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The benefits of outsourcing facility services when selecting right service provider for a hotel: Case Kämp Group Oy

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The benefits of outsourcing facility services when
selecting right service provider for a hotel
Case Company: Kämp Group Oy

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The benefits of outsourcing facility services when selecting the right service provider for a hotel

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This research paper examines about the outsourcing of facility services in the Kämp group of hotels. The scope of the study includes Facility Management, outsourcing facilities services, and the selection process of the service providers for a hotel. The research was carried at the hotels of Kämp group Oy in the Metropolitan Area of Helsinki. Facility management includes wide ranges of non-core functions such as Property management, real estates, design and technology. Activities such as security, safety, cleaning, maintenance, space management and all other activities such as quality, operations are included in the business of facility management. Hotels outsource non-core functions in order to be cost effective, task effective and profitable. Outsourcing services works as a tools for innovation and changes from skilled manpower. It helps in gaining a competitive advantage. Based upon the above areas the research is carried out. The researchers used both theoretical as well as practical sources in order to find the solution for the research problems.

The objective of the research was to investigate the benefits of outsourcing facility services in a hotel in terms of the 3C factors namely “Core business, Competitive advantages and Cost effectiveness, which were examined in addition to quality and security. While being critical about the disadvantages of outsourcing facility services in hotel to some extent. In this paper, the researcher review the procurement process, selection criteria’s and features offered by service provider in order to clarify the research problem.

The study uses qualitative and quantitative research methods. As a qualitative research an interview was conducted with the selected manager if the client hotel. As a quantitative research method an online survey was conducted through the platform E-lomake(electronic questionnaire platform from the (Laurea website).The focus group for the survey consist of staffs and supervisors who have professional expertise ,knowledge’s, skills about the outsourced services I client hotels. Electronic questionnaires were sent with help of the Facility manager to all employees working in the client hotels in different departments.

The findings of the research shows that outsourcing facility services brings positive impacts and adds values to the core business of the hotel. Cost saving is the primary reason to outsource. Other factors such as core business, gaining competitive advantages comes as a secondary reason to outsource facility services in a hotel. There are more positive impacts from Outsourcings facility services in a hotel, if the right service-providers are chosen. The service-provider should have enough resources to conduct daily operation, goodwill in the market, and be able to deliver a quality service at an affordable price.

Keywords, Outsourcing, Facility services, Competitive advantages, Core business, Noncore functions.

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1 Introduction

Hospitality industry has been growing day by day because of competition, demand and scope of the industry. With the competition in the hospitality business sector, there is a big platform open for facility service provider companies for running the business. Major facility services are outsourced in order to be cost-effective, gaining competitive advantages and profitability. Additional facility services such as cleaning, housekeeping, security and major facility service are outsourced. Facility services are essential in the service oriented business in order to plan and operate the function properly.

The primary purpose of this thesis is to investigate the benefits of outsourcing facility services based on 3C factors namely “core-business, competitive advantages, cost effectiveness” which were examined in addition to quality and security. Selecting the best business outsourcing partner is a tough decision for large scale hotels while considering the cost reduction, quality and security. Researcher tried to find out the key issues and aspects that are to be considered while choosing right service provider for five stars hotels.

The study is the focus on the Outsourcing process, procedures, selection process along with advantages and disadvantages of outsourcing facility services in a hotel. Outsourcing helps the hotels to concentrate on the core-business. All the resources can focus on business critical functions which are really good to be focus upon the core business that helps to achieve a better performance and profitability. To gaining the competitive advantage and profitability, companies are following the trend of outsourcing. We are finding how beneficial it is to maintain competitive advantage when competing with large competitors who have budgets, in-house skills and technology to go along. Competitive advantages are essential for the hospitality industry in the current market of competition.

The thesis comprises of six sections altogether. ie Introduction, Theoretical Background, Research Approach, Interview Analysis, Survey Analysis, and Conclusion with Recommendations. The first section (Introduction) part deals with short background theory about the research along with the purpose of research study. Likewise section two (theoretical part) deals with the theory that support for the research based on facility management, outsourcing, selection process and benefits from outsourcing. Section 3 (Research approach) illustrates the research methodology and brief description of the case company. In section 4 (Interview Analysis) interview data are analyzed and described in brief. In section 5 (survey Analysis) all the collected data are illustrated into figure and pie charts. Finally, in the section 6 (conclusion and recommendation) conclusions and outcome are drawn based upon the research results and theoretical parts.

2 Theoretical background

In this section Facility management along with the outsourcing services are well defined. Initially, the theory begins with defining Facility management and services, benefits from outsourcing, Advantages and disadvantages of Outsourcing, benefits analysis from Outsourcing FM model, Various stages in outsourcing and the selection process of service provider based on FM model. This section deals with theoretical part that will support for the research. All the sources are taken from related Books and electronic sources. The theory below relates with data analysis part in section 3, 4 and 5.

2.1 Facility Management and Services.

Facility management abbreviated as FM is new business in the management disciplines from private to the public sectors. According to international facility management Association (IFMA) "Facility management is a profession that encompasses multiple disciplines to ensure the functionality of the build environment by integrating people, place, process and technology". This definition highlights the trend of use of technology and tools in the sector of FM business. FM includes the various concepts of cost effectiveness changes and improvements, employee benefits. Facility manager is responsible for the management of the task, decision making, changes and improvement. (Cotts.G.Rope.O.Payant,P2010,4).

According to Barrett and Baldry (2003) Facility management is "an integrated approach to operating, maintain, improving and adapting the building infrastructures of the organization in order to create an environment that strongly supports the primary objectives of the organization". The development of FM has been since the early of 1970s when the two important events that had helped to evolve the topic of FM. The first one was cubicles (use of free screen division in the office places) likewise the next one was the introduction of the computer stations into the work space. During the time facility manager were the one who were working as active members of the organization. Later in Dec 1978 a conference named "Facility influences on productivity" was hosted by Herman Miller Research Corporation in Ann Arbor, Michigan. During the conference group of three members form an organization called National FM association (NFMA), the founder members were George Graves, Charles Hitch and David Armstrong. Later in May 1980 a meeting was hosted by George Graves and a new organization naming NFMA was established. After a year in 1981 it has been more effective after the National facility management association (NFMA) has been merged and given a new name of International facility management organization. (IFMA).After a year the article was published by FM institute describing about the core aspects of Facility Management. The three cores were uniting people, process and places. The model of FM become more popular after the IFMA report was published for the first time.

The chart below on (fig 1) describes about the facility management model which included people, process, and place. Later in 1984 FM was introduced by British architect sir frank Duty in Europe for designing the office spaces. In 1985 the sister organization of IFMA, AFM was founded. After the introduction of AFM Facility management has been diverse and popular. In 1987, a meeting was held in order to create the Europe FM Network which was hosted by Mr. Bart Bleker in Netherland. In 1993, The European facility management network (Euro FM) was born and officially registered as NEFMA, the Dutch FM association called FMN, along with Danish FM Association and center of Facilities management in UK. Euro FM has been working in close co- ordination with member organizations and partner who shares the same goals and objectives. In USA it was established in 1980 which was later changed to International facility management association (IFMA) after Canada joined FM membership. Currently, IFMA has been working in close relation with Euro FM across Europe. (Premises and facility management online 2011).

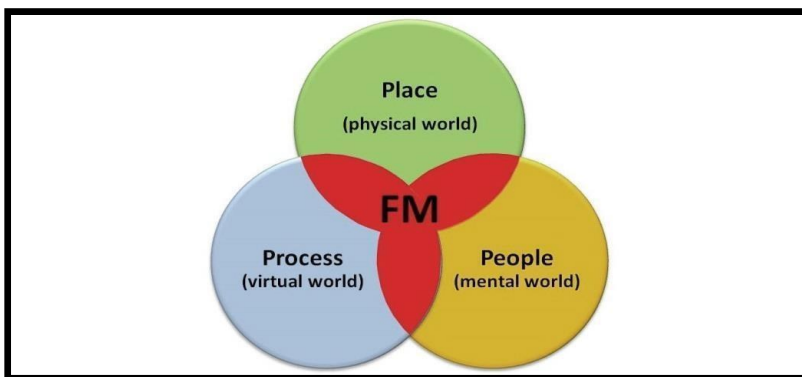


Figure 1: Facility Management components (Teicholz 2001, 1.4)

Facility management consists of three core elements which are people, process and Place. While the technology has also been included in the recent trend which is shown in the Figure People have an important role in the interactions, relation, and coordination. Places meaning a space, property, workspace, building. The process reflects all the activities that include technical, computerized or virtual way of working which are applied in the operation of activities. Teichollz (2001, 1, 3)

Facility services include the various services and areas that are related to the facility management field. All major facility functions are really important in building for smooth functioning. Facility services cover various areas and field which such as food service, health and fitness facilities, emergency services, communications, records managements. Likewise services such as transportation and fleet management, electronic and information security, childcare, share service, concierge services are included into the areas of facility services. Food service and facility management are interrelated to each other. Since, the food preparation areas sensitive and costly for maintenance. There are various services includes into the food services such as Coffee service, Fast-food, Private dining room with table service, banquet services, Full service cafeteria. (Cotts et al. (2010.412-430).

