



GFM Services Berhad Recognized for

2021

Competitive Strategy Leadership

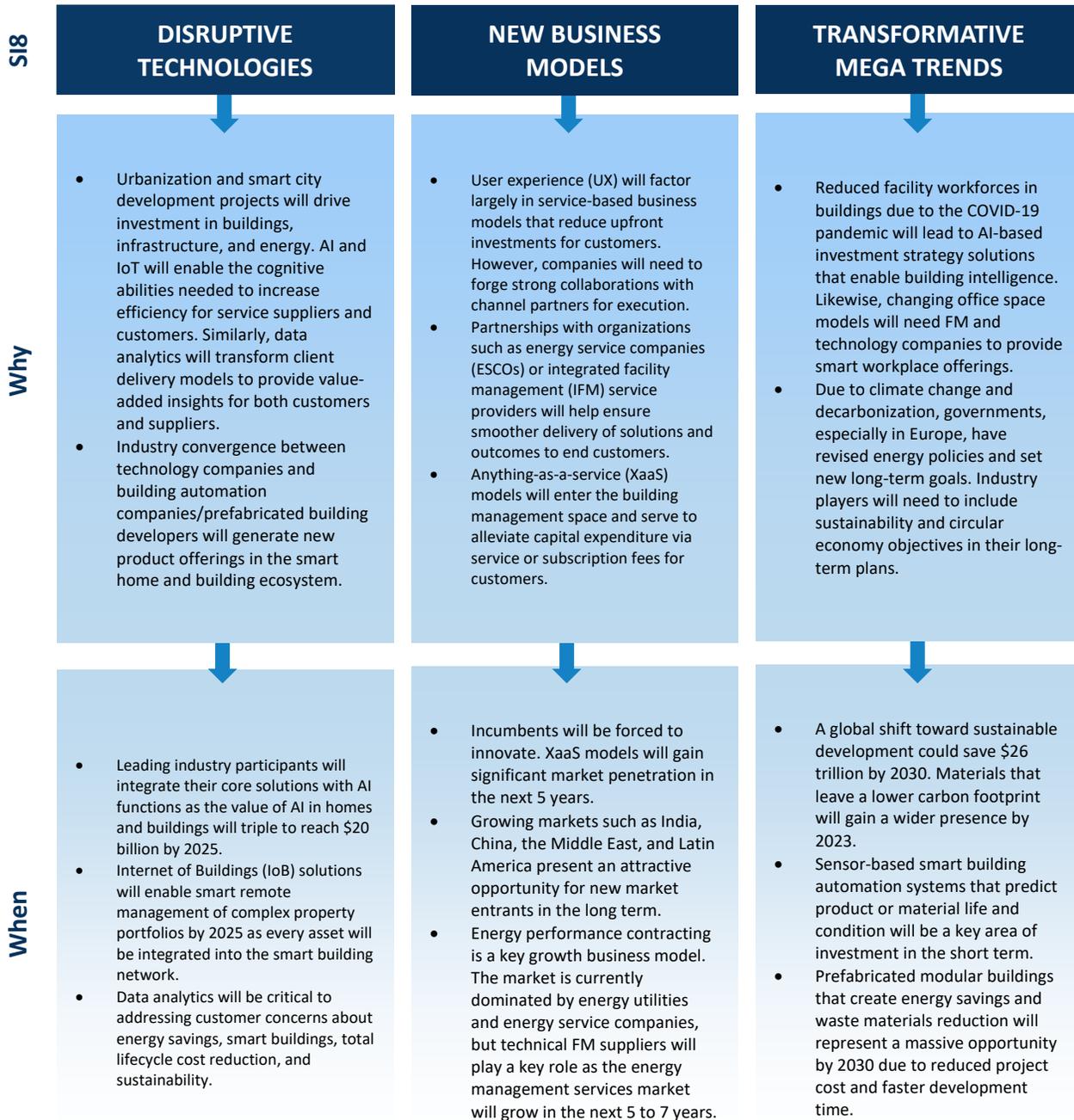
Malaysia Facilities Management

Excellence in Best Practices



Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the building services and technologies industry: disruptive technologies, new business models, and transformative mega trends. Every company that is competing in the building services and technologies space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of GFM Services Berhad is a reflection of how well it is performing against the backdrop of these imperatives.



