

## **Executive Summary**

The main focus of this management field study project is to improve the revenue and profitability of United Facilities Management Company (UFMCO). It is one of the fully owned subsidiaries of United Development Company (UDC), who is the master developer of the iconic smart island, The Pearl Qatar. UFMCO is primarily involved in the business of facilities management (FM). It mainly provides its FM services to the properties and amenities in the Pearl Qatar.

FM industry in Qatar is expanding and growing on a rapid speed with the boom in the real estate industry. Despite these conditions, UFMCO has recently experienced a decline in the FM revenue and profits of the company. Company has been growing considerably since its incorporation, which was in year 2012. However, there was a sudden decline in the company's revenue in year 2017. On the other hand, the net profit since 2012 was not stable and showed an erratic movement. In addition to that, the company's actual revenue was not in line with the budget. Further, the gross profit earned from the major contracts was marginally adequate to cover the general and administrative expenses. Also, certain projects that were undertaken was continuously loss making. In other words, certain projects were accepted despite their negative gross profit. Therefore, the decline in revenue and profitability of UFMCO had been identified as the key issue that needs to be resolved. In order to provide solutions to this issue this management field project had been undertaken.

Primary objective of this project was to improve UFMCO's revenue and profitability by revamping of UFMCO operation in terms of elimination of deficiencies in the pricing process and the methodology of FM services. In order to achieve the primary objective, sub objectives such as increase the revenue from QR 27Mn to QR 50 Mn, reducing the admin staff cost by QR 4.8 Mn, reducing the FM staff cost by 50% and thereby adjusting the FM Pricing, Implementing the CAFM and provisioning of extensive training were set.

Main cause for decline of revenue and profits was the poor customer satisfaction as a result of high FM prices and the poor quality of service delivery. Project components, which are namely, process improvement in terms of restructuring of UFMCO business activities, increase sales, marketing activities and employee engagement were developed, and solutions were developed for each project components.

As part of the final stage of the project, recommendations were proposed to resolve the identified problem of decline of revenue and profitability of UFMCO. Automation of FM operation by implementing the CAFM, transfer of 13 Qatari staff, laying off high salaried FM staff and replace them with low salaries FM staff, establishing UFMCO's own procurement division, streamline the pricing process of the company, develop new FM products, define clear scope of work, launching an extensive advertising and promotional campaign and conducting training and development, introduce KPI based performance management system were recommended.

With these recommendations, it was expected to improve the revenue from QR 27 Mn to QR 50 Mn. In addition to that, it was further expected to achieve a cost saving of QR 9 Mn by restructuring the FM work force. It was recommended to incorporate the reduced cost to the new prices and thereby ensured winning of new contracts and to stay in the business as a sustainable FM company.