavriil Bănulescu-Bodoni Street., Chisinau, Republic of Moldova, Mobile: +37369529396, Email: eugen1ulitvin@gmail.com

Corresponding author: eugen1ulitvin@gmail.com

Abstract

An important part of managerial activities is also the management of facilities. Facility management aims to streamline support processes in companies and reduce operating costs using an appropriate adjusted system. Facility management is an effective way to ensure the core business activities. Thus, the benefit of the facility management can be summarized: reduction of operating costs, competitive advantage, establishment of support processes by a facility manager and so on. In the past, the issue of Facility Management was closely related only to the operation and maintenance of buildings. In practice, it includes various support processes required for the operation of all companies. The study also pursued to evaluate different opinions on the place and role of facility management.

Key words: administration, cost, facility management, organization, standard

INTRODUCTION

Facilities management is a relatively new notion for the Republic of Moldova, but it is increasingly asserting itself in the economic life of the country. In fact, it was always present in the activity of any company, except not under the name of Facility management [5].

The primary role of facility management is to maximize the efficiency of the core business. In order to focus on the core business, the organization must refrain from its ancillary activities, but without which the core business will not be able to run successfully. For this it can either manage them internally as part of the organizational structure of the enterprise or externally, representing outsourcing or the company can use a mix of these services.

Such a classification of the use of facilities management is also found in the works of Somorova (2006), “the form of providing the services of facilities management may be different:

- Integration of the facilities management unit in the organizational structure;
- Outsourcing;
- Partial outsourcing”[10].

If the facilities management department is part of the organization chart, then it will manage all the activities that would facilitate the core business.

Through facility management, the company cooperates with other levels of management by creating systemic links between activities. The aim is to achieve the strategic, tactical and operational objectives of the company. Based on the general objectives of the enterprise, the facilities management elaborates its own strategic, tactical and operational objectives.

If we refer to the form of provision of facilities - outsourcing, then this form assumes that all facilitation activities are provided under contract, by another company, which becomes responsible for the quality of services provided.

According to the author Somorova V., the most used form of facilities management is partial outsourcing [10]. Thus, support activities are provided by several facility providers and their subcontractors.

The purpose of this paper is to analyze the evolution and scope of facility management.

MATERIALS AND METHODS

To understand the nature and purpose of the facility management concept, it is necessary to know its origin. The paper consists of theoretical research and conclusions, based on the research of literature and theoretical paradigms. The analysis begins with the determination of the basic structure and principles of facility management.

For the first time, facilities are being talked about in the United States. In the 1970's, the concept of facility management was unfamiliar to ordinary people and not even to managers [1]. In May 1980, a meeting of facility providers was held, attended by 47 facility managers, resulting in the establishment of a new association - the National Facility Management Association (NFMA). Twenty-seven of the 47 participants became members.

This Association had its own regulations, plans and members. One year later, in 1981, an annual conference was held in Houston, attended by 27 members and 87 listeners. During this conference, the association was renamed the "International Facility Management Association" (IFMA) [3]. This step has resulted in the dynamic development of facility management. Since then, IFMA has been a member of affiliated organizations or organizations around the world.

In 2003, the Dutch Institute for Standardization recommended to the CEN/TC Technical Committee 348 Facility Management that a European standard on facility management be developed. This Committee, following three years of cooperation with national standardization bodies, developed this Standard, which was approved in September 2006.

The European Facility Management Standard covers the operational, tactical and strategic level of services provided for business support activities. Its aim is to improve the competitiveness of the European market, to improve the efficiency of facilities management, to improve the transparency of tendering procedures, to improve the quality of results and to develop new programs and support systems.

The Technical Committee selected two main themes in the creation of the facility management standard [2, 6]:

- standardization in terminology;
- definitions of facility management.

The aim was to establish terms and definitions relevant to facility management and to define specific terms that should be used in contracts between service facility management, customer service facilities and facility management [13, 14].

The priority objective of the standard in this area was to focus on the scope of facility management services and to identify procurement options, as well as to promote reciprocal trade between companies from different countries in the European market and to establish a clear link between customer and supplier. facility management.

