

‘FM is the way to help Hungary’

The founding chairman of the Hungarian Facility Management Society, Jozsef Czerny is determined to develop the FM industry in Hungary despite a tough economic climate. He talks to **Cathy Hayward** about the lead he can take from the UK industry

Back in 2008 when *FM World* profiled the pioneers of the FM sector, it became clear that all those highlighted had one thing in common: a fervent passion to create and drive a fledgling industry. Even years on from those early days, you could still see the fire burning bright.

And the same could be seen in Jozsef Czerny when *FM World* met him in advance of his debut at this year's BIFM annual conference. As founding chairman of the Hungarian Facility Management Society Czerny firmly believes that the FM sector is the solution to Hungary's economic woes.

"I am very optimistic that FM is the way to help Hungary out of the recession," he says. "The FM industry is the lifeblood of Eastern European economies. Countries like Hungary lack locally-owned production industries and have been hit very hard by the global economic slowdown. One of the ways of escaping this situation is to develop the service industries and the most important of these is FM."

Czerny believes that Hungary, and other Eastern European countries, are facing a dual economy. A primary economy, made up of 20 per cent of the working population employed by multinationals, creates 70-80 per cent of the GDP sits alongside the local economy made up of 80 per cent of the working population. The FM sector employs 400,000 people and sits firmly in the secondary economy – but contributes 7 per cent of the GDP. "The FM industry employs less educated people, but delivers a significant part of the GDP. Developing this industry can help to galvanise the whole of society."

Czerny's enthusiasm and drive is all the more admirable in the face of the major challenges faced by the FM



sector in Hungary (see box). It lags behind neighbouring Germany and Austria and its role and impact has yet to be identified. "Austria has managed to set up a thriving FM industry but it took them 15-20 years to get there. It's a well-functioning FM industry. We are ten years behind them. In Hungary it still hasn't been recognised that FM exists at all. People think in terms of single services, not facilities management," he says.

But Czerny has a plan. Back in 2006 the Hungarian Facility Management Society launched a project to convince the Ministry for National Development and Economy to create a strategy to develop the country's FM industry. The project identified the main requirements for the strategy, the main players and stakeholders from both the client and supply side, and defined the most important fields where significant improvement is needed. "We were fortunate enough to have contacts within the ministry – in Hungary, you can't go in from the street, without informal contacts it is almost impossible. Had we done that and been rejected it would have taken years to be listened to again."

In the end it took three years to get a draft strategy in place and there were plenty of misunderstandings, confusing FM with corporate real estate, along the way. There are five main aims of the draft strategy: to market the FM sector within Hungary; improve the education and training in FM; to create unified FM regulations; improve sustainability; and to increase the amount of research and development done in the FM arena – all to be done over a four to eight year timeframe. "The purpose of the strategy is to establish a formal service industry, support the stakeholders in developing businesses and provide them with industry consciousness, gravitas and dignity."

But the challenges aren't over. A general election is due in Hungary and there is likely to be a change of government soon which could mean that the society may have to start talks again. The strategy's role model is the FMA Australia's Action Agenda, with input of ideas from the International Facility Management Association and the BIFM. Like the pioneers of FM in the UK, networking has been the key to Czerny's success. He has been an Ifma member for more than 10 years, a BIFM member for over five years and is involved with the European standards committee on FM (CEN TC 348); the HFMS is a member of both EuroFM and GlobalFM.

"The key benefit of membership of Global FM is to have the opportunity to start a discussion in an international environment, particularly on a strategic level.

Hungary is extremely isolated as a country, not just because of the language but because of a long history and tradition of isolation. We need to break away from this isolation and through Global FM there is a great opportunity to learn from some big professional associations."

Where the Hungarian FM market is catching up quick with its Western European counterparts is with the development of its FM qualifications. Up to 20 students a year sit the post-graduate qualification in

Czerny's Swot analysis of the Hungarian FM market

Strengths:

- Intent of the government and the industry
- Good international relationships (Global FM)
- University initiatives – facility engineering, 10 years of FM education
- Significant part of the GDP (7%)
- Significant part of employment (10%)
- Cooperation of professional associations

Weaknesses:

- Lack of proper information flow between stakeholders
- Lack of research
- As business discipline not recognised
- Lack of statistical data and market intelligence
- Lack of professional rules
- Lack of professional qualification

Opportunities:

- Strategic cooperation with the government
- High market influence of the governmental sector
- Fostering industry consciousness
- Job creation, positive influence on the labour market
- Supporting sustainable development
- Knowledge transfer to Eastern European countries

Threats:

- Uncertain state of Eastern European countries
- The size and quality of public facilities
- Illegal employment (30-40%)
- Rate fluctuation of Forint, new financial threats, bubbles
- Downward tendency of the quality-price spiral
- Fierce competition between service providers



Watch
Jozsef
Czerny
discuss the
FM industry
in Hungary at
www.fm-world.
co.uk

FM through the Technical University of Budapest. "It is our biggest success as a society" declares Czerny, who teaches the course. "I'm not sure the market is ripe enough yet for graduate qualification but maybe in the future." The course lasts two semesters – one for management issues and one technical issues followed by an examination and a thesis – and the students are typically from client side organizations who pay for their studies.

This year, the HFMS is celebrating its fifth anniversary and Czerny is in a reflective mood discussing the organisation's creation. "It was a relatively long process. We started by trying to cooperate with real estate associations in Hungary but this didn't work as they didn't understand FM. We all spoke about FM but we were both speaking about different things." In the end around 20 companies and private individuals established their own organisation. There are now 31 corporates, including the Bank of Hungary, retail banks, insurance companies and the biggest FM service providers and eight individual members but membership fluctuates year by year.

Talk to Czerny for long enough and it's easy to forget that the vast majority of the work he does is as a volunteer. He has had a wide range of FM roles over the years and worked on numerous projects, but the focus of his professional life is very much the HFMS and post-grad lecturing.

"A key aim in the next few years is to continue to develop the association but I also see myself very much working in extending FM education. There are big possibilities to write the literature for the course and to develop a whole FM industry in Hungary. It's already there but there is no industry consciousness at the moment. And education, and the accompanying professional literature, is one of the first steps to support that." Czerny seems to have written is to-do list for the next few years. **FM**

Conference Speaker: Jozsef Czerny will be discussing the Hungarian Facility Management Society's government strategy to galvanise the FM industry at the BIFM conference 2010, taking place from 13-14 April at London's Riverside Park Plaza hotel