



Lengthens its lead

Facilities management company exports services and locations around region

In less than four years, the Riyadh-based Facilities Management Company (FMC) has become the market leader in the Kingdom of Saudi Arabia for retail construction services.

In Lebanon, where the company was originally founded by FMC CEO Walid Nassar, FM Sarl has significant share of the multi-technical maintenance market, with contracts with leading banks, Liban Post, Biel, Beirut Sports City and others.

But that is just the tip of the iceberg, with FMC involved in design and concept development, construction management, retail construction services, facilities and property management, and real estate.

FM has provided the technical expertise to make some of the foremost summits in the world come into fruition, from the Organization of Petroleum Exporting Countries (OPEC) summit to the Arab League summit, to the Francophone summit, Euromed des Eurocities and the Arab Women's Conference. And by working for some of the biggest companies in the Middle East, from telecommunication providers Zain and Saudi Telecom Company (STC), to Saudi Arabian Airlines, Sale Company (an STC distributor), the Etihad Atheeb Telecommunications Co., to Shuaa Capital and Saudi Oger, FMC has fast tracked the construction of retail outlets across the Kingdom.

"During the last four years in Saudi Arabia, we delivered around 815 outlets for all clients, it was a record, averaging two outlets per day, excluding days off," said Engineer Walid Nassar, CEO of FMC. "But during that time we didn't have time to think of how to expand and add other services. Now we are planning to move the business worldwide as one of our clients wants to expand to the UK, Paris, Madrid, Rome, Moscow and New York, and another client to Africa."

From Beirut to Riyadh, facilities to retail

FM Sarl was established in Beirut in 2001 by Walid Nassar, the then General Manager, who earned FM Sarl a solid reputation in Lebanon as a facilities maintenance provider. In 2003, FM merged with Maintenance Service Providers (MSP), a subsidiary of Information Technology Group (ITG) Holding.

In 2004, Nassar singlehandedly moved FM to Riyadh to establish FMC as a Saudi-registered company.

Nassar's move to Saudi Arabia was a timely one, given the construction boom and that the development cost of a building is estimated at only 20 percent of the total money invested over the lifetime of a facility, while facilities maintenance and management accounts for the

remaining 80 percent.

Indeed, recent statistics put the potential value of facilities management in the Gulf Cooperation Council countries over the next 25 years at \$892 billion, while the outsourced facilities management sector in the GCC is slated to reach \$10 billion by 2012, according to a study by Arab Business Review.

In Saudi Arabia alone, with construction projects underway estimated at \$24 billion, life cycle costs of facilities management are estimated at \$96 billion, while over 25 years the total life cycle cost of projects is valued at \$120 billion, according to research by Middle East Strategy Advisors.

After getting established in the Kingdom in the facilities management sector, FMC merged with the Saudi SAB Holding Group, which includes TNT, SAB Capital, and the SAB Media arm, handling The Times of London newspaper in Dubai and Saudi Arabia, and in partnership with Microsoft, Intel, Nokia, Booz, and Ernst & Young.

Through such strategic alliances, FMC has taken its position as a leading facilities management company into new sectors, expanding way beyond its original core base.

"A lot of clients immediately think our scope of work is maintenance, security and cleaning, property and energy management; we do this, but that's not our core business. FMC doesn't reflect services providing – construction management, contracting and real estate are a side part of FMC," said Nassar. "But I insist the FMC name remains the same, it has been my baby since 2001."

Retail Construction Services

In the booming Saudi Arabian market, FMC is catering to one of the fastest growing segments in the country, yet alone the world - the retail sector. Over the past year Saudi Arabia has attracted 37 international retailers, more than any country on earth, according to real estate consultancy CB Richard Ellis.

Through branches throughout Saudi Arabia, FMC has been pivotal in transforming the physical face of retail, setting the benchmark for a fast turn around, from construction of turn key projects to installations.

"Clients are asking for us for three reasons: transparency, and for most clients that is a cost plus; secondly, quality and respect of time and cost; and thirdly, we are qualified, experienced and professional," said Nassar.

This is reflected in some of FMC's major clients being in the

telecommunications sector: Zain (formerly MTC), Vodatel, Lingo, Mobicom, the Saudi Telecom Company (STC), Sale Company and Etihad Atheeb Telecommunications Co.

Although major competitors within a highly competitive sector, FMC was able to deliver retail outlets to all the providers. For Zain, FMC recently handled all facilities, call centers and retail outlets. "We delivered 350 locations, and three call centers and customer care buildings over all the Kingdom in eight months as turn key installation and operation, supply and handover; it was done in record time," said Nassar. For Sale/STC, the company is executing and handing some 150 retail outlets.

FMC is also involved in the development of leisure complexes and gyms, currently building key outlets in 15 locations for Body Masters. "If our client is a bank, supermarket, pharmacy, or travel agency, we will take them all over Saudi Arabia," said Nassar. "And when people want to open an outlet, they want it yesterday as have the cash ready and waiting to be operational. Our slogan is to show and reflect these challenges, and do it in record time."

Nassar puts the fast turn around to his 185 highly motivated staff, with the average age of FMC 32 years old, and the average working hours at 11 a day. "This is our strength, the result of a very high productivity ratio."

Real estate and going global

FMC's experience in developing retail projects has led to an immediately related field, real estate and development. Instead of focusing on Saudi Arabia for this new stage of FMC, Nassar and SAB Holding re-established the company in Lebanon as FMC Sal in 2008.

"We will enter the real estate business and development, and are preparing to launch two new projects, including a boutique residential project in the mountains of Faqra," said Nassar.

In Saudi Arabia, FMC is working with leading international companies to make the projects a success, including SHED Architects, Lumsden, KingSize of Milan, CREA International of Milan, and Adrian and Hiller of the UK.

While FMC has been involved in working with international players, it is the company's role and reputation in Saudi Arabia that is going to take FMC global.

"We are preparing to expand internationally while also focusing on the Lebanon market," said Nassar.

Time and Money, We

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