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. GFM Services Berhad excels in many of the criteria in the facilities management space.

AWARD CRITERIA	
Strategy Innovation	Customer Impact
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Strategy Effectiveness and Strategy Execution

“Despite the COVID-19 pandemic, GFM continues to deliver and improve its services by providing strategic business continuity plans, new and innovative products, and solutions with efficient IoT automation implementations throughout its overall operations.”

- Norazah Bachok, Analyst

As global businesses struggle because of acute disruptions caused by the COVID-19 pandemic, the facilities management (FM) industry faces numerous challenges that have impacted movement activities, operational work management, supply chains, financials, and the growing demand for a higher service level, especially on matters associated with health and safety issues. During this uncertain time, FM providers must adapt to the changes and offer new and innovative products or solutions that will meet these challenging demands.

As an experienced FM provider and knowing the uncertain conditions during COVID-19 rather than taking the risk of focusing on an entire business portfolio, GFM Services Berhad (GFM) now focuses only on specific business segments to sustain its existing customer base and attract new customers. With this new approach called ‘customized solutions,’ GFM targets the following segments:

- Energy and sustainability: GFM provides services to customers, stakeholders, and interested parties in the energy and sustainability sector, such as oil and gas and renewable energy. Examples of key customers secured in 2020 include PETRONAS Refinery and Petrochemical Corporation Sdn Bhd (PRPC) and PRPC Utilities and Facilities Sdn Bhd (PRPC UF).

- Hospitality services: GFM provides services to customers, stakeholders, and interested parties in hospitality-related sectors, such as catering, food and beverage, resident/accommodation, and rest/recreation. An example of a key customer secured in 2020 is Iskandar EduCity Enterprise Sdn Bhd, with two contracts worth more than RM10 million.

Apart from these segment strategies, GFM has strengthened its foothold in tech-driven solutions and continues to strive to keep building downtime to a minimum, resulting in higher team efficiency and a better overall experience for customers. The company implements various analytics, artificial intelligence predictive maintenance features, and sensor technology applications within its services to optimize facilities. Furthermore, through its partnership with Tanand Technology Sdn Bhd, GFM has introduced Internet of Things (IoT)-enabled features in designated areas, including specific features such as cloud computing intelligence and Big Data analytics. These new features complement the existing building control system, which covers energy and environmental monitoring, and improve ecological conditions through process automation in select heating, ventilation, and air conditioning (HVAC) assets. Frost & Sullivan applauds GFM for its IoT implementations because they improve the real-time analysis of building performance to enable accurate data processes with quick response times.

In addition, GFM plans to continue growing its portfolio of new contracts and its scope and customer base through strategic partnerships and mergers and acquisitions. For example, through its acquisition of Amzass (M) Sdn Bhd, GFM has successfully increased its portfolio to include a rest and service area, along with PLUS Malaysia Berhad's North-South Expressway. With this strategy, GFM can continue strengthening its position as one of the major FM providers and can become a leader in the long-term concession business.

Frost & Sullivan commends GFM for implementing numerous business plans in 2020 as a part of its strategic approach to strengthen its market position and improve its propositions within the local industry.

Customer Ownership Experience and Customer Purchase Experience

GFM continues to improve the customer ownership and customer purchase experience and understands the importance of providing an excellent customer journey experience to maintain and attract customers. Moreover, GFM constantly explores various ways to enhance customer satisfaction while delivering cost benefits to customers.

As one of its initiatives, GFM deploys a customer satisfaction survey during project contracts to identify and address any issues immediately. These surveys are conducted at least once a year at all project sites, and the results act as a basis to initiate any service improvements. For example, the recent survey process identified the need for cleaning and hygiene services and health, safety, and security services from customers; therefore, GFM is paying more attention on creating strategic plans and enhancing its FM services. This immediate response to issues allows GFM to continue building long-term customer relationships and trust.