2.2 Benefits of Outsourcing Facility Operations in a hotel

The organizational structure of the hotel depends upon the size, number of room and the outlets it is working with. Basically the star hotel had the following organizational structure. The organizational structure of the hotel can be very along with the size of operation, facilities available and size of hotel and hotel rooms available. In case of star hotels Facilities managers are responsible for all the function that is related with physical structure of the property. Especially Facility manager have direct connection with the general manager for every sorts of decision making and actions. Likewise it is as essential to co-ordinate with other department while launching certain functions or decision process. (Edwards 2012, 12)

The organization structure of the hotel is shown below in the chart below on fig.2.

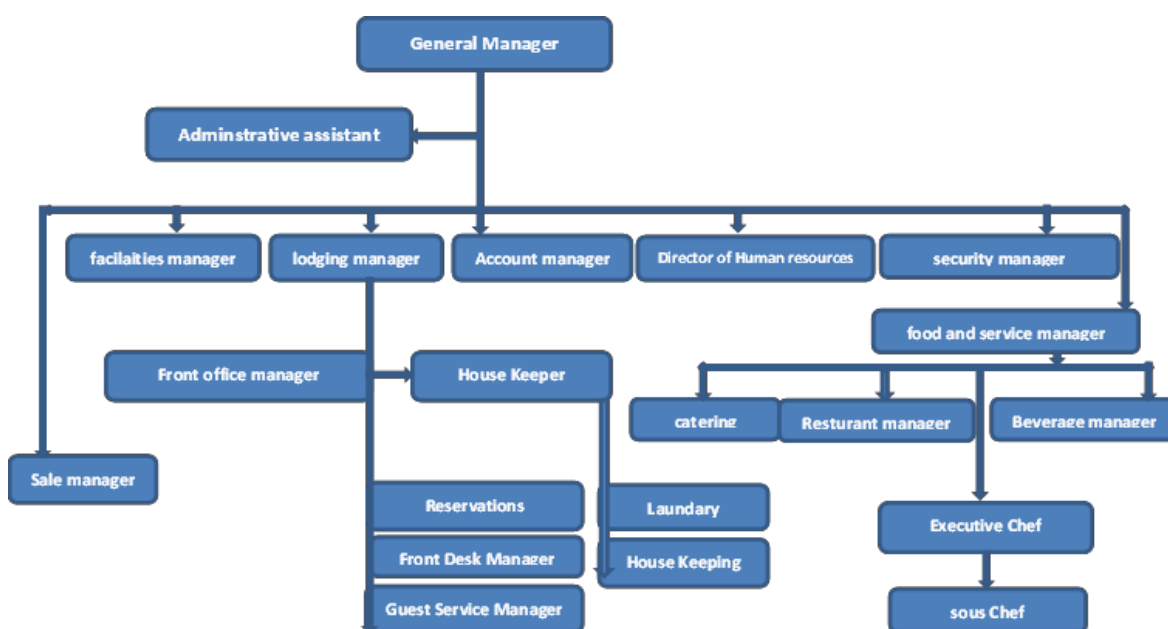


Figure 2: Hotel organization (Edwards 2012, 12)

The above chart on fig.2 clearly illustrated the link between the various organization managers in a hotel. General Manager is the one who is responsible for the whole operation of the organization with several departmental managers. Facility manager is the member of the executive staff along with the general manager. Facility manager is responsible for coordinating with all other departmental of the organizations. Facility manager have to be aware of the requirements, needs and expectations of the departments and also for the whole establishment. It is essential to coordinate with other departments about the physical information related with operational systems, utensils and items requirements, upcoming events, problems and most important and sensitive areas. (Edwards 2012, 12)

The facility manager is responsible for the training customers about the daily reports, production activities, and problems regarding the distribution that is to be informed to the executive staff. The customers and the service provider need to work in collaboration in order to provide the best service to customer and guest within the establishment. (Edwards, 2012.12-14).

The manager is the responsible person for using the efforts to complete the required task to complete the task in an easy way. There are certain circumstances when company need to outsource in order to perform the task in a convenient and easy way. Here is someone of the reason when the internal staffs do not have enough time to perform the task. If the task is too small to be done by internal staff then outsourcing is necessary. Likewise when the internal staff working does not have the experiences, license or skills to perform that task then outsourcing is done. If the task is too huge that cannot be performed easily by the internal staff then out- sourcing would be recommended. In situation such as when there is not time avail- able for internal staff to complete the task and there are no proper tools and equipment's to complete the required task. Similarly, if there is a shortage of staff for short period of time then outsourcing is done .The task brings up a high risks when it's performed by internal staff and if the task brings an emergency that cannot be solved by internal staff. In many condition the principle does not tally with the theory written. As for instance: small restaurant cannot privately hire maintenance worker to solve the maintenance problem sometimes. But for the large scale hotel that they can hire of its own maintenance worker. (Edwards 2012, 139).

There are plenty of task in a hospitality facility to be performed. Managers are responsible for effective management of that service either by insourcing or outsourcing those services. All the services needed and equipment's are really expensive .In this case, it is beneficial to outsource the service provider company who has been providing the specialized services and task. Worker with higher expertise and skills are quiet high to be compensated. In order to reduce the labor cost and complete the assigned task, outsourcing is the only solution.

Reducing the internal staffs by outsourcing the services from outsider would help to retain the cost of the business. The time requirement, taxation management, insurance management cost would be transferred to the contractor. There are many seasonal requirements of services or long term services such as seasonal maintenances, inspections, repairs and cleaning task. (Edwards 2012, 141).

These kind of activities are requires specialized kind of equipment's and big capital investments. These sorts of cost would be transferred to the service provider when they are outsourced. Activities such as repairing the elevator, security equipment's, maintenance and installation of the equipment's to be done by the expertise would help to reduce the financial risk to the property owner. A contractor who has many years of experiences in the related field can understand the volume of the work. A contracts who has been specialized in the one specific areas can perform the task at the low cost which is a lot more than the doing it by internal staffs (Edwards 2012,141).

2.3 Outsourcing: Advantage and Disadvantages

The transferring of an internal business functions or functions, plus any associated assets, to an external supplier or service who offers a defined service for a specified period of time, at an agreed but probably qualified price". (Heywood 2001, 27).

Lankford and Parsa (1999) similarly state "outsourcing is defined as the procurement of products or services from sources that are external to the organization" The above two definitions of outsourcing describes about the reallocating both product and service to the outside providers. These definitions can also be differentiated for the domestic outsourcing (i.e. from a company within the country of the outsourcing company) and international outsourcing (i.e. to a company outside the country of the outsourcing company). For the broad view and ideas on the basic procedure of outsourcing we refer to (Heywood 2001) the practice make by companies to reduce the cost by transferring the portion of works to the outsider supplier rather than completing it internally is outsourcing. It is an act of allocating the specific business process to an external service provider. Most of the time company cannot handle all the aspect of business process internally so there is a need of external service provider in order to run the business. Additionally some of the process are temporary, company can have it the time of need. Once the company hires the services from provider, he will take all the responsibilities of carrying out the task and maintaining the organization's assets. Outsourcing can be the cost efficiency for the company if it is used properly and the company can focus on the core business to achieve the goal. It can be sometime smart decisions to outsource the service or product rather than do internally. (Heywood 2001, 27).

Mainly, company focuses on the core activities but still it need to deal with the non-core functional units. Outsourcing of services can be the best option for the company to remain in the core business and complete the non-core functions efficiently. It helps to get back on the company goals and helps to control the cost and time of the company. It controls the operational cost of company by diverting the lower level cost in the countries like china and India. Service outsourced in these locations is at much lower rates and at the same quality level as in the host countries. Company can saves major operational cost as administrative costs, HR, power, rental and utilities. Similarly, it can drastically cut back the expensive infrastructure requirements and the company can conserve capital to invest in core competencies. (Advantages and Disadvantages of Outsourcing 2015)

Outsourcing services helps to focus in the main competences. It helps to redirect your organizational internal resources to the aim of company. By practicing outsourcing Functions Company can focus in their primary concern. Outsourcing functions enhance the productivity and quality of service within the minimum down time, if it is done with done with qualified providers. (Advantages and Disadvantages of Outsourcing 2015)

It can be the good option for the company to enhance the risk management. There can be any time market fluctuations, off seasons, economic crisis or natural calamities, accidents. In these hard times company can handle the situation either by hiring or firing the out sourced services or work with correlation to come back on the track quickly. Company can outsource the short term outsource services for certain time in order to avoid the lengthy way to procure the services. Outsourced company can offer alternate path for the employee because it can offer better opportunities for advancement to the company. (Advantages and Disadvantages of Outsourcing 2015)

In one hand, there are lots of advantages of outsourcing which can be fruitful for the company to achieve its core competence. In the other hand there are potential disadvantages too.