The benefits of managing the European facility are economic and legislative [9].

RESULTS AND DISCUSSIONS

For the first time, facility management began to be used in Europe in the 1990s in countries such as France, the United Kingdom, the Benelux and the Scandinavian countries. About five years later, the term spread to German-speaking countries. Each of these countries has set up its own association for facility management [13].

One of the first countries in Europe to establish a national facility, the International Association of Facility Management (IFMA), was United Kingdom. It operates in companies that offer a wide range of facility management services. It focuses on building management, asset management, space planning and design, maintenance, labor protection, relocation for various organizations and cleaning services [14].

The first research in the field of the study of the evolution of facility management in Europe was carried out by Maliene, Alexander and Lepkova in 2008. They mention that in the case of France, there is no complex concept of facility management and the profession of facility manager is not described. specifically [2].

Researchers Bartosova Viera and Valaskova Katarina (2018) in their paper "Facility Management in a Global Society" note that the French facilities management market focuses on the provision of real estate services, while the facility management in Italy is based on innovation and dynamism [3].

In the early 1990s, foreign investors operating in Hungary organized the first transfer of knowledge in the field of facility management for Hungarian building management. It was a prerequisite for finding the first Hungarian facility management association in 1991. Currently, the management of Hungarian facilities is mainly focused on providing services.

Scandinavian countries use different definitions and forms of facility management depending on the organization and objectives of the country. Management and service organizations use their own definitions of facility management in marketing and promoting their services in local markets. Interestingly, asset management is usually included in facility management services. Based on research conducted by Bartosova Viera and Valaskova Katarina, it can be stated that each Scandinavian country has its own particularities in terms of organizing the management of the facility, as a consequence of local laws and traditions [3].

Of all the Scandinavian countries, in Norway the facility management is the least developed, but at the same time, for many Norwegian companies the quality of services is of major importance.

Sweden has the second largest share of facility management (Denmark is the first in the ranking) according to its degree of development. In recent years there has been a significant leap in the management of the facility. Many globally known organizations have not joined the Finnish or Norwegian markets, but have merged with Swedish companies.

A few years later, the management of the facilities spread to the surrounding countries. The first country in the ex-communist space, where the facility management association was established, was Hungary. Here, in 1998,

the National Union of Facility Managers (HUFMA) was created. A little later, in 2000, the Czech Republic joined IFMA, which in 2018 had about 18,000 members in 60 countries around the world, with about 130 branches.

In the Czech Republic, the offer of separate, individually specialized services such as protection, repairs, cleaning, catering has been promoted. But over time, providers of complex facilities have appeared on the Czech market. These services were quite close to the management of the integrated facility.

Referring to the history of the emergence of facility management, according to Vyskočil and Kuda (2011), Baden-Fuller et al. (2000), "facility management, as a field, is related to the history of the development of individual secondary services." [4, 14] (Table 1).

Table 1. Development of the Facility Management

Own sources	Contractual service	External sources	Integrated facility management	Infrastructural management
1970-1980	1980-1990	1990-1995	1996-1998	2000-present
cleaning	cleaning guarding catering maintenance land	contractual services + postal services telecommunication IT, print, FM administration	external services + training property project management consulting	capital suggestion construction equipment accounting integrated FM

Source: Bartosova V., Valaskova K. (2018) [3].

Analyzing at what stage of development is the management of facilities in the Czech Republic, then, according to the researcher Somorova, is in the third stage of development (external sources).

There are many providers in the market that offer facility services at a high quality and at a favorable price level. Most facility companies are becoming integrated facility management companies. Czech companies prefer to order a full service [10].

When the facility management moves to a higher level, it is clear that the facility provider is beginning to cooperate with the business facility manager and thus a team is formed that can provide strategic information

at any time, which helps to move to the next level of the service provider. facility management complexes. The company that provides a complex of facilities management services not only offers the grouping of the given services, but also cooperates with a team of well-established experts and facility managers.

First, the group of people assesses the current state of the company and then finds appropriate solutions and ways to improve. In addition, the company providing the support services has the technical facilities to carry out all the necessary activities [3, 6].

