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CITY FACILITIES MANAGEMENT SEES OPPORTUNITIES IN “BIGGEST MARKET IN THE WORLD”

BY NICK FORTUNA

IN THE UK, a refrigeration issue at a crowded pub during a big soccer match qualifies as an emergency, so right from the day City Refrigeration was founded to cater to the pub market, the pressure was on.

Fast forward three decades, and City Refrigeration, now rebranded internationally as City Facilities Management, changed its business model to become a complete facilities management provider, including construction, end-to-end engineering, help-desk support and technical and energy consulting. The company’s first client for comprehensive FM was the Walmart-owned British supermarket chain Asda Stores Ltd., a business relationship that is now in its 20th year.

Last year, City Facilities Management established a presence in the United States by agreeing to provide comprehensive FM services to more than 750 supermarkets in seven states for Southeastern Grocers LLC, the parent company of the BI-LO, Harveys, Winn-Dixie and Fresco y Más chains.

Expansion into the United States was an obvious goal, according to Gerry Phimister, Chief Executive of City Facilities

Management U.S., LLC. “Put simply, the U.S. is the biggest market in the world,” he said.

Phimister said the pool of available workers has left the company optimistic about its prospects in the United States and has helped it overcome the many challenges associated with international expansion. Chief among them was a lack of credit history that initially caused some issues with supply arrangements and highlighted the importance of developing trust with the company’s vendor partners.

“Education and attitude are two important factors that differentiate the American workforce,” he said. “We have found the quality of available talent to be excellent, and this has led to the fastest maturity of any of our businesses internationally. However, there does appear to be a generational gap in qualified tradesmen, probably resulting from when it



Gerry Phimister



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became less attractive during the global economic downturn. More needs to be done at a state and federal level to encourage the development of technical trades."

In Australia, City Facilities Management last year entered into its third 10-year contract to provide FM services for approximately 750 Coles Supermarkets, the retail food division of Wesfarmer Ltd., as well as Wesfarmer's Target and Kmart locations. City Facilities Management has been active in Australia since 2009 and now provides FM, technical procurement and energy management services to more than 2,000 locations in the country.

In 2015, City Facilities Management used Australia as a launch pad to enter the Asian market. The company partnered with the large pan-Asian conglomerate Jardine Matheson Holdings to provide full FM services to more than 250 Dairy Farm Supermarkets in Malaysia. City Facilities Management is now looking at expanding into Singapore, where Dairy Farm also has a presence.

Back in Europe, City Facilities Management recently completed the purchase of a leading UK and European FM company, Lesprit, which trades as AMF in France and MML in the UK. This acquisition provides a foothold in continental Europe through an established contract with the French retailer Auchan, which has a considerable international presence.

Operating internationally makes sense for both City Facilities Management and its business partners, Phimister said. Its partners and customers benefit from the company's broad range of experience, knowledge of the business and global buying power, while City Facilities Management is ensured that its growth is not limited to one country or market.

Given the company's success in expanding internationally and the challenges associated with it, Phimister said City Facilities Management is looking forward to sharing best practices with other PRSM members and learning from them. ●

PREP WORK

Here are five things any international company should do before launching operations in the United States, according to Gerry Phimister, Chief Executive of City Facilities Management U.S., LLC.

- Target your senior team early. The U.S. has fantastic talent available for new international businesses.
- Use the local Chamber of Commerce for orientation and B2B connections.
- Get your key partner relationships established early: a good bank, healthcare insurer and 401(k) provider are all key to becoming established in the U.S. and being able to recruit top talent.
- Focus early on business and trade licensing and compliance. International companies will be surprised at the variation that exists from state to state.
- Focus on the culture of your business, which is as important as the mechanics of service delivery. The attitude of our associates makes our business.