

Strive for the optimal working environment

Development of FM strategies on the basis of the 'hospitality' concept

Facility services are defined as 'support services' for core processes. Against the background of global competition and the 'war for talent', companies increasingly feel the pressure to provide an optimal working environment. This article looks at the extent to which the 'hospitality' concept brings added value to the overall field of facility services and at the kind of services a facility services provider can offer to contribute to overall user satisfaction.

What does hospitality mean?

Hospitality has its origins in the English-speaking world; it means friendliness and politeness towards guests and is often used in connection with the hotel and tourism industry. German hospitality describes the basic concept as follows "combining expectations of technical excellence and desire for wellbeing in such a way that guests feel at home and want to return no matter where they are." [1] The point is to achieve user satisfaction by offering a high level of professionalism in the provision of services of every kind.

How important is personal contact?

According to a study by consumer research association GfK, personal contact and perception are of high importance in Germany. Only 13% consider 'virtual interactions with people and places' of equal value to personal contact. Other studies show that three out of four prefer a personal consultation to digital information and consultancy offers. [2]. Consumer surveys demonstrate that personal contact builds stronger customer retention. Just under 60% of clients with personal contact to a consultant remain loyal to the provider for more than 3 years. At the same time, with personal contact, the probability that the service will be extended rises by almost 40%, even if costs may be higher. [3]

What added value does hospitality in FM offer clients?

Many of the aforementioned approaches are applicable to the FM industry. Up to now, the client has been seen exclusively as the contracting authority or the acting person. However, that's a rather short-sighted approach, as client satisfaction is majorly intertwined with the satisfaction of the client's employees and their subjective perception and experience. Certain facility services are perceived on a daily basis by the clients' employees, e.g. reception, cleaning or caretaking services. Cleaning as well as catering both have a certain influence on employees' health and wellbeing. Repairs that maintain value add to the attractiveness of the working environment. This is why facility management has a substantial influence on employees' satisfaction on the client side. One of the cornerstones of achieving customer satisfaction is a high level of professionalism. In order for the service and the company to stick in the client's mind, unexpected service experiences are necessary, just like extraordinary service ideas, innovative solutions or services that are particularly well provided or that bring added value. [4] DIN SPEC 7724 deals with the term of 'Service Excellence' in the service industry and comprises 7 components:

1. Excellence in management responsibility



2. Excellence in orientation of resources
3. Avoidance of mistakes and waste
4. Documentation of relevant customer experiences
5. Customer interest through service innovations
6. Measuring of interest and its effects
7. Profitability analysis

This norm labels relevant customer experiences and customer interest as success factors. At this point, hospitality approaches are able to make a significant contribution. A certain level can already be achieved by simple means, e.g. as follows: the perception of customer friendliness can be easily enhanced by employees actively reaching out to clients in a courteous and friendly manner. Service employees, who personally stand for their performance or service, always leave a special impression. [6] The employee thus turns his/her back on anonymity and, providing he/she offers good service, stands the chance of experiencing direct, personal appreciation from the client. Furthermore, nowadays, clients expect prompt feedback on the status of the service provision, based on their experiences from other service industries, such as online trade. This is of particular importance when it comes to delays. In the event of any inconveniences, small gifts can be distributed for self-marketing purposes. Additional services, such as free umbrellas and coffee for the customer's guests or a paid laundry service for the client's employees represent simple, low-cost but effective measures. Internet-based platforms and digital services improve the interaction with the client but could in turn entail high investment costs. When it comes to facility management processes, clients demand transparency and traceability of the processing of communicated needs, events and complaints via an internet-based platform and expect that they or their staff will be able to process these at any time. In addition, service quality is increasingly assessed via IT tools in the form of smartphone applications. In the future, clients are going to expect services (features, scope, price) to be transparent and bookable via online solutions. Software solutions enabling room, catering and rental car bookings have succeeded in establishing themselves among some companies. In order to offer a special service experience, additional analogue and digital service offers need to be provided, such as travel or repair services, which can be used by the employees. The challenge lies in the flexibility of the service provision. It is therefore of importance to identify and prioritise the basic customer needs from their point of view. Service providers are then able to create tailor-made services that are offering a clearly perceivable added value.