Digital transformation drives a positive customer experience, and as part of its continuous digital transformation effort, GFM has introduced its in-house-developed computerized maintenance management system (CMMS) solution called GFM Enterprise Management System (GEMS).

“Tailored services, strategic business implementations, and technology-advanced systems and applications highlight GFM’s commitment to providing the best customer experience.”

- Norazah Bachok, Analyst

As part of its strategy to reach a broader consumer base, GFM has enhanced the functionality of GEMS in the mobile application. This user-friendly, robust mobile application has made this system an invaluable asset and a new selling proposition for GFM. Nevertheless, the company recognizes the importance of industry certification to maintain high management standards and to deliver excellent service to customers. In addition, the company has established an

internationally recognized Integrated Management System (IMS) for internal FM use, comprising standards and guidelines in FM service delivery that are aligned with the International Organization for Standardization (ISO) in quality, safety and health, environment, and FM.

As a result of these successful initiatives, GFM has reinforced its service excellence and assurance for customers, boosting the overall ownership experience. Moreover, this success demonstrates GFM's continuous commitment to the customer ownership and purchase experience, thus leading to significant revenues for GFM, with a positive net cash inflow despite the global COVID-19 pandemic.

Customer Service Experience

Apart from customer surveys, GFM has outlined the following feedback mechanisms to understand customers' preferences and to improve the customer service experience:

- Service work order with feedback features: GFM issues a service work order as a channel for customers to lodge service requests or complaints. Before closing a work order, the customer can rate the work/service quality of each job.
- Service provider meeting: GFM's operational team and each customer's representative meet monthly to report on the service status and to address specific issues that arise from services rendered.
- Help desk services: GFM provides a help desk/front desk officer with a hotline number so that customers can submit requests or reports through a centralized channel for immediate attention and response.

Brand Equity

GFM understands the importance of building its brand recognition and market standing to enhance its position in the industry and attract new customers. In recent years, the company has earned various awards, demonstrating its excellence among other participants in the Malaysian market. These awards include the following:

- Construction Industry Development Board (CIDB) Grade G7 - SCORE 5 Star Rating (2020 - 2022)
- Focused Recognition Award by PETRONAS Refinery and Petrochemical Corporation – Service Provider Onboarding Program for the seamless, successful takeover of O&M at the PETRONAS Integrated Complex in Pengerang, Johor

Furthermore, GFM's brand image stands out in the market because of its strong propositions within the concession business and the service segment in the public sector. Following are some of the major contracts signed in 2020 from these customer segments:

- Financial Institution: FM services at the Asia School of Business, with a contract period of seven months, starting from December 1, 2020, to June 30, 2021
- Oil & Gas: Term contract for operations and maintenance services at Pengerang Integrated Complex, the area of services are PIC Village 1 & 2 and all associated facilities, non-process buildings and gate house, with a contract period of three years, starting from September 14, 2020, to September 13, 2023
- Education: FM services at the University of Reading Malaysia, with a contract period of two years, starting from October 1, 2020, to September 30, 2022

Frost & Sullivan research shows that GFM proves its outstanding brand image customer loyalty in the FM industry based on its numerous contracts received from various new and existing customers, despite the COVID-19 pandemic.

Conclusion

As one of the significant market participants in the Malaysian FM industry, GFM successfully demonstrates its outstanding capabilities by providing relevant and efficient products and services through numerous strategic implementations. Regardless of the current challenging landscape, the company has quickly improved its services; introduced immediate action plans to accommodate new demands; and prioritized its services and tech-driven, IoT-enabled implementations throughout its internal systems and facilities. With its strong focus on the customer experience, the company has increased its customer base in the FM business segment. In addition, a strong brand image has contributed to ongoing customer contracts, thus strengthening GFM's position within the industry.

With its strong overall performance, GFM Services Berhad earns Frost & Sullivan's 2021 Malaysian Competitive Strategy Leadership Award in the Malaysian Facilities Management industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

