



# **Emerging BPO Services:** **Unlocking Growth Through** **Facility Management**

AN AVALON PERSPECTIVE

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## Emerging BPO Services: Unlocking Growth Through Facility Management

In the ever-evolving business landscape, outsourcing has transformed since the 1980s, starting with simple tasks like call customer service and expanding to include advanced offerings such as data analytics and cloud solutions. One area that has evolved significantly is Facilities Management (FM). FM outsourcing drives cost reduction, revenue increase, and capability aggregation. Effective management of workspace environments, equipment, consumables, and services directly impacts workforce efficiency and organizational success. Thus, FM has become a significant focus within the BPO industry, playing a vital role in enhancing customer satisfaction, employee productivity, and shareholder value. This paper explores how Facility Management (FM) emerges as a strategic solution, unlocking potential through BPO.

Facilities Management is a service offering dealing in the coordination of space, infrastructure, people, and organization. It supports the functionality, safety, and sustainability of buildings, offices, warehouses, hotels, airports, labour camps, etc. It encompasses the planning, operation, and maintenance of a company's physical assets and services, ensuring a productive and sustainable work environment. By outsourcing these non-core functions to BPO specialists, businesses gain Enhanced Focus, Cost Optimization, and access to Expertise & Innovation. In 2023, this market was estimated to be USD 966 Bn (Figure 1).



### Hard Services

These are technical tasks essential for maintaining a building's physical infrastructure, such as HVAC systems and other permanent structures.



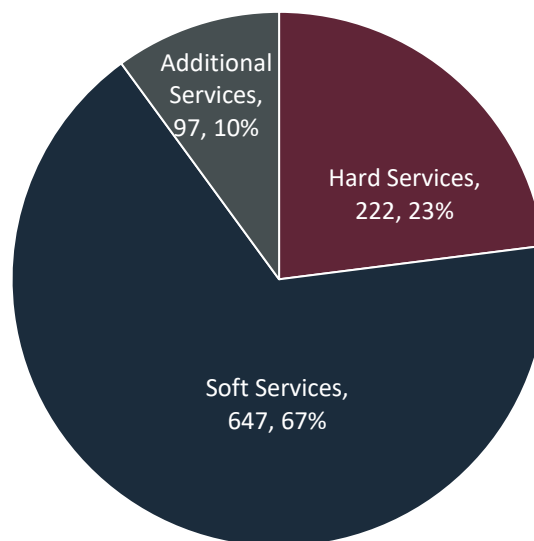
### Soft Services

These are non-technical tasks that enhance occupants' well-being and comfort, including cleaning, security, landscaping, and interior decorating.



### Additional Services

These are supplementary services that go beyond core hard and soft services, such as catering for events, waste management, and pest control.



**Total: 966 Bn USD**

**Figure 1 A: FM Market, 2023, By Service Type, Bn USD**



However, agnostic to the type of FM service that a BPO company has in their portfolio the services can be offered through one of the three delivery models given below:



### Single Services

Individual facilities management tasks or services are outsourced to a third party, such as cleaning or security having separate contract for each of them.



### Bundled Services

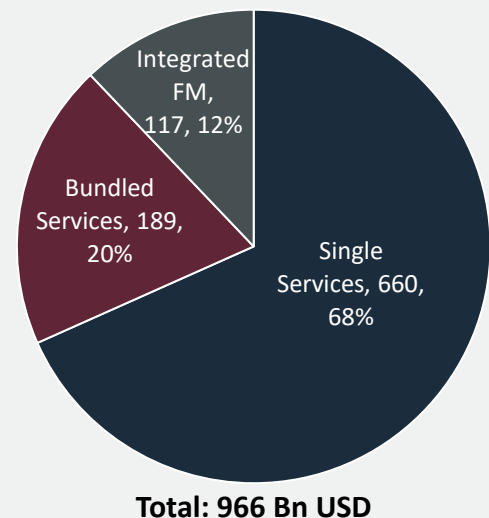
Multiple facilities management services, like cleaning, maintenance, and security, are combined into a single contract agreement with a single provider for efficiency and cost-effectiveness.