The key to success – the employees

German hospitality describes the success-factor service employee as follows: "It is the employee's commitment and dedication that allow for the desired 'wow effect' to be created among our guests" [1] This also applies to Facility Management, only there are no 'guests' here. After all, it is essentially the "mindset, the inner attitude of a service company and its employees", that makes the difference in terms of good service levels and quality in the spirit of service excellence. [7] However, the implementation of the hospitality concept constitutes a change process entailing a transformation of the overall company culture. This outlined focus on service needs to be put into practice while being introduced and, at the same time, exemplified by the management. Furthermore, business departments are to be supported along the implementation process. Only if a strong focus on service is clearly valued by the company leaders will service employees be more likely to act towards enhanced customer interest. This requires a constant promotion of awareness amongst the staff, aided by seminars and instructions, which are ideally followed by re-adjustments of staff behaviour. Training needs are particularly high for management personnel.



The elements of employee selection, retention and satisfaction become key to implementing the concept of hospitality in companies and customer service. At the same time, employee needs and expectations differ and always depend on the individual situation in the company or in life in general. Against the backdrop of an increasingly globalised world, people place more importance on flexible working hours or locations, for example. Often, it does not necessarily suffice to offer a job with a good salary to generate enthusiasm among skilled workers. Companies need to do more to retain employees and to achieve long-lasting identification with the employer.

What potential does hospitality have for facility service providers?

Customer satisfaction costs money, customer interest even more. However, investments are justified by the added value generated, such as:

- enhanced customer retention
- lower costs in customer acquisition
- better quality/price ratio in terms of focussing on clients' needs, and thus:
- improved success on the market and
- increased value of the company [7]

Moreover, enhanced user satisfaction combined with a lower complaint rate is likely to occur thanks to customer-oriented communication. It therefore follows, that customer retention will rise, leading to higher revenues through additional services. Personal presence, a high degree of availability and service-oriented employees lead to extra costs. Even though the provider has to bear costs upfront when implementing 'hospitality', the added value that this generates needs to be rewarded by the customers in the medium term.

Conclusions for Facility Management

Many customers will most likely agree that the so-called 'service desert' that is Germany is reflected in Facility Management. Despite initial efforts, it is vital to rethink and start acting in line with the hospitality concept. Even small measures can have a big impact, in particular because hospitality mainly characterises an attitude on the facility service side. Service providers should see this as added value for their services and, accordingly, adjust their company culture

In order to avoid hospitality from remaining a mere lip service, management needs to live and convey this philosophy as well as include it in regular employee assessment. In addition, what is required are employees with a strong focus on service, combined with regular training. However, for the individual motivation of service personnel, it is key that their performance is recognised.

And lastly, it is digitalisation, that is able to support a transparent and constructive feedback culture with the clients. Service offers can be more easily accessed or extended with digital elements. In the end, the customer benefits from an increased service availability, flexibility and accessibility – in the best case, provided by enthusiastic employees. However, it is the customers who need to be ready to bear the extra costs for additional services and IT solutions, as well as for increased availability. From the facility service provider's point of view, the implementation of the hospitality concept is worthwhile, due to positive effects on customer retention, a reduction of customer acquisition costs and an improved value-for-money ratio when the focus is placed on customers' needs.





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Hospitality in facility management at a glance:

Service- mentality

- service orientation as selection criterion and standard for employees
 - cooperativeness and support (ranging from property management to service staff)
- identification and motivation of service staff
- reliability and expertise
- customer focus and flexibility

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- **Service oriented management**
 - hospitality as integral part of company culture
 - understanding of added value for clients and service providers
 - exemplify plus active challenging and promotion via trainings,
 - building of awareness and appreciation
- standard practice on all management levels
- part in target agreements



- **Complaint management**
 - clearly defined and coordinated escalation process
 - active management of complaints and avoidance of escalation
 - active complaint documentation and claims with reference to persons and concrete services
 - avoidance of complaints and recognition of high level of customer satisfaction
 - trainings in communication and complaint management for employees
 - **Information**
 - user receive relevant information and recommendation for action as basis for decision in a timely and proactive manner
 - complete and timely reports and analyses are compiled for performance record reasons
 - active and prompt feedback
 - tracking status and 'ticket'- information
 - support of employees in prioritisation
 - development and coordination of check lists and templates to share information and documentation
 - **Innovation and additional services**
 - innovation and strive for improvement are company objectives
 - regular exchange with customer on expectations and targets + needs
 - identify customers' needs and offer tailor-made services
 - trigger interest and demand via increase of service range
 - additional services are provided according to customers' needs (price, service, time of delivery)
 - customer-friendly IT tools providing services and information
 - raising of awareness for improvements among employees

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good coffee also adds to user satisfaction, for example in the cafeteria; which is not just a place to eat, but also a platform for communication between employees]