Outsourcing risk can lead to the business failure. It can increase the cost of the company. There can be time lag in service from outsource provider due to distances and can add higher delivery cost (air freight, airmail etc.) to client's customers. Outsource provider may sometime fails to give the client objectives. The expenses on negotiations, maintaining and enforcing outsourcing agreements may reduce the time and capital. Company can face the lack of management, loss the control and loss of flexibility in controlling business.

Dependency by the client on the out source provider can lead the company in various types of problems. It can lead loss of market and higher costs etc. it can be difficult to manage the relationship with the out sourced provider. Delaying in service and increased cost in service can give negative impact to the employee and the customers. Sharing the knowledge with an out source provider can lick the business policy with the competitor and can lead to business loss, can enhance result in poor security or confidentiality breaches. It can weaken the innovative capacity the company in the longer term because company entirely can depend in some aspects of service which are more important for core competence. Failure in having outsourcings can gradually lead to failure of the business. (schniederjans et al. 2005,29)

2.4 Benefits analysis from outsourcing Right Service provider

It is essential for the client companies to set a profile (mind set) before signing agreements. All types of requirements, skills, knowledge's are important while considering the quantity of the work. It is important that the service provider should have enough information about the business types and working area. The parameter has to be set about the volume of the work and needed staffs. A clear mind set has to be made before releasing the tender. Before contacting the service provider it is important to know as many information about the company and the competitors. During the process many service providers appears to be matched for the profile that company has set. Heywood (2001, 81, 84).

There are certain advantages and disadvantages of dealing with one or multiples service providers. Contacting with existing client of service provider can be the effective way to get to know about the service either in short or long run for the one or multiples service providers.

It can be possible to ask one or two clients to ask about the service they are receiving. It is important to ask the provider about the current work load that they are having. Since, service provider might not tell the client about the new contracts they are having and which are starting soon. So, contact existing client of service provider can be the best option to get to know their profile and services. Heywood (2001, 81, 84)

Likewise, it is essential to choose the competitive service provider lists. A clear mind map has to be set for choosing the best option out from the rest. It is essential to help from consultants in case on uneducated information about the contract. In many case two or three service provider would be enough in the refining and selection process. After choosing the best service provider both parties would work in close collaboration for the profitability of the firm. All the work performed by service provider will be according to the service level agreement. Service provider should meet the company desired goals and aim. It is essential for in house employees to inform about the outsourcing that would help to motivate and concentrate on their own assigned task .Heywood (2001, 81, 84)

There are several advantages and disadvantages of outsourcing services. It is on the company's own strategies weather to use the in-house employees or either to outsource from somewhere outside. The choice would depend upon the several aspects such as location, types of property, work load, current employees. Various contracts model are used according to the business line but in facility management business Outsourcing FM model is the most common. The below figure 3 shows the relationship between in-house and outsourced operation.

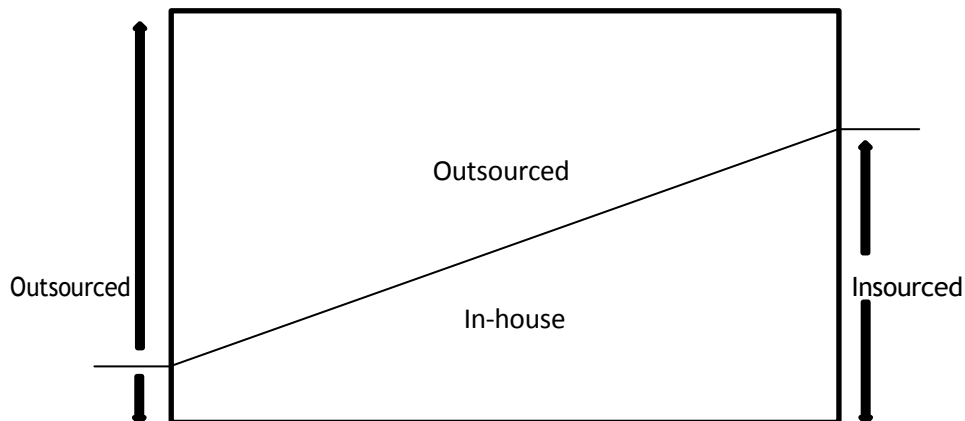


Figure 3: Relationship between in house and outsourced operation (Wiggins 2011.39)

The above figure shows that there is an intense relationship between services insourced and outsourced. Fig.3 above illustrates the fact that when the services are outsourced then work load of in-house employees would be low. Whereas, when services are in sourced then the workload would be high. (Wiggins 2011, 39).

2.5 Stages in procurement and the cost

The detailed control of the worker performance would be loosed when the task is outsourced. To maintain the quality of work quality frequent quality check control rules can be formulated in order to examine the contractor performance. The outsourced workers might not have the same kind of ethics, loyalty and creativity towards the work compared to internal staffs. In the initial phase it is necessary to maintain the frequent inspection and examination in order to maintain the quality of the service and property. For the guarantee of quality of the work it is essential to have constructed legal agreement between the both parties .While entering the outside firm into the business there is a security risk for the property and the guests. In case of high security steps can be taken to make limited access to certain areas and property. On the large property it is essential to consider the future risks and possible emergencies situations. Internal staffs needs to retain the emergencies capabilities to minimize the time for the leakages electric shocks, power outages and so on, even the major parts of works are being outsourced. While making the agreement reaction time has to be agreed between both parties, which contactor needs to meet during the emergency situation. (Edwards 2012, 142).

There are several stages in the procurement process and each stage are important for gathering information and testing in which the contractor tries to make a good offer for the best service in order to meet the specifications.

Table 1 below shows that various stages that lies in the procurement process.

1	Specification of services
2	Prepare tender documents
3	Pre-qualification process
4	Visit by contractors
5	Visit by clients to contract/supply premises or sites
6	Evaluation of written documents
7	Presentations
8	Negotiations
9	Award
10	Mobilization

Table 1: stages in procurement (Wiggins (2011, 175,176)

The above table shows the several stages that lies in the procurement process as it starts with specification of services and end up with mobilization.

It is important to estimate the time it takes to reply to queries and meeting with the stakeholder. At least 3 months of time is required but usually 6 months of time is realistic because it is essential to exchange and communicate the information between both parties in the process. Wiggins (2011, 175,176)

Table 2 below shows the time schedule for the tender.

	Activity	Time required
1	Gather information and compile tender documents	Week 1 and 2
2	Send tender document to contractors	Week 3
3	Contractors survey site	Week 4
4	Site visits	Week 5 and 6
5	Tender documents returned	Week 8
6	Presentation	Week 9
7	Tender evaluation	Week 10 and 11
8	Meetings to discuss evaluation	Week 12
9	Appoint successful contractor	Week 13
10	New contract commences	Week 17

Table 2: Tender schedules (Wiggins 2011.17)

Furthermore, it is recommended to have more than one person into the exercise .Few number of company representatives who have different knowledge's and skills from different department and section ie. Facility Management, clients, finance can give some feedback and ideas for the tender process. Wiggins (2011, 176, 177)

2.6 Effective contracts and service level agreements between both parties

Service level agreement (SLA) is an agreement that is agreed between the service provider and the service buyer. The agreement should be formulated in a clear way which should describe the following aspects such as personal details of both parties such as name, addresses, line of business. The duties and responsibilities for each party along with the scope of the provided services. Target has to be set for the scope of the services provided along with the quality measurement. Clear time duration has to be set along with the prices and rates .All the resources and tools required has to be clearly defined. A clear communication method along with close coordination has to be set between both parties.

Procedure of changes has to clearly define in the agreement. SLA can be in a basic format that can be used for the multiple task and facilities like Customers, services. (Atkins and Brooks 2009, 107).

Contracts are the written agreements of outsourcing. While issuing a contract workout is necessary in order to protect the property against any sorts of future obstacles and problems. There are several elements that should be present in the outsourcing contract. Insurances are essential for the contractor to make a sufficient insurance covering all major and minor injuries and accidents. The insurance policy should cover both for the contractor and the property. All the required papers for the insurances are too made in a way that it should cover all damages and losses mentioned in the agreement. A copy of certificate should be provided for both parties. ie (hotel and service provider). Likewise, terms of contract with specific start date and ending date in an effective way has to be mentioned into the paper. (Edwards 2012, 142).

