Organizational Models for Non-Core Processes Management: A Classification Framework

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Abstract This study investigates the impact of different organizational models for the management of non-core processes in the facility management (FM) industry and seeks to suggest which is the best in terms of strategic and operative advantages and disadvantages.

A literature analysis of the empirical evidence as to business process outsourcing and, in particular, as to the practices of the FM business sector has been carried out. The analysis has allowed us to identify a total of 11 organizational models that are a consequence of five different strategic approaches. A comprehensive classification framework of the strategies and organizational models on the basis of two dimensions is proposed: the organizational role of a non-core processes manager (called a ‘facility manager’) and the typology of non-core process/service providers.

The framework enables the identification and the explanation of the main advantages and disadvantages of each strategy and to highlight how a company should coherently choose an organizational model on the basis of (a) the specialization/complexity of the non-core processes, (b) the focus on core processes, (c) its inclination towards know-how outsourcing, and (d) the desired level of autonomy in the management of non-core processes.

Keywords Organizational Models, Non-Core Processes management, Outsourcing

1. Introduction

In the past, organizations managed the majority - or even the totality - of internal non-core processes using their own personnel and resources. The design, planning and management of all non-core support processes necessary for the effective and efficient execution of the company’s core activities is named facility management (FM) [1-3]. Non-core internal processes include, for instance, maintenance and technical assistance as well as courier service, mail distribution, industrial transportation, etc.