### Integrated FM Services

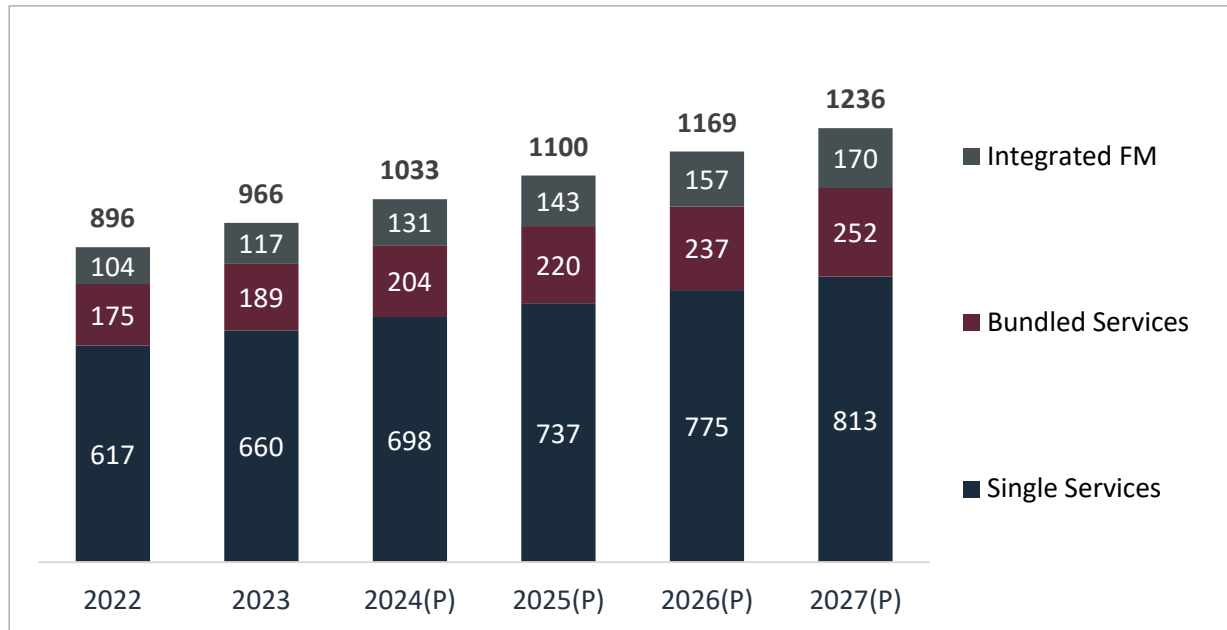
Contracts that involve outsourcing the management of all facilities services to a single provider including strategic planning, coordination, and delivery of services for seamless operations.

**FM Market, 2023, By Delivery Model, Bn USD**



**Figure 1 B: FM Market, 2023, By Delivery Model, Bn USD**

As of 2023, contribution of soft services was the highest at 67% to overall revenue in the FM market (Figure 1 A). Private sector was the largest consumer of FM Services, and the delivery model of single services contributed the highest to overall revenue of FM services which was 68%.