Most experts in the field mentioned that up to 90% of manufacturing companies use outsourcing of facility management. This allows them to make big savings [3, 4].

In Slovakia, the concept of facility management has slowly reached the consciousness of the Slovak population due to a growing number of foreign companies and corporations. These large companies have brought to the Slovak market not only capital but also the managerial know-how of support services.

Currently, the application of facility management is quite demanding for several reasons. It is known that about 20 years ago, facility management began to be used in Central European countries. It was the period of the global economic crisis, but according to the statistics, relatively good results were obtained in the development of the facility management [3].

The development of the facility management in Slovakia was closely linked to the Slovak Institute for Technical Standardization, which issued a new standard of the facility STN EN 15221 Management in 2007. The new European standard has allowed organizations to trade internationally.

The single European standard for facility management is an important factor for the future development of facility management in the European Union. The "Slovak Association for Facility Management (SAFM)" was established in Slovakia in 2009. Its basic purpose is to introduce and support the management of the facility in the decision-making process and management at all levels

of an organization: strategic, tactical and operational. It also provides exchange of experience and information between facilities management specialists.

Slovakia is one of the countries that lags behind other European countries in terms of facility management [3].

Facilities management also plays a key role for the agricultural sector

According to researchers Don Jones of Purdue University, Brian Holmes of the University of Wisconsin and Ted Funk of the University of Illinois: "The facilities (structures) as well as the equipment (tractors, tools, machines, implements, etc.) of an agricultural holding plays an important role in the productivity and profitability of the farm. Facilities and equipment are usually seen as investment and labor savings, but can become a source of financial ruin for the farm." [11].

One of the roles of facility management in agriculture is to ensure that agricultural equipment works when needed. Machines used in agricultural processes must be ready for operation on time - otherwise there could be significant losses for the farm as a whole. In addition, food processing and storage facilities must be kept safe, clean and structurally sound to ensure that the farm product is safe for consumption. [12].

Another argument in favor of facility management is the maintenance of agriculture. Farmers often maintain their equipment on their own. This means having some knowledge in the field, such as: knowledge of how machines work and how often machines need to be maintained.

In reality, agriculture involves a lot of unskilled labor, and as such, farmers often have very little formal training when it comes to the maintenance of agricultural machinery. Thus, accidents and injuries can occur as a result of improper maintenance practices.

Lately, most organizations are turning to companies that provide certain facilities, especially complex ones. Haidel International Project Management is an independent organization, established in January 2000, with the aim of providing clients, especially in agriculture, with consultants with experience in the field. This company is currently present

in the market of several international locations [7].

Haidel International has established strong relationships with other key industry and agribusiness partners and provides comprehensive management development and operation services to facilitate the owner in order to ensure profitability and business expansion plan.

This company facilitates agricultural producers in adopting new ideas or technologies [7].

The concept of facility management is very poorly implemented in the economy of the Republic of Moldova. The implementation of facilities management in the country's agricultural sector could overcome some of the chronic problems facing the agricultural sector, especially in addressing the issues of sustainability and the provision of quality services.

For the Republic of Moldova, the trend of sustainable development of the economy in general and of agriculture in particular is quite current. The goal of sustainable development is to ensure the development of society without diminishing the prospects of future generations.

The emphasis on sustainable agriculture is a reflection of the widespread agricultural and environmental problems. The issue of sustainable development of agriculture in developing and developed countries varies. This variation depends on the agro-ecosystem capabilities, governance and management systems in the country [9].

In the approach to facility management, all elements must be taken into account. These should involve the development of strategic objectives and a business plan for the facility management function, with appropriate reference to agricultural development.

The facility management approach should include:

- 1.The need of the population in agricultural products.
2. Identify and establish an efficient and easy-to-manage process to meet the needs of agricultural products.
- 3.Establishing the appropriate resources needed to supply agricultural products.

4. Identifying the source of funds to finance the production strategy and its implications on the marketing strategy.

5. Establish a budget, not only for the short-term strategy, but also for a long-term value for money.

6. Achieving an efficient control of the facilities management regarding the development of agriculture [8].

CONCLUSIONS

Facility management is an area that is developing very dynamically. Many companies refuse their own support services in favor of professionals, so that they can only carry out their core business. The trend in recent years in the European market is that companies prefer large providers of facilities, due to the greater supply of services, which they are able to offer.