However, there shouldn't be an automatic renewal of the contract because it is necessary to examine the performance of the contract and in order to improve the quality of work and contractor need to rebid the contract in competition with other firms. While it comes to cancellation it is necessary to care for the property and maintain the quality of service.

Therefore, in order to protect the property from abuse and poor performance of the service provider. Both contractor and the property have the right to terminate the contract with 30 days of notice. Likewise in term of no conflict of interest there should be agreement between the contractor and the clients should be clearly defined that the contractor is not an employee for doing all the works. (Edwards 2012, 142).

Furthermore, it should be clearly mentioned about the Non assignable contract in which contractor is not allowed to sign that work to sub-contractor. All the works are to be done by contractors own employee. It is essential to clear specification meaning that every issue should be a clear description and details of the contracted work in the agreement. There should be a special detail for every single task that is to be performed with the frequency. All additional wishes for any kind of specific product or services should be clearly defined.

Similarly, terms of payments and fees has to be written in the agreement special rates are to be mentioned along with hours of work. The price list should be defined in such a way that there is clear fee for every task based hourly rate or task fees. There should be clear list to control and prevent overcharging for services in future. Payment is approved after work is completed. Additionally, reaction requirement: it should clarify all possible obstacles or changes in work routine, emergencies after additional work hours, for supporting non-recurring needs and expectations. All the required contracts are to be inspected by legally before completion. The contract format is designed according to the companies' strategies. Edwards (2012, 142,143).

The agreement and the arrangement have to be set between the both parties making a facility service outsourcing deals between both parties. It is necessary for an organization to recognize its needs and expectations of the services.

A clear understanding and platform has to be set between the client organization (service buyer) and the service provider. The representative for the client organization can be the facilities manager, real estate manager or senior management level person. It is essential for the both parties to work on the same values and principles to achieve the targeted goals and objectives. Both parties need to consider strategies of the client company while considering the facility management strategies (Atkins and Brooks 2009, 20).

2.7 Selection Process based on the FM Outsourcing model

Several numbers of procurement questions are to be answered while considering facility management outsourcing and during the selecting of suitable outsourcing approach and way. Co-operative objectives have to be set in order for cost minimization, improve the quality of service, systematization. It is essential that the outsourcing have brought benefits into the organizations. It is essential to consider the implications meaning that there is a new or different monitoring and control mechanism. The level of service that is required has to be clear and it is essential to consider that the outsourced service possible be somehow different from the service that is currently provided into the facility. It is essential to consider to retain the re employed staffs and training. Assessment has to be done weather that the cost incurred in the tendering has help in gaining improvements in different way than the in house teams. Accounting for Vat has to be made for the good financial records. There are several risks in the selection process of facility services such as security, since all the systems and labor are under the control of service providers, it is also a risk if the service deliver fails to retain the quality and frequency. (Wiggins 2011, 40)

The service specifications should concentrates into the results that are required, but not the method that the contractor is using in order to meet them. The specifications should contain the management structure and chain of command with the service provider. Particular quality and particular performance assessment and inspection procedures should be included.

Payment has to be connected to the performance improvement over time. It is necessary to develop the relationship between both parties with a long term view for benefiting each other. (Wiggins 2011, 41).

Likewise, it is essential to consider the contractual issue meaning that in the outsourcing contract, the terms and condition for the termination has to be set in non-performance situation. The merits and demerits of the long terms contracts have to be keep in mind. While making the long term contract it should generates a better relationship between both parties but the quality and performance are strongly monitored. Flexibility in the contract is essential for the service delivery location and numbers of services that are served. Potential suppliers are to be considered in the part in the pretender process, out of a long list of supplier a short list are invited to the tender.

The potential suppliers are examined and referencing is done from the customers and the suppliers, which would be considered into the selection process based on their performance. Another key issue is the quality assurances that provide the proof that the contractor's quality management system has been well and assured. Though it does not provide enough evidences about the contractor's permanent culture of quality. Likewise, it is also essential to consider to particular consideration in which a simple and easy system that helps to develop the scoring tender and also the cost of contract which can easily be identified. (Wiggins 2011, 41).

3 Research Approach

This section deals with different methods used in gathering data needed for this thesis. Both qualitative and quantitative research approach for data collection were used in the thesis process. In this project, primary source of information are book, research studies and other published articles regarding the topic. Below is the conceptual framework of our research analysis. Reader can observe the research process that researcher had used in the data collection process.

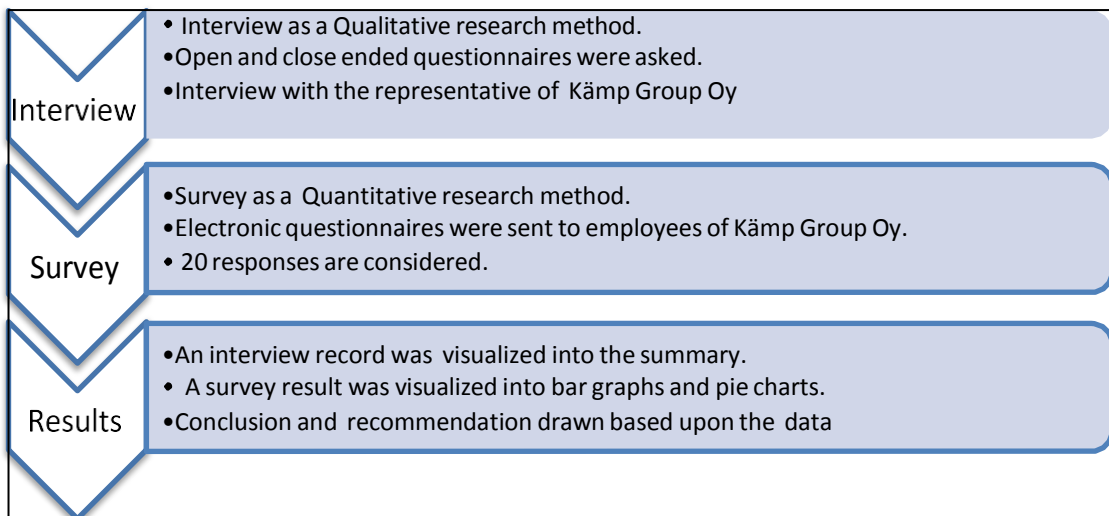


Figure 4: Framework of research process

For the research the writer interviewed with the Facility manager of Kämp Group Oy. Writer had set an appointment with the representative of the case company. Survey Electronic questionnaires were sent to all the employees of Kämp Group Oy working in different departments of hotels. Based on Qualitative and Quantitative research methods the writer investigates into the research questions that he is looking for. References were taken through the books and materials for setting up the questionnaires and go through the process as mentioned above in (fig 4).

Here by Information about the case company along with the result analysis of the data and other information gained from applying the qualitative and the quantitative research approach. The analysis of the model designed for research interview is done based on the response of the interviewee. The result of the survey questionnaire follows some simple econometrics tools like, percentage to display the result in pie and bar charts. In the following paragraph a short description of the case company and its services are described.

Kämp Group Oy is a hotel and restaurant chain which includes six hotels which are Hotel Kämp, Hotel Glo Klubi, Glo Arts, Glo Sello, Glo Airport, and Klaus K. We have interviewed with the facility manager of Kämp Group Oy and get to know more details about the different facilities and services they are operating. Since all the hotel and restaurants building are leased from the owner so that the whole building facilities has to be into update position. In order to make the hotel operation in effective and easy way hotel has been outsourcing different facility services from the service-provider companies. Kämp Group Oy is outsourcing various facility services such as cleaning, house-keeping, maintenance, lease linen and textiles from other companies. Sol Palvelut is providing housekeeping and cleaning facility in the hotel. While ARE working with the maintenance and engineering of the building. All other facility services are in sourced such as security, painter, carpenter and florist. (Interview with Facility Manager of Kämp Oy)

For the data collection both research methods are used, writer tries to define both methods in a brief and link both qualitative as well as quantitative research method in collecting data. Qualitative research is a research method that focuses on understanding and focus. It is a mixture of rational, explorative data analysis where the experiences and skills of researchers are important during the data analysis. Its focuses upon the social process and structures which is constantly focus in quantitative research. This method is process oriented and based upon observation and measurement in natural way. (Ghauri & Gronhang 2010, 104)

However Quantitative research methods emphasize on testing and verification. It focuses on the fact and reason behind them. Likewise it concentrates on the logical and critical approaches based upon the statically measurements or units. The skills that are needed for the Quantitative researcher are thinking abstractly, stepping back and analyzing the situations and obtaining valid and reliable information from theoretical and social sensitivity. As a primary source to collect the data we used the qualitative approach but for our analysis part, we used the same response to analyses it quantitatively using simple econometrics tools. (Ghauri & Gronhang 2010, 104)

It is always a difficult decision to choose a research method to be used. However both research methods has got its own importance based upon the area of research and its necessity to find out the problem of the research. Sometimes it is stated that structured way of research methods (quantitative methods) which are more scientific and works well.