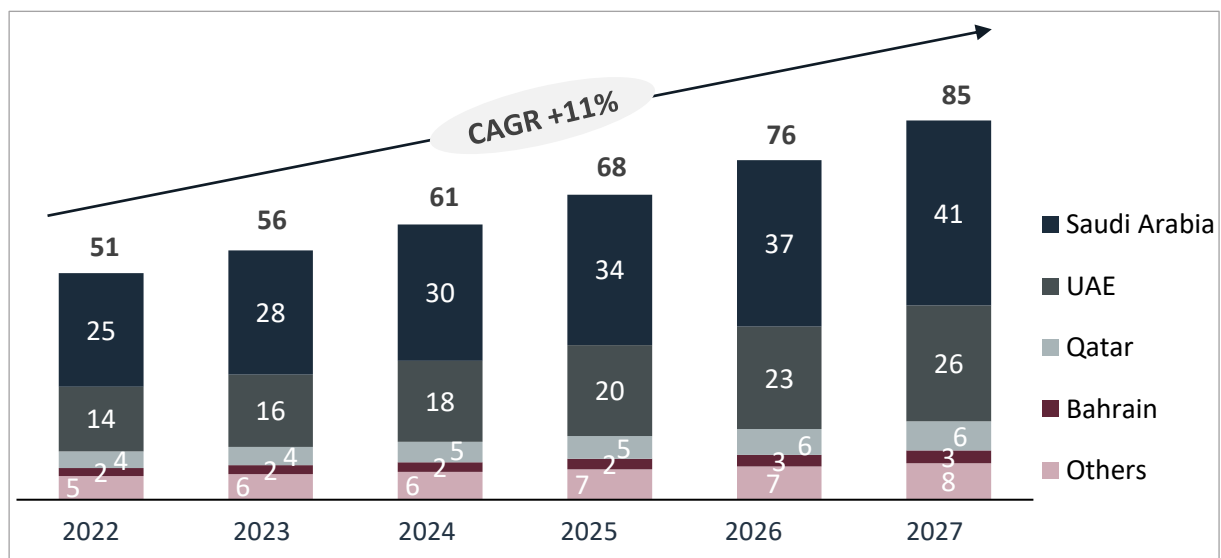


**Figure 2: Global FM Market Size as per the Delivery Model, Bn USD**

Globally, FM market is poised for significant growth, projected to reach \$1.24 Trillion by 2027, with a CAGR of 6.6%. Integrated FM services are expected to witness a higher growth rate of 10.3%, indicating a rising demand for comprehensive solutions as demonstrated in Figure 2. Notably, Asia is forecasted to be the largest FM market globally by 2027, fuelled by rapid urbanization and economic development.

### Middle East – The Emerging Star

Currently, the FM market in the Middle East is an emerging one, valued at 51 Bn USD accounting for around 6% of the global market in 2022. However, the projected growth rate for the FM market in the Middle East from 2022 to 2027 is around 11% which is way higher than the global CAGR of 6.6% indicating that the opportunities for growth in the region are massive. The market will grow at a fast pace and is expected to be valued at 85 Bn USD in 2027 accounting for 7% share in the global market.



**Figure 3: Middle East FM Market Size, Bn USD**

Saudi Arabia is the largest market for FM in the region accounting for 50% of the total FM market in the Middle East in 2022 and is expected to be the largest market even in 2027 with 49% of the total FM market share in the Middle East followed by UAE, Qatar and Bahrain.

The FM landscape is continuously evolving, fuelled by emerging trends such as Data-Driven Insights, Smart Buildings & IoT, Robotics & Automation, Sustainability Focus, and Remote Service Delivery. These trends will influence FM services in several ways, including the evolution of service scope, technological advancements, and the emergence of new business models.

Energy management is rapidly gaining significance in the Middle Eastern facilities management (FM) market, particularly within the retail and warehouse sectors. These integrated services are designed to proactively monitor, control, and optimize energy consumption, thereby reducing costs and enhancing sustainability. From basic measures like switching to energy-efficient lighting to more advanced strategies such as HVAC optimization, energy management is becoming a cornerstone of FM offerings. Leveraging technologies like AI, IoT, and cloud computing, FM providers are able to deliver comprehensive solutions that maximize energy efficiency and minimize environmental impact. This rising trend underscores the growing importance of energy management within the broader FM landscape, as companies increasingly prioritize sustainability and cost-effectiveness in their operations.



**Figure 4: Trend of Impactful Opportunities for BPO Services Providers in FM Market**

In conclusion, the evolving Facilities Management (FM) market in the Middle East offers a lucrative opportunity for BPO service providers seeking growth in revenues and customer base. In the near term, focusing on remote services, hybrid workforce models, and integrating operations with advanced solutions like service integration, data analytics, and workplace optimization will be key. With a projected growth rate exceeding the global average at 11%, the region is poised for substantial development, estimated to reach a value of 85 billion USD by 2027. Saudi Arabia, as the largest market, remains a dominant force, presenting significant potential for BPO companies aiming to capitalize on the region's rapid expansion.



# Our Values- The Avalon EDGE

## E

### ENTREPRENEURSHIP

Enterprising ownership to transform ideas into pragmatic and profitable solutions

## D

### DEDICATION TO EXCELLENCE

Commitment to premier quality and highest standards in everything we do

## G

### GREAT VALUE CREATION

Focus on delivering maximum client impact through innovation and collaboration

## E

### ETHICAL APPROACH

Respect, fairness, and transparency in all our interactions

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