

Demand for Facilities Management to Remain High Through 2022, Reveals Beroe

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Demand for facility management services has strengthened in the last couple of years due to deepened hygiene practice in the business environment.

The COVID-19 has impacted global trends as more businesses move towards facility management services. There is a growing demand for critical services across industries as the pandemic has reduced activity across customer sites. The market is expected to soar across sectors for the next few months. Resultantly, many facility management companies provide healthy incentives to blue-collar workers to provide cleaning and sanitisation services to commercial sites.

Sectors such as healthcare, e-commerce, food, pharmacies, and the public sector drive demand. The high rate of job cuts has seen facility management services pick and choose service contracts with higher profit margins. This situation has seen an increase in rates across the industry at nearly 2-4 percent, and the negotiation potential has seen incremental figures of 45-60 days. The surge in COVID-19 cases in recent times has made the demand peak at new levels.

Beroe further stated that procurement experts can access this report on its market intelligence platform Beroe LiVE.Ai: <https://www.beroeinc.com/beroe-live-ai/>

“AI is slated to ease the pain of shortages in the facilities management space through innovation. Technology-driven sensors to control lighting and cooling systems, in particular, have precipitated collaborations between contractors and manufacturers to build AI-driven solutions in the FM services segment,” said Abhishek Lal, Senior Research Analyst at Beroe. “More contractors are turning to IoT solutions to automate security systems, cooling, lighting, HVAC, Access control, and video surveillance to

disengage labor-centric requirements. These measures will reduce maintenance costs and increase efficiency while providing integrated facility management.”

Conservation is key. Managing resources to cut costs is the way forward to maximise efficiency and reduce costs in the industry. The use of drones and robots can be the solution to cost control. Robots are increasingly used for cleaning, security patrols, and greeting visitors. Industry experts deem it efficient to cut labor costs, run services for longer hours, and increase safety measures.

Geopolitical factors contributed to rising wages in the FM services sector. Pay increases up to 15 percent were seen across the the UK, Europe and the US. This has led to increased costs and labour shortages. The semiconductor segment has been battling shortages and supply bottlenecks due to a shortage of chips. Scarcity in the sector has impacted businesses that require smart products like sensors, security, and surveillance products.

Facility management services have seen a demand surge during the pandemic as customer site management requirements have increased substantially. Hygiene protocols and job cuts have seen the integration of AI tools. Contractors face high labor costs and bottlenecks in the supply of chips used in intelligent applications to provide services. The demand is set to increase as the subsequent wave of the COVID-19 pandemic hits countries.

“Wages increase has hit pre-pandemic levels. There have been nearly 10-15 percent increments across geographies. The wage rise varies from location to location but has impacted costs across the integrated facility management association as a whole,” said Abhishek Lal, Senior Research Analyst at Beroe. “The increase in demand and shortages of semiconductor chips and labor has driven costs for soft service in facility management as a whole. The demand is set to further increase as the subsequent waves of the COVID-19 pandemic hits countries.”

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