Up to 90% of manufacturing companies use outsourcing of facility management and this allows them to make big savings as mention the experts.

Currently, the most common situation is when companies implement facility management in full operation. The facility manager takes over the support services from the current providers and optimizes their functions.

Facility management focuses on support activities aimed at reducing costs, increasing management efficiency and improving quality.

Agriculture is one of the most sensitive sectors of the economy of the Republic of Moldova. In order to alleviate and correct the blockages that affect the development of the agricultural sector to the new demands, concentrated efforts are required at the level of state institutions and the business community.

Agriculture in the Republic of Moldova is of utmost importance because more than 30 percent of the population works in this field, the conditions are favorable, also this field has a significant contribution in the formation of the gross domestic product. In many parts of the country, agriculture is on the brink of subsistence: productivity is very low, product

competitiveness is modest, and products are sold at very low prices.

The main lever for maintaining and sustainable economic growth of the agricultural sector remains the renewal of technology, using the opportunities of technical-scientific progress, able to increase the technical level of production and competitiveness of agricultural entities, in terms of implementation, adequate facilities management.

Thus, in the author's opinion, the implementation of facilities management becomes a strategic priority of farmers at the current stage.

REFERENCES

- [1]Atkin, B., Brooks, A., 2009, Total facilities management. Blackwell Science, Oxford, 298 p.
- [2]Alexander, K., 2003, A strategy for Facilities Management. *Facilities*, 21 (11/12), 269-274.
- [3]Bartosova, V., Valaskova, K., 2018, Facility Management in the Globalized Society. *Management Studies*, Sep.-Oct. 2018, Vol. 6(5), 358-366.
- [4]Baden-Fuller, C., Targett, D., Hunt, B., 2000, Outsourcing to outmanoeuvre: outsourcing re-defines competitive strategy and structure. *European Management Journal* 18(3), 285-295.
- [5]Facilities Management Association, 2001, Glossary of Facility Management Terms.
- [6]Janoskova, K., 2016, Facility management as an important competitive advantage of companies in international environment. In *Proceedings of the International Conference Globalization and its Socio-Economic Consequences: 16th International Scientific Conference Proceedings* (pp. 759-766), Zilina, Slovakia.
- [7]Haidel International, 2022, Agriculture Development. *Industrial Facility Management and Development*, <https://haidelintl.com/pt/agriculture-developement/industrial-facility-management-development/>, Accessed on Feb.10, 2022.
- [8]Razali, M.N., Manaf, Z., 2005, The Role of Facilities Management towards Sustainable Development in Agriculture in Malaysia: A Preliminary Study. Conference: KUSTEM 4th Annual Seminar on Sustainability Science and Management. https://www.researchgate.net/publication/259978073_The_Role_of_Facilities_Management_towards_Sustainable_Development_in_Agriculture_in_Malaysia_A_Preliminary_Study, Accessed on Feb.10, 2022.
- [9]Roper, K. O., 2017, Facility management maturity and research. *Journal of Facilities Management*, 15(3), 235-243.
- [10]Somorova, V., 2014, Facility management. Bratislava: Slovak University of Technology in Bratislava, 167 p.
- [11]The University of Maine, 2022, Maine Farmer Resource Network, Planning for Facilities and Equipment, <https://extension.umaine.edu/maine-farmer-resource-network/find-resources-and-assistance/equipment/>, Accessed on Feb.10, 2022.
- [12]UpKeep, 2022, Agricultural Maintenance, <https://www.upkeep.com/maintenance-glossary/agricultural-maintenance>, Accessed on Feb.10, 2022.
- [13]Vyskočil, V., Facility management procesy a řízení podpůrných činností. (Facility management processes and management of support activities). Prague: Professional Publishing.
- [14]Vyskočil, V., Kuda, F., 2011, Management podpůrných procesů: Facility management (Support process management: Facility management. Praha: Professional Publishing.