Qualitative research methods used based upon the research process that is chosen. However, a proper methods and techniques don't only help to find out the research problem and purpose. Methods that we used for the research are really important because they help in finding a scientific, focused and effective way for collecting the data. The methods and the techniques used for the data collection are different from each other. Methods means the historical reviews and analysis, various types of surveys, fields works and case studies, meanwhile the techniques are the procedures or steps that we follow the order in gathering the data and analysis to find the answers to the research problems. (Ghauri & Gronhang 2010, 104)

In the business case studies mostly techniques are used such as structured, semis structures or unstructured, surveys, observations and interview that evolve for the research process. The main difference that evolves in between the two research process is that of quality of the procedure. In qualitative research outcome won't come by the statistical methods or process of quantity. Basically the main difference with the research process is that the quantitative researchers used the various measurements tools while qualitative researcher don't use. The differentiation just doesn't lies only with the quantification but also with the prospective upon the research targets and aim. In contrast, in some case both research methods are used first the data's may be quantified and meanwhile analysis itself is qualitative based upon the previous statistics. (Ghauri & Gronhang 2010, 105).

It is common for the researcher to collect the data through observation and interviews which belongs to the qualitative research methods. But the research collected from such way allows statistical analysis. The overall difference lies in the Objective of study ad propose Moreover, sometimes researcher's emphasis on the combination of both methods qualitative and Quantitative methods which can be used for the data analysis for the same study. (Ghauri & Gronhang 2010, 105).

4 Interview Analysis and Results

As a Qualitative research the authors had set a personnel interview with the facility manager of the case company i.e. Kämp Group Oy. Writers had set a fusion of open ended and closed ended questionnaire for the research. Close ended questionnaires meaning that there were Yes/No questionnaires. Open ended Questionnaires meaning that there was thinking, reflections, opinions, feeling and experiences of the Interviewee. Informing to the representatives about our research objective, scope and its effectiveness Likewise, we mentioned why this research would be useful and important for them which had motivate them to be positive with the interview. In the interview focus was given on finding the advantages and disadvantages of outsourcing facilities services in hotel while concentrating on 3Cs factors.i.e. Competitive Advantage, core business, Cost effectiveness while considering security and quality side by side.

Finding out all major and minor challenges and opportunities that come up from outsourcing of services are taken into account by the author. Below one can find the key areas that the interview was focused at.

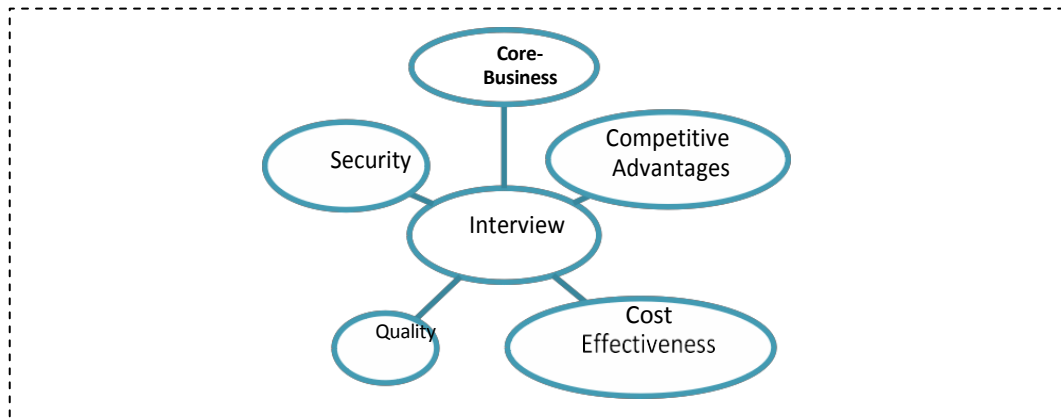


Figure 5: Model designed for research interview (self).

The above Figure 5 illustrates the key elements that the authors had focused into the interview. Finding all 3Cs factors was the main motive of authors to find from the interview. It is shown clear the above chart that there is a close interrelationship between Core-business, competitive advantages, cost effectiveness along with security and Quality. Based on the above figure 5, authors had made the frame work for collected the data. Below one can see the analysis and outcome of interview. The answers that were collected from the interview with the Facility manager of Kämp group Oy are described below in Sub-headings down below. The audio recording from the interview is described and visualized. As the answers from the interview were analyzed based on 3Cs component's namely "Cost effectiveness, Competitive Advantages, Core-business" and in addition to quality and security.

4.1 Cost effectiveness

The primary reason for outsourcing is to reduce the operating cost. However, cost efficiencies are the factors for outsourcing facility management services from the interview we get to know that primary reason behinds outsourcing is saving whereas quality and other issues are secondary reasons. In the procurement paper all the information's about the facility, expected quality, measurements and the price ready to pay for such service are mentioned clearly. As the cost are calculated based upon the measurement of the spaces for e.g. Contractors are initially shown a room and cost is calculated accordingly based upon the workload and area measurement.

Kämp Group Oy has outsourcing facility services from companies like Sol Palvelut Oy, ARE. Since they are specialized in the field of operation. For instance, Sol Palvelut Oy is specialized in cleaning and housekeeping while ARE is specialized in engineering work. It is far easier to outsource the professional into the facility services. Though the professional working with outsourced companies get paid from their own company. Hotel does not have any responsibility to pay outsourced employees for their salary, bonus, and sick leaves so that it is easy for hotel to concentrate into their core business. Meanwhile the customers shouldn't know that other companies are working on the premises. However, hotel and service provider staffs works as a team in order to get good outcome. Likewise all the cleaning, housekeeping and maintenance work are calculated into whole packages so that it is really beneficial to outsource services than using own employees and staffs.

4.2 Core business

Through the outsourcing companies can take off the noncore functions out of their balance sheet and focus into their core-business. The typical Facility management services that are outsourced in a hotel are the catering, cleaning services, securities. (Wiggins 2011,38). As Kämp hotels has been outsourcing facility services into the facility it has helped them to focus into the core business of the hotel. For e.g. outsourcing cleaning and maintenance service into the facility has helped hotel staff to concentrate into the main business such as room sales, marketing, customer services, and food and beverages services. From outsourcing in-house hotel staff does not have to look over the housekeeping, maintenance and cleaning services so that they could focus into their own work that help to gain more outcome and customer satisfaction. The Work load has been decreased to the internal staffs which have help to improve the quality of our services and product. Working together in close collaboration with the facility services companies into the hotel facility has added value into the core business of the hotel. The services that are directly related with customer relationship are insourced such as front office, food and beverage services administrative services which are directly linked with core business.

4.3 Competitive Advantages

Different activities such as marketing, production, finances, control and various organizational activities plays a significant role in the competitive advantages. Competition decides in the success or failure of the company. Competitive advantages have got two vital questions while selecting the competitive strategies. The first one concentrates with the long run profitability and factors that helps to gaining it. While the second one concentrates with the competitive position of the organization. Outsourcing facility services in the large scale hotel means that the service provider need to concentrate upon the quality of work, all strategic issues and tactics that hotel need it.

Our main concentration lies on finding all these issues. Though we will study more from the client perspective (hotel), while becoming critical to the need of hotel customer and quality that service provider had agreed with the clients. (Porter.W.1998 1-23)

While comparing the theory of competitive advantages and the interview results it shows that while selecting the right service provider both the price as well as the quality for the service is considered. Primary the cost would be taken into consideration while consideration the Quality level of the service. If the cost of the service outsourced would be less than it helps in minimizing the operation cost. As for an instance, if the cost for cleaning and housekeeping would be done in less price then it impact upon the price of room sales. It helps hotel to sale more rooms than its competitors in cheap prices. In another way if the quality excellence and level of service would be high then price of room would be high that's helps in gaining more revenue of hotel than its competitors.

Hotel hires facility Management Company, who can operate its service into reasonable price and good quality level so that it is easy in competing with the competitors in the market.

From these consideration and aspects outsourcing has help in gaining competitive advantages to the Kämp Group Oy.

