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# THE KEYS TO “QUALITY ASSURANCE”

Resolving the self-performing vs. subcontracting debate. | **Martin Benom**



Martin Benom,  
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**F**or many purchasers of multiple site and retail facility service, the issue of hiring only self-performing vendors as opposed to those who subcontract (or partially subcontract) appears to be a simple, clear-cut decision — either it “mat-

ters very much” or it “does not matter at all.” One facility service provider claims, “We self-perform all of our work!” Others boast that they subcontract all phases of their field operations. Yet another hints at self-performance citing its nationwide staff of nearly 20,000 employees. Wow! Other facility service providers work hard to avoid the question altogether. Is one choice really better than the other? Must you settle for one extreme or the other? Can you be confident you have selected the best solution for your company? Is there a measure or rule for determining the “right mix” of facility service vendors who self-perform and/or those who self-perform and subcontract when necessary and/or those who only subcontract?

In order to adequately address these questions, each facility manager needs to step back and view them through a filter that addresses his or her company’s overall mission. The reality is that neither exclusive use of self-performance nor of subcontracting can be the complete answer. No company has self-performing capabilities in every discipline or facilities



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in every city in America and Canada. Try as they may, facility service vendors who expect to meet the requirements and geographic reach of multiple-site facilities and retailers must include subcontracting local partners. If our plumber is busy on an assignment and you have a broken water line at a different facility, can you really afford to wait until he finishes his current task or would you prefer your water to be shut off instantly by a local subcontractor before it can do even more damage?

A professional facility service vendor will determine your desired national standard and will require its service partner’s management to understand your needs and expectations and ensure that all personnel are properly informed prior to beginning a service call. It is partially for these reasons that a hybrid model or

composite approach utilizing the best of both options is nearly always the best solution for multiple site facility managers and their maintenance providers. One caveat, however: the successful delivery of this hybrid model hinges on the service provider having a strong management framework supported by a comprehensive quality assurance (QA) program.

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As the backbone of this and future discussions, quality assurance is understood to be the combination of overriding objectives pervading a company, which results in predictable and repeatable delivery of the highest quality products and

services, including customer and employee experiences — at the lowest possible cost to the company and to the customer. Linking issues of quality assurance to the question of self-performing vs. subcontracting compels a facility service vendor to seriously evaluate its resources (including management and site technicians), its client's planning (strategy), and its client's processes (operations). When asked her opinion on maintenance requirements being fulfilled via self-performing or subcontracting, Carol McGranahan of Wells Fargo Bank said, "Quality and cost are always important in our partnering decisions, and with the right maintenance partner who understands lean enterprise and maximizing customer satisfaction through ongoing improvements, we avoid micro-managing those decisions and processes. This frees us to focus on our own core competencies."

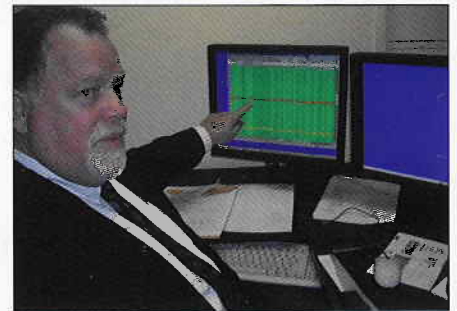
In a recent nationwide survey of over 9,000 employees, quoted by management author Gary Dessler, 87% of those surveyed claimed to understand their own job responsibilities as well as the company's goals. However, a staggering 57% of respondents felt they were not given the skills, training or information necessary to assist them in achieving their goals. In light of this and other similar data, it is imperative to position facility services (whether self-performance or subcontracting) within the broader context of quality assurance, particularly among the people implementing the site solutions!

In order to consistently achieve successful results with facility maintenance assignments (cleaning, repairing, replacing), the solutions provider must understand the systems and tools required to ensure the goals of the client's organization are met. The process of understanding and implementing systems begins with an in-depth awareness of the client's expectations for its facilities. Once specified, the objective for the facility service vendor is to implement a seamless integration of people and technology, each especially fitted and/or trained for the job to which they are assigned. A facility service vendor may determine in-house employees are the right ones for a specific job. There are some situations, however, where facility service vendor's partnerships with local or specialty subcontract providers will supply the best solutions for specific customers' needs. Proactively planning for these

situations enables facility service vendor's managers to make effective and timely decisions as well as anticipate the varying local and national needs. In recognition of planning for local environmental demands (snow, heavy rain, earthquakes, fires, hurricanes, riots, etc.), it is important to note, for example, that some West Coast service providers have never even seen snow, yet some facilities require plowing and salting when the depth of snow exceeds 2 inches.

