



**Clients Driving Innovation**  
 Innovative ways of delivering improved satisfaction – how can clients lead the way?



**The issue, the proposition . .**



- Re-positioning established businesses
  - First to market opportunities
  - Competitive advantage
  - Added value
  - Survival
  - Growth
  - Profit
- The issue is not quality, it is . . .
  - Perception
  - Expectancy
  - Performance

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**EastPoint – a reality check**



- **Vectors**
  - Established market
  - Market forcing change
  - WAN/Internet Technologies
  - Knowledge management and information pipelines
- **Visions**
  - 360 visioning
  - Infrastructure – communities – lifestyle
  - Tomorrow will not be the same as today
- **Values**
  - Shared interests
  - Infrastructure professionals
  - Business to people services
  - 30% increase in profit from new revenue streams

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**Who are we?  
 EastPoint – Our Pedigree**

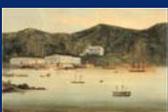


**1982 Chi Wo**  
 1982 Dec 3<sup>rd</sup> – Chi Wo Properties Limited  
 1982 Dec 14<sup>th</sup> – Chi Wo Management Limited



**1991 Colliers Jardine**  
 1991 Nov 5<sup>th</sup> – Colliers Jardine Properties Limited  
 1991 Oct 29<sup>th</sup> – Colliers Jardine Management Limited

**2002 EastPoint**  
 2002 May 6<sup>th</sup> – Re-branded ....  
 EastPoint Property Management Services Ltd



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**The Largest Independent PM/FM Company in HK...**



- 21 years experience
- Managing about 300 sites
  - 100 million square feet
  - 10% of the population in our care
- All sectors
  - Mostly residential
- About 3,000 staff
  - 400 white collar
  - 2,600 blue collar
- Triple accreditation -
  - ISO 9001:2000
  - OHSAS 18001
  - ISO 14001




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**Key Clients**




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### EastPoint outdated vectors . . .



- Traditional mindset
- Competitive market
- High transaction costs
- Site-based product delivery
- De-centralised client interface
- Highly differentiated organisation
- Centralised executive management

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### Process re-engineering . . .



- Systematic training and work processes
- Low cost personnel delivering higher value products
- **Increasing the intellectual content of operations**
- Re-engineered processes within an IT enabled environment
- **Integrate service over widespread operations**
- Information pipelines for monitoring and production
- **Unique sales and distribution network**
- B2C connectivity mandated by regulations



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### Technology vectors. . .



From . . .	. . . To
Ad hoc purchases	Leased hardware
Variety of software	Microsoft Office
Novell Netware	Microsoft Exchange
MRI™ and our Intranet is our 'beating heart'	
In-house creativity used as a management toolkit	

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### Vision - self perception



- Vision > Image > Reality
- 'You are what people think you are'
  - Example – brand culture
    - Jardine heritage
    - Manage infrastructure
    - Oriental blue-chip company
    - Care for people for communities
    - 20 years in business in Hong Kong
    - Jardine name synonymous with property and HK

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### EastPoint as we see ourselves...



The "Art and Science" of property management

We **confidently** and **independently** apply our knowledge of the **quantitative** aspects of our business while demonstrating an **empathetic understanding** of our clients needs. Complying with **standards** as matter of professional **integrity**, yet providing a level of **flexibility** in each situation leads to appropriate **solutions** to protect and prolong our client's property investments.

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### How we describe ourselves – visually – option 2




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How we describe ourselves – visually – option 3

Knowledgeable

independent thinking

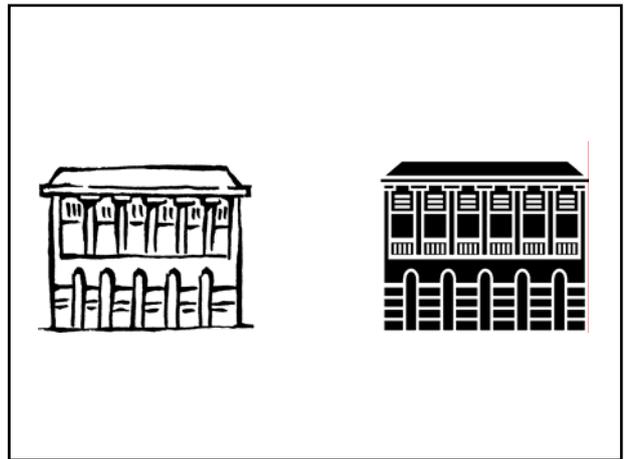
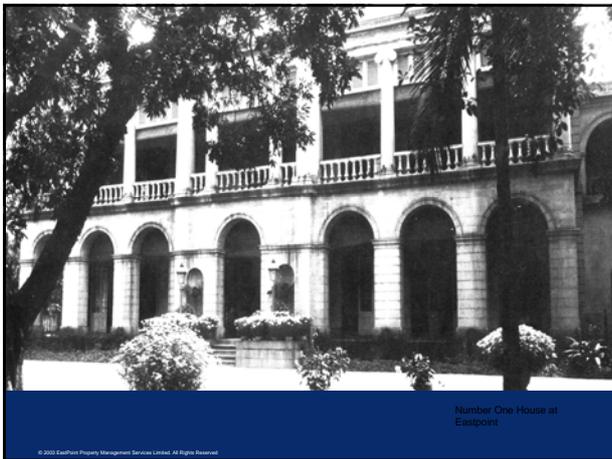
confident

