

VICTORIA UNIVERSITY  
OF BANGLADESH

FINAL EXAMINATION

SUB.: FACILITIES MANAGEMENT

SUB. CODE: HM-552

SEMESTER: FALL 2023

SUBMITTED BY: EASHA MONI

PROGRAM: BTHM

STUDENT ID: 1522550021

BATCH: 55<sup>TH</sup>

SUBMITTED TO: MD. SHAMSUDDOHA SHOYON  
(LECTURER)

## **Question no 01**

Define asset management. What are the functions of an asset manager? Explain.

### **Answer to the question no 01**

#### **Asset Management**

So what is asset management? In essence, it is the safeguarding of a hotel's or group of hotels' earnings, earnings capacity and value through correct product and service definition, selection of the, appropriate operator setting of strategic and operational goals and monitoring and adjusting those goals in the light of changes in both the operating, debt and investment markets.

#### **The significant of asset management**

The areas where an asset manager can have most impact are the following:

- Product definition
- Service and operating standards
- Financial supervision.

In preparing the strategic plan, a consensus needs to be reached between owner and operator. Both have to agree on the hotel positioning and the volume of capital expenditure to maintain that position. Second, the strategic plan has to take into account opportunities in the hotel or facilities that will need to be amended or added in order for the hotel to maintain or improve its market penetration and respond to the growing needs of its current and future guests. The starting point for most strategic plans is a WOT (strengths, weaknesses, opportunities and threats) analysis of the existing hotel, segment by segment, comparing the hotel against its competitive set. A complete inspection of the property and visits to competitive hotels is a prerequisite for this analysis.

The asset manager can facilitate this process by bringing objective experience to bear on the potentially different points of view of owner and operator.

The asset manager often provides a fresh pair of eyes with which to view the property. For example, the asset manager might find areas such as storerooms, staff accommodation or empty spaces that might be adapted to revenue-producing areas such as bedrooms or small meeting rooms. In addition, certain of the facilities might have lost their original allure and require remodelling in the light of changes in consumer demand. This review and analysis will result in a wish list that then needs to be prioritized so that both owner and operator can ensure that their visions are met and that any FF&E reserve spending and owner's capital spending are used effectively to fund the agreed strategic plan.

The strategic plan will also help with the programming of the works and hopefully avoid abortive costs. Unlike many local authorities, it is far from desirable to shut down the same facilities on different occasions in order to carry out different projects.

The cost in terms of business interruption, increased cost of working and the danger of losing clientele due to gaining a reputation of constantly being subjected to disturbance can be high. It is therefore important that all activities are phased and coordinated and here again the asset manager may play a significant role in persuading the owner to invest more in the infrastructure initially in order to facilitate future changes, rather than limiting current expenditure and bearing an increased but perhaps hidden cost later.

### **The functions of an asset management**

Asset management refers to the systematic management of a company's or individual's assets to achieve specific financial goals, optimize performance, and minimize risks. The functions of asset management can vary depending on the context, whether it's personal finance, investment management, or corporate asset management. Here are some common functions:

#### 1. Goal Setting and Planning:

- Defining financial objectives and goals.
- Developing a strategic plan to achieve those objectives.

#### 2. Asset Allocation:

- Determining the appropriate mix of different asset classes (stocks, bonds, real estate, etc.) based on risk tolerance, time horizon, and financial goals.
- Balancing the portfolio to optimize returns while managing risk.

#### 3. Investment Selection:

- Identifying specific investments (stocks, bonds, mutual funds, real estate, etc.) that align with the asset allocation strategy.
- Conducting research and analysis to make informed investment decisions.

#### 4. Risk Management:

- Assessing and managing various types of risks, including market risk, credit risk, and liquidity risk.
- Implementing strategies to mitigate potential losses and protect the value of the portfolio.

#### 5. Performance Monitoring:

- Regularly evaluating the performance of the portfolio against benchmarks and goals.
- Making adjustments to the portfolio as needed to stay on track with the investment strategy.

#### 6. Diversification:

- Spreading investments across different asset classes and geographic regions to reduce risk and enhance overall portfolio stability.

#### 7. Cost Management:

- Minimizing costs associated with buying, selling, and managing investments.
- Ensuring that fees and expenses do not erode the overall returns of the portfolio.

#### 8. Tax Planning:

- Implementing tax-efficient strategies to optimize after-tax returns.
- Managing capital gains and losses strategically.

#### 9.Liquidity Management:

- Ensuring that there is sufficient liquidity to meet short-term financial needs.
- Balancing the need for liquidity with the longer-term investment horizon.

#### 10.Reporting and Communication:

- Providing regular reports and updates on the performance of the assets to clients or stakeholders.
- Communicating changes in strategy, market conditions, and any other relevant information.

#### 11.Compliance and Regulation:

- Adhering to legal and regulatory requirements in the management of assets.
- Staying informed about changes in laws and regulations that may impact asset management practices.