Significant cost considerations are associated with the deployment of any worker to a customer's workplace. However, a decision matrix identifying cost comparisons of in-house vs. subcontract employees is but a single factor in the process. What must also be considered is the impact on quality assurance this component carries in delivering service to the customer. "Quality Assurance" focuses on end results, measuring the quality of work performed against budgetary expenditures. Some situations dictate to the service provider that it is both qualitatively and quantitatively beneficial to employ "local" partner technicians rather than to route employees outside their normal geography or service disciplines. Some outlying areas of certain states may be attractive to the retailer, but not accessible to many of the national service provider's direct employees. When employing a local service partner, national providers must require the local partner to document adherence to the rigorous hiring standards inherently part of an enterprise-wide, Total Quality Assurance commitment (e.g. employing only legal employees). With each decision, a strategy must be in place to communicate why the decision was made (response time to a request, the specific nature or service technician required to solve the problem at hand, etc.). Savvy customers know that strategic decisions like this benefit both parties in the transaction.

Some service purchasers have concerns of incurring additional layers of overhead and profit costs for both the facility service vendor and its subcontractor partner. In reality, any vendor can overcharge for any task. The dedicated hybrid service provider endeavors to offer balanced, competitive pricing that eliminates overcharging at one site to offset a higher priced local vendor. Even self-performing operators can overcharge for their services. In some situations, your local vendor may view a request as an opportunity to make a



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hit (overcharge) while the national facility service vendor may view the request as another opportunity to "prove its value" and provide competitively priced services for your site. Quality Assurance focuses on the end results, the quality of work performed that is the result of budgetary expenditures.

Successful facility service operations that apply the hybrid model or composite solution depend upon having an experienced, unified management team that brings a consistency of standards focused on relentlessly improving service systems. These regular "system upgrades" establish, maintain and continually strive to improve quality and productivity, and, as a consequence, consistently decrease costs. Both self-performing and subcontracting are integral to the professional facility service vendor's effort to achieve these improvements. Deploying the right people to the job site sounds easy, but is it really? The customer's experience with a service provider should be top priority. To that end, the company must be particularly careful about the selection, demeanor and conduct of both its own and its associated partner's employees when they are dispatched to a service call. Successful service providers will internally verify the background, citizenship and legal status of each employee and each subcontract partner's employees. Ethical service providers, using appropriate vendor service contracts, hold clients harmless and defend them from any legal exposure for any aspect of their employee's or sub-contractor's efforts.

Professional facility service vendors offer in-house and subcontract employees immediate access to a 24/7/365 "live operator" call center support. The professional facility service vendor's self-



performing and subcontract employees have immediate access to supervisors with authority to make decisions enabling instant and informed resolution of issues at sites before they become problems. Customers have a single point of contact for field supervision and that field supervisor has instant and immediate access to field personnel. Whether employees or subcontractors, all have adequate and relevant training in every aspect of technology they are required to utilize. Sales people have complete confidence that operational systems are in place to determine the absolute best solution for their prospective customers — whether the solution involves a direct employee or subcontractor partner.

So what is the bottom line? First of all, both self-performance and subcontracting are necessary, viable and valuable components in the facilities and maintenance solutions matrix. There is no simple formula to determine what the

ratio should be when evaluating whether work should be self-performed or subcontracted. Secondly, every situation is unique and demands a fresh look at the quality assurance factors affecting the decision. Self-performing is not always exclusively the best choice; in fact, subcontracting may be the better alternative when part of a broader quality assurance framework. Lastly, quality-minded, facility service purchasing staff who are well informed should not struggle with the perception that a self-performing vendor may be better (achieve better results) than employing a facility service provider who utilizes subcontractor partners. The hybrid model or composite approach is indeed the preferred solution. Facilities and maintenance services companies whose culture and goals are built around quality assurance do undoubtedly utilize the appropriate mix of both self-performance and subcontract professionals.

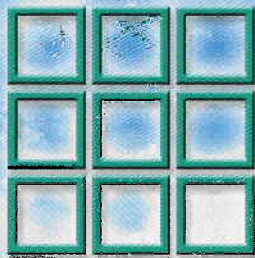
Working with a professional facility ser-

vice vendor who is able to continually meet its client's needs and requirements, who provides a comprehensive offering of services, who can service the broadest geographic reach, and who works within a culture built on a foundation of respect, integrity, service and excellence leads to a relationship with a vendor who prices work at "market price" and allows you to achieve peace of mind, corporate goals and a professional resolution to concerns before they become problems. **PRSM**

MARTIN BENOM IS CEO OF THE RESOURCE COLLECTION, A WOMEN-OWNED COMPANY THAT PROVIDES SUPERIOR FACILITY SERVICES TO MULTIPLE FACILITY CLIENTS THROUGHOUT THE NORTHERN HEMISPHERE. THE RESOURCE COLLECTION HAS PROVIDED ENTERPRISE-CLASS, SCALABLE, FULL FACILITY SERVICES SINCE 1962.

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