4.4 Quality

Quality plays a vital role while outsourcing the services in Kämp group hotels. Hotels has been outsourcing some specialized company such as Sol Palvelut Oy and ARE for the facility services. It is clearly mentioned in the tender paper about the quality that has to be made so that outsourced companies are responsible for the same quality level all the time. It hasn't been degraded that would affect onto the business of hotel. With the professional and skillful manpower it has been a lot easier in functioning. Since both companies Sol Palvelut Oy and ARE Maintenance company are the big professional in their fields the quality that hotel have expected has meet in an overall. There might be some mistakes and obstacles which would be solved with discussions between both authorities. So, selecting the right facility service companies into the facility had added value and supported the core business of the hotel.

4.5 Security

While choosing the right service partner company with good profile, enough resources and employees to carry the operation is selected into the tender process. A clear requirement and criteria of facility Service Company along with services expected is written on the bidding paper .In the initial selection process right decision will be made in choosing the service provider. During outsourcing process company profitability, service places, specialized area such are taken into consideration. The idea is that service provider company need to have good profile in market, good service level, enough resources and reliability in services.

Referencing and company profile would be studied before hiring for the services because hotel cannot fail into its operation. So the priority would be given to the company whose services are specialized and professional into the facility management business.

In an overall Hotel Kämp Oy is satisfied with the Outsourced facility services i.e. cleaning and housekeeping, maintenance and linen service. Buying the facility services from specialized and professionals into the facility has helped the hotel business to operate a lot more easily. Selecting the right outsourced company into the business will help to decrease the work load of internal staff, decrease the cost of the operation. From the interview we observe more advantages from outsourcing than in sourcing in facility services of Hotel. Buying additional services such as cleaning, housekeeping, linen and maintenance had added value into the business of hotel from the specialized manpower, adequate resources (service provider companies). We observe there were more advantages than disadvantages from outsourcing of facilities services. But there might be some risk if the wrong decision would be made in selecting the facility management companies. Selecting the right professional and specialized companies for the facility operation will bring more advantages from outsourcing.

Outsourcing brings a lot of knowledge and educations about the work that outsource companies are doing with their professional and experts. Hotel can observe how they work and learn lesson about engineering, housekeeping and cleaning jobs that's might add value in the operation of business in future. It is seen that overall Hotel Kämp Group Oy is benefiting from outsourcing the facility services .It is recommended that choosing the right company with enough, resources, and cost effectiveness along with Quality in services would help into the core business of any company. For large scale hotels it is recommended to in source the services that are linked with customer. Services such as front office, food and beverage service food production administration are good to in source for customer satisfaction and hospitality of the hotel.

5 Survey Analysis and Results

The objective of the survey is to primary find out advantages and some disadvantages of outsourcing facility services in other client hotel (other Kämp client hotel). The target respondents for the survey were the employees working in Kämp Group Oy in various outlets of the hotels. In this survey researchers investigate how large scales hotel can select the facility services provider when outsourcing the services. The author tries to find out the pros and Cons of outsourcing facility services in large scale hotels. The purpose of the survey is to find out how large scales hotel can select the best outsourcing deals from service providers, while finding the good and bad aspects of outsourcing facility services in large scale hotels.

In electronic survey 15 different types of questionnaires were asked from question bank. Open and close ended questionnaires were asked in the survey. Electronic Questionnaires were sent through the web links by emails to all the employees working in different department through the facility manager of Kämp Group Oy.

Questionnaires were sent to all the employees working with Kämp Group Oy in different hotel outlets. There were 20 respondents into the survey. We had used 20 sampling pieces into our data analysis.

The survey has targeted to the in-house employees working with Kamp Group Oy. In this survey there were not age limitations of certain demographic groups. Questionnaires were sent by email to employees in order to get the concrete data. In the survey the respondent demographics were not mentioned. The target customers were the employees working with Kämp Group Oy.

Authors have chosen Kämp Group Oy as a case company for the survey .During the contact time the writer got positive response from the manager of the company who was interested to know about the employee’s opinion about the outsourcing of facility services in the hotel. As a result it would help hotel to get information about the different advantages and disadvantages that has come from outsourcing of different facilities services in a hotel. Since the electronic questionnaires were send to the employees working into Kämp Group Oy in different positions. The results that came from the survey give a general overview about employee’s opinion and how employees have seen the outsourcing of services into the hotel facility.

Questionnaires were sent to all the in-house employees regardless of the faculty they are working. In the survey questionnaires age and sex group were not mentioned since, our research was about the personal opinion and feedback of employees working in a Hotel. Employees were asked about their opinions in outsourcing facility service into the hotel. Altogether 20 employees had responded to the survey from different department of hotel. ie. Management level staffs, supervisors from housekeeping, restaurants, administrative staffs and others staffs working for Kämp Group Oy.

The bar graph below on (fig6) shows the percentage of respondents from the different department of the hotel

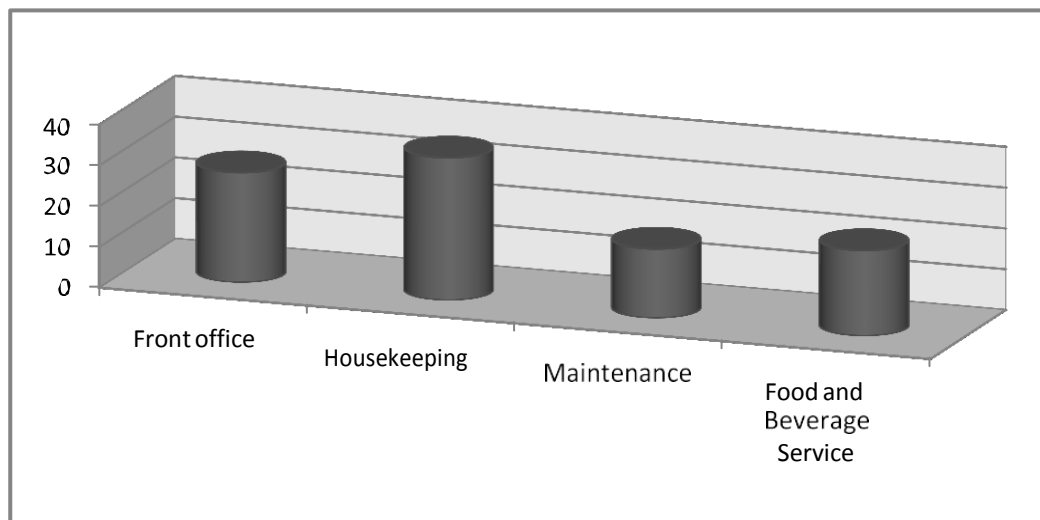


Figure 6: Survey respondent percentages

The above bar graph on fig.6 shows those respondents percentages from the whole departments of hotel staff. Out of which 27% of total respondent were from front office. While 35% from Housekeeping, 21% of respondent from food and beverages, 17% of respondents were from the maintenance respectively. From this respondent number it shows that hotel staffs are well known about the facility services that are outsourced in housekeeping, maintenance, food and beverages and front office department of the hotels.

5.1 Factors in choosing service provider

Hotel staffs were asked about the different factors that are important in selecting the service provider .The result is shown down below in the pie chat on fig.7.

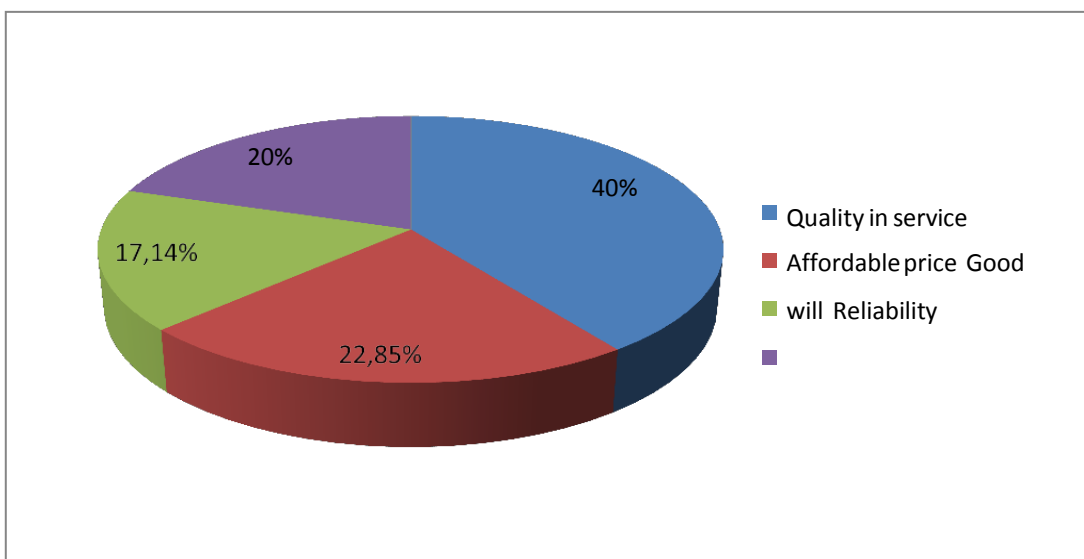


Figure 7: Factors in choosing service providers

The above Pie chart on (fig.7) illustrates that while choosing the service providing partners quality in service plays a big role. Out of total 40 % of employees had voted that quality in services is the factor for choosing outsourcing partner. Likewise affordable price is the second factors in choosing the service partner which had contributed 23%. While 17% and 20% response that goodwill and reliability are important factors in choosing service providers respectively.