Overall, effective asset management involves a combination of strategic planning, prudent decision-making, and ongoing monitoring to optimize the financial outcomes for individuals or organizations.

## **Question no 02**

What are the principles of a feasibility study? Describe the steps in undertaking a feasibility study.

### **Answer to the question no 02**

#### **The principles of a feasibility study**

In the following section the general framework is outlined around which a hospitality feasibility study should be constructed, according to the objectives of that study and other factors which affect it. Before that, however, there are two principles to which any hospitality feasibility study must adhere in order for it to be valid.

1.The contents of the study must be current, relevant and focused. Everything contained therein must have some impact upon the proposed hospitality operation, or must be instrumental in assisting the reader in making a decision based upon that study. General background information on a country or area is therefore relevant where the reader may be unfamiliar with such information. However, even then the skill of the consultant lies not so much in what he or she puts into a study, but in what he or she leaves out.

2.The work of the team undertaking the feasibility study must begin with an assessment of the suitability of the site for development. Much time and effort can be wasted in assessing the local

market and other relevant aspects if it has not been established from the outset that the site will be suitable at the time the property is in operation, for some type of hospitality development and what that might be. That location is of vital importance to a hospitality operation and cannot be ignored when carrying out a feasibility study.

Certainly there are other principles to consider, yet these two are of paramount importance. It is alarming how often they are omitted.

### **The steps in undertaking a feasibility study**

Although it has been suggested that there is no such thing as a standard feasibility study, the experience of professional consultants shows that there are common elements in any study. The demands of the specific study, and the commissioning clients, will dictate the degree to which any element is covered and the manner in which it is investigated and reported, but none can readily be omitted.

1. Evaluation of the proposed site for the property - its position and general description, topology and topography, soil considerations, access to utilities and infrastructure, outlook and overlooks, environmental considerations, sun and shade patterns, prevailing winds, and its general suitability for the proposed project, plus ownership of the site and access alongside, planning permissions and restrictions relating to the site and the surrounding areas. (For some of these criteria, input from other professionals such as civil engineers will be required.)
2. Transportation and accessibility, relating to the general and specific location, both currently and in the light of planned / potential future changes.
3. Location of the site relative to any competitors, and to existing and future demand generators (for example, business districts, conference centres) and tourist attractions.
4. Assessment of the economic and social climate of the area in which the project is to be sited, to identify future economic and tourism development and whether there are likely to be future fiscal or social constraints that could influence occupancy rates.
5. Market evaluation, where there is a market to evaluate - pioneer projects cannot benefit from local market demand trends and the consultant must therefore look elsewhere for data to support projections. (This could include an evaluation of similar, but non-competitive, units in other locations.)
6. Sources and characteristics of demand, existing and potential, for rooms, food and beverage, conference, leisure and other facilities, plus drivers of that demand, and relevant internal and external influences.
7. Evaluation of competitive situation and planned additions, and identification of market opportunities and advantage for this project.
8. Future demand and likely market share/ demand potential.

9. Evaluation and derivation of design concept and recommended facilities.

10. Projected operating statements - estimates of room occupancy, average daily rate, food, beverages, telephone, room hire, leisure and other revenues, and the associated fixed and variable operating costs.

11. Cash flow projections and investment appraisal - estimates of fixed property costs, funding structures, loan terms and application of various appraisal methods including net present value, IRR and payback. A valuation of the project may also be included.

## **Question no 03**

If you want to build a 5-star hotel at Cox's Bazar then explain the process of design this hotel.

### **Answer to the question no 03**

Designing a 5-star hotel at Cox's Bazar involves a comprehensive and multi-disciplinary approach. The process typically includes several stages, each requiring careful consideration to ensure the hotel meets the highest standards of luxury, comfort, and functionality. Here's an elaboration of the design process:

#### **Feasibility Study**

Conduct a feasibility study to assess the viability of the project. This involves analyzing market demand, potential return on investment, and regulatory requirements.

Consider factors such as location, target market, competition, and local attractions.

#### **Site Analysis:**

Evaluate the chosen site in Cox's Bazar. Consider aspects like topography, climate, local regulations, and access to amenities.

Analyze the site's potential for maximizing views and optimizing natural light.

#### **Programming:**

Define the hotel's program, including the number and types of rooms, dining facilities, recreational areas, conference spaces, spa and wellness facilities, and other amenities.

Establish the desired guest experience and the unique selling points of the hotel.

#### **Concept Development:**

Develop a conceptual design that reflects the overall theme and style of the hotel. This includes architectural style, interior design themes, and the ambiance you want to create.

Consider incorporating elements that highlight the local culture or provide a unique experience for guests.

#### **Architectural Design:**

Engage architects to create a detailed architectural design that includes floor plans, elevations, and 3D renderings.

Consider the layout, flow, and aesthetics of the building, ensuring it aligns with the conceptual design and meets local building codes and regulations.

**Interior Design:**

Collaborate with interior designers to create a cohesive and luxurious interior atmosphere. Select materials, finishes, and furnishings that align with the hotel's branding and provide a comfortable and visually appealing environment.

**Engineering Systems:**

Engage engineers to design the mechanical, electrical, plumbing, and HVAC systems to ensure efficient and sustainable operations.

Integrate modern technologies for energy efficiency, security, and guest convenience.

**Landscaping and Outdoor Spaces:**

Design outdoor spaces, landscaping, and recreational areas to enhance the overall guest experience.

Consider sustainability practices and the use of local flora.

**Sustainability Integration:**

Integrate sustainable design practices, including energy-efficient technologies, water conservation, and eco-friendly materials.

Aim for certifications such as LEED (Leadership in Energy and Environmental Design) if applicable.

**Regulatory Approvals:**

Obtain necessary permits and approvals from local authorities.

Ensure compliance with building codes, zoning regulations, and environmental standards.

**Construction Documentation:**

Develop detailed construction documents, including architectural, structural, and MEP (mechanical, electrical, plumbing) drawings.

Create a comprehensive set of specifications for the construction process.

**Construction Management:**

Select a construction team and manage the construction process to ensure that the design is executed according to the plans.

Regularly inspect the construction site to address any issues that may arise.

**Quality Control:**

Implement a rigorous quality control process to ensure that construction meets design standards and specifications.

Conduct regular inspections and testing to maintain quality throughout the project.

**Interior Furnishing and Finishing:**

Oversee the installation of interior furnishings and finishes, ensuring that the design intent is realized.

Coordinate with suppliers and contractors to achieve the desired level of luxury and comfort.

**Pre-opening and Operations:**

Conduct a thorough pre-opening inspection to address any remaining issues.  
Prepare for the hotel's grand opening, including marketing and staff training.

**Ongoing Maintenance and Upgrades:**

Develop a plan for ongoing maintenance and periodic upgrades to ensure that the hotel remains in top condition and continues to meet guest expectations.

Throughout the entire process, collaboration between architects, designers, engineers, and construction teams is crucial to ensuring a seamless and successful project. Additionally, incorporating feedback from stakeholders and potential guests can contribute to the overall success of the hotel.

**Question no 04**

"No construction project is risk free. Risk can be managed, minimized, shared, transferred or accepted. It cannot be ignored." Explain this sentence.

Answer to the question no 04

Construction projects potentially involve a high degree of risk exposure. This is due to the one-off nature of many schemes, their long development programmed and the uncertainties that are often associated with on-site construction operations. Risk management (RM) techniques can make a significant contribution to the successful delivery of projects by enabling the project team to reduce the impact of risks, improve the overall management of a project and be more certain of achieving the client's objectives.

Cost risk is typically managed by QSs through the use of a contingency sum. The contingency sum is a reserve fund, which is usually set without reference to a detailed assessment of the specific risks that might affect a project. Project contingencies provide an allowance to cover the client's financial risk exposure but make little contribution to its management.

Under a formal risk management process, risks are identified, an assessment is made of the cost, time and quality consequences of a risk occurring and, where appropriate, mitigating actions are identified. The contingency sum is substituted for a series of cost allowances, directly linked to specific risks identified in a formal risk register.

The principal benefits of risk management are:

- greater certainty of project outcomes
- improved control of risks through pre-planning and early remedial action



- encouragement of 'right first time' thinking through pre-planning of responses to risk events
- allocation of responsibility for risk mitigation to the party best placed to manage the risk
- implementation of cost-effective risk mitigation measures
- effective control of the contingency sum.

In common with value management, risk management is a team-based process, utilizing the knowledge and experience of the whole project team to manage the client's exposure to risk. The principal stages in the process are:

**1.Information gathering:** understanding the project and setting the scope of the RM process.

**2.Identifying risks:** risks are identified by questionnaire, interview or by brainstorming. The identified risks are entered into a formal risk register and prioritized. The most significant risks are selected for further analysis and active management

**3.Analyzing risks:** risks are analyzed to calculate risk allowances for their time and cost consequences. There is a wide range of techniques available to the QS, which vary in their complexity, transparency and reliance on proprietary IT applications. Amongst the most common techniques are expected monetary value (EMV) and Monte Carlo simulation.

**4.Managing risks:** those concerned with risks are identified. The options available to the project team to manage risk are:

- a. Avoidance - changing the project to prevent the risk occurring
- b. Reduction - altering the design, specification or working method to minimize the impact of the risk, should it occur
- c. Transfer - reallocating risks to other parties, through insurance or through the terms of a building contract
- d. Acceptance- continuing management of risks without any pre-emptive action
- e. Reviewing the register - a review is important to monitor progress on risk mitigation measures and to update the risk register to account for new risks, expired risks and changing assessments of existing risks.