From the result it shows that Price and the quality are the primary factors in choosing into service providers.

5.2 Advantages of outsourcing facility services

The several advantages from outsourcing different facilities services from the service provider companies were asked. The response from the employees is shown below in the pie chart on figure 8.

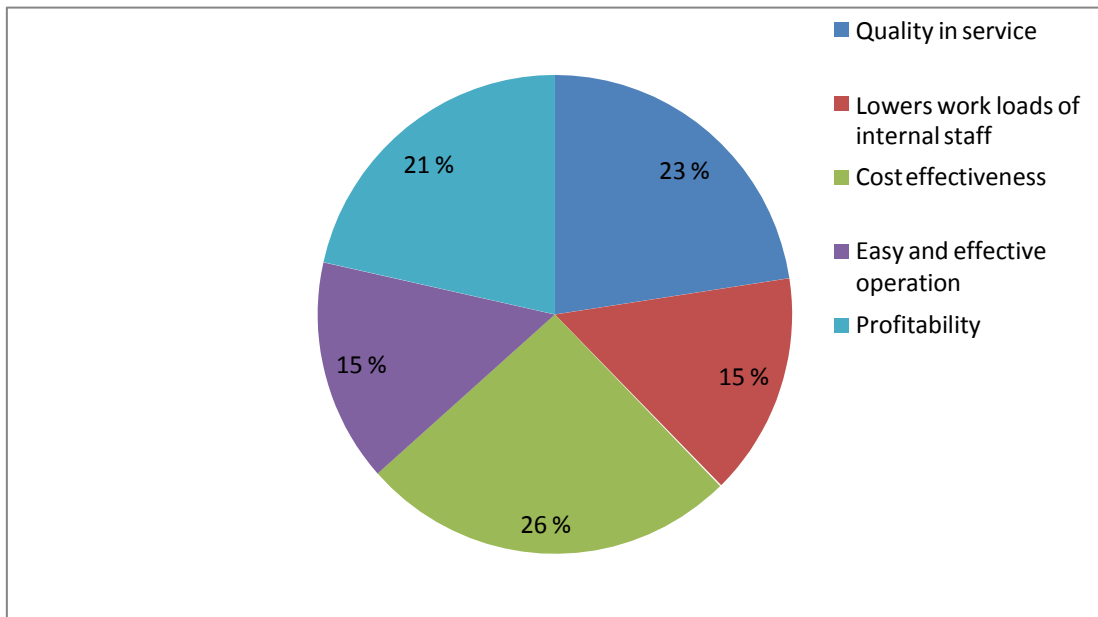


Figure 8: Advantages from Outsourcing facility services in a hotel

The above Pie chart on (fig 8) shows the advantages from outsourcing different facility services in Kämp Group Oy. Among the respondents 23% of employees had response in the quality of service, 15% response that outsource helps to lowers the workload of internal staff, 26% of the staff response that cost effectiveness is the advantages from outsourcing. While 15% thinks that advantages from outsourcing is easy and effective operation and 21% on profitability of the company respectively. From this result one can see that there are several advantages from outsourcing such as Cost effectiveness, Quality in service and long term profitability.

5.3 Factors effecting Outsourcing

A set of seven open ended questionnaires weather the employees agree or disagree about the different factors those effects in the outsourcing of services in a hotel

Following are the response from the staffs what they think about the different topics and aspects that are into the outsourcing process. The result is shown below in the bar graph on Figure 9.

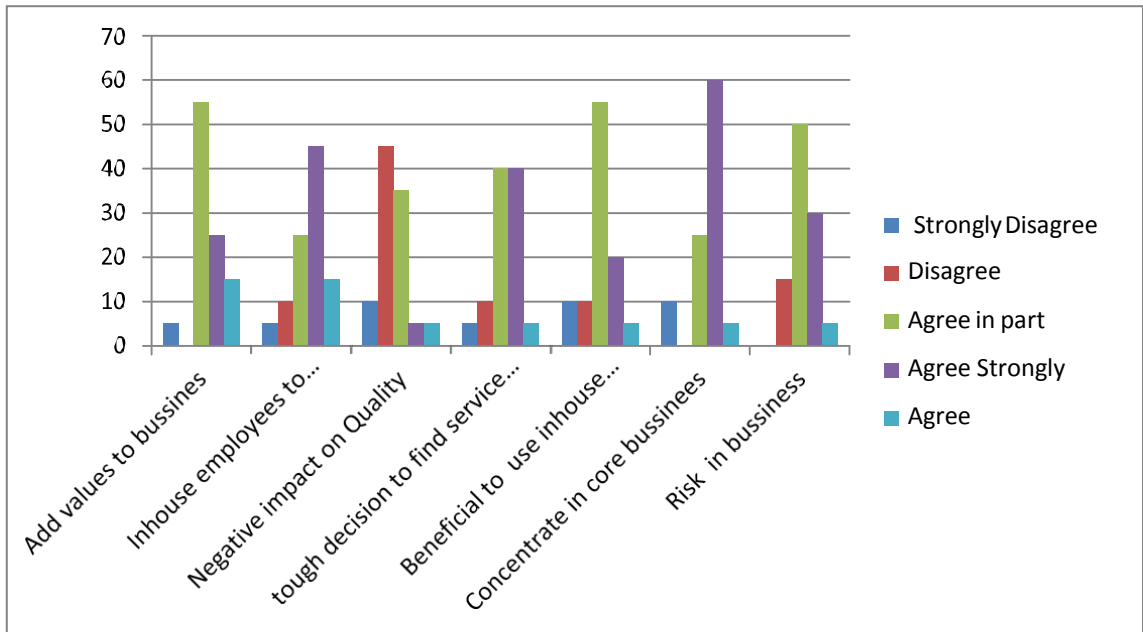


Figure 9: Factors those effects on outsourcing

The above bar graph on fig.9 shows the result of the opinion questionnaires that evolve into outsourcing of services. Among all the factors a large percentage of employees responded that 55% agreed in part that outsourcing facility services from service providers adds value to the business. While one fourth of employees 25% Agreed with the fact. However, minimum percentage 5% of employees strongly disagreed with the fact. The result shows that most employees think that Outsourcing facility services in a hotel had added value into the core business.

Likewise, a large percentage of employees 45% responded, they agreed that Outsourcing additional services helps in-house employees to concentrate into the core business of the hotel. While one fourth of employees agreed in part. However 10% of the employees disagreed with the fact. It shows that the most employees think that outsourcing services help in-house employees to concentrate on their own business while only low number disagreed with it.

Similarly, in the question whether outsourcing additional services such as cleaning housekeeping, security helps hotel to concentrate on core operation. About one half of employees 45% responded that they agreed and 15% of employees strongly agreed with the fact. However only little percentage of employees disagree that outsourcing would not help into the core operation.

However, when question were asked if outsourcing Facility services in hotel brings negative impact on quality, customer relationship, internal staffs and work performance. A large number of employees 45% responded that they are agreed in part. While 35% disagreed with the question.

From this result we can observe that some employees think that outsourcing services brings positive impacts into the quality and work performance while few think that it brings negative impact.

Likewise, when we move onto the next question whether it is a tough decision to find the right service provider for outsourcing the certain facility services in a hotel. Only a few percentages of employees 10% responded that they disagreed with it, while large number 40% responded that they agreed in part and agreed respectively. The result shows that many employees think that, it is a tough decision to find the right outsourcing partner.

In the next question whether it is more beneficial for an organization to outsource than use in-house skills and manpower in the services. A large percentage of staff 55% responded that they agreed in part that it is beneficial. However only little percentage of employees 10% responded that they strongly disagreed with the fact. From the above data it shows that many of employees think that it is beneficial to outsource using in-house resources and manpower.

Likewise in the next question whether Outsourcing helps us to concentrate in the core business of the organizations many 60% responded they agreed with the fact. While none of the employees disagreed with the question. Likewise one forth 25% responded that they agreed in part. It shows that a large percentage of employees think that outsourcing helps to concentrate on core business of the company.

However in the next question if there might be the possible risk in the business from outsourcing only little number of employees disagreed with the fact. However a huge percentage 50% response that they agreed in part. Following, 30% response on Agree and only 5% responded on strongly agree with the fact. The result shows that many employees' thinks there might be some risk when selecting the service provider partners.

5.4 Possible risk while choosing service Provider

Finally, in the question about the possible risk from while choosing the service provider. The response from the employees is shown below in the pie chart below in Fig 10.

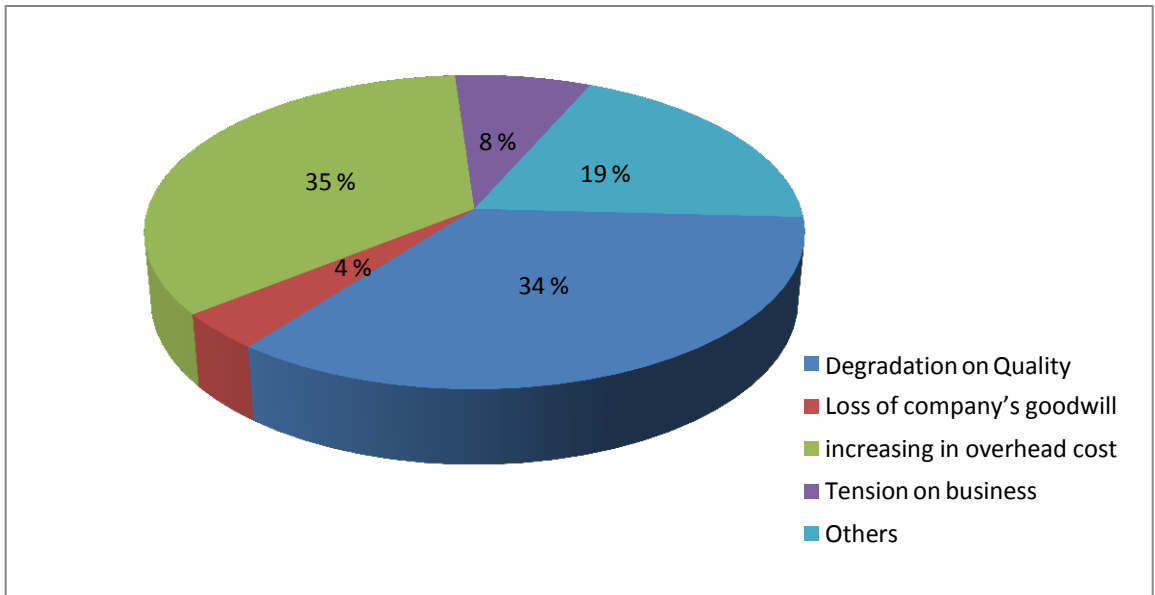


Figure 10: Possible risk while choosing service Provider Company

The above Pie chart on (fig.10) shows the various possible risk that's might be when selecting the service providing partners 34% of employees responded that Outsourcing brings degradation on the quality. While 4% thought that there is risk of loss of companies' goodwill. Likewise 35% of employees responded that there is a risk of increase in overhead cost of the business. However, only 8% responded that it might be tension on the core business and 19% response there are all other aspects that are risk from outsourcing.

Conducting the survey among the employees working with Kämp Group Oy in various departments of hotel in service areas and facilities had helped to get concrete information regarding the research problem that we were looking for. The survey results shows that Kämp group Oy is benefiting from outsourcing of facility services such as cleaning, housekeeping, maintenance and other services in an overall. From the in-house employees prospective while outsourcing hotel need to pay attention on the cost of the service while consider the Quality in service and company with enough resources to conduct the operation. We found out advantages from outsourcing such as Quality service, reducing work load of internal staffs, cost effectiveness and development and learning. Most of employees were positive towards the outsourced services into the hotel and their performance level.

6 Conclusions and Recommendations

From the research study with case company Kämp Group Oy, the authors concluded that facility management provides support into the core business of the organization. The results show that Outsourcing brings positive impacts and adds values to the business if right service provider is chosen in order to carry the facilities service operation in a hotel. Outsourcing facilities services companies into the facility helps in easy operation and adds values to the core business of the hotel. In order to benefit for both organization (service provider and clients) the service that is delivered should provide values for the money along with customer satisfaction instead of huge risk. Outsourcing noncore activities in a hotel helps in the cost effectiveness, task efficiency and profitability.

New innovation and technology plays a significant role to the competitive advantages in the market. Despite the research on 3Cs model the results shows that outsourcing helps in easy operation and adding value to the hotel business considering the customer satisfaction and profitability of the company. The most significant factors to choose outsourcing are the cost efficiency, reliability and effectiveness in functional operation. Even though, there is still some risk while choosing the service providers. Most of the employees were positive towards the outsourcing. Therefore, right service provider brings positive impact in carrying out organizational operation to the hotel.

It is recommend that while selecting the facility service provider's it is advised for client companies (service buyer) to consider into the price of the service, quality of the work, the company with enough resources and manpower in order to carry out the operation. There might be risk of choosing the wrong service provider in many cases .In order to avoid such errors into the business it is recommended to go through the proper planning and process of procurement.

In order to operate company core business into efficient way, outsourcing would be recommended which reduces the work load of internal staffs, cost effectiveness and also for learning and developments. When we compare the theoretical prospective and the research results it seems that cost effectiveness is the primary reason for outsourcing services in a hotel. While quality aspects, competitive advantages, security and core-business comes as a secondary reasons, though they are as important aspects in outsourcing. When tallying the research analysis and results into the theoretical approach, we came with idea that while selecting the right service provider with capability of performing the task at a reasonable price, maintain the quality level and goodwill into the market are considered to the good service provider partner for a hotel.

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Appendix 1: Interview questionnaire

1. Could you tell us a little about yourself and the company?
2. What services have you been outsourcing in the property?
3. What are the reasons behind buying additional services from the Outside?
4. Do you think is it beneficial for large scale hotels to outsource additional services?
 - a. If Yes/NO Tells us why?
5. Could you tell us about the procedures that you use for Outsourcing FM services in the property?
6. What are your expectation / features from service provider?
 - a. Which is more important, Price or the quality? Why?
7. Do you think is it cost effective to buy services from outsider than using in-house skills and manpower?
8. How has the quality of the work improved from buying the service?
9. Has the outsourcing impact into the Core business of your company?
10. In what way Outsourcing has helped in gaining Competitive Advantages for the business?
11. How important is the security aspect (company with good profile / reliability of service / good turnover)?
12. What do you think are the three most important Advantages/Disadvantages of Outsourcing?
13. What difference do you see in the task performance in-house employees and out-sourced employees in your experiences?
14. What might be the future risk and opportunities while outsourcing the Facility service?

Appendix 2: Survey Questionnaires.

1. Job / Profession you are working with?

A) Management level staff B) Supervisor c) Administrative staffs D) others.....

2. What areas of hotel are you working with?

A) Front office B) Housekeeping C) Food and Beverages D) Maintenance

E) Others.....

3. In your opinion outsourcing services from service provider add values to the business?

A. Strongly disagrees. B. disagrees. C. agree in Part D. agree E . strongly agree

4. Outsourcing additional services such as cleaning, housekeeping, security helps the hotel to concentrate on core operations.

A. Strongly disagree B. disagree C. Agree in part D. Agree E. strongly agree

5. Outsourcing FM services in a hotel brings negative impact on quality, customer relation, internal staff and work performances.

A) Strongly disagree B) disagree C) agree in part D) agree E) strongly agree

6. It is a tough decision to find the right service provider for outsourcing the certain facility services in a hotel?

A) Strongly disagree b) disagree c) agree in part D) agree E) Strongly agree

7. Is it more beneficial for an organization to outsource than use in-house skills and manpower in the service?

A) Strongly disagree b) disagree c) agree in part D) agree E) Strongly agree

8. Outsourcing helps us to concentrate in the core business of the organizations

A) Strongly disagree b) disagree c) agree in part D) agree E) Strongly agree.

9. There might be the possible risk in the business from outsourcing?

A) Strongly disagree B) disagree C) agree in part D) agree E) Strongly disagree

10. What do you think are the most common facility services outsourced in hotel?

A) Maintenance service B. Cleaning /Housekeeping/Security. C) Administrative services D)

Customer relation. E) Others.....

11. What do you think are the most typical advantages from outsourcing?

A) Profitability B) competitiveness c) Quality services D) others.....

12. What can be most significant advantages from outsourcing facility services in a hotel?

A) Improves Quality of service B) cost effectiveness C) lower the internal staff work load

D) Easy and effective functioning of operation E) others.....

13. What factors are the most important when choosing the service provider??

A) Quality in service B) affordable price C) good will D) reliability

14. What might be the risk when selecting the service providing partner?

A) Degradation on quality B) Loss of company's goodwill C) Increasing in the Overhead cost D) tension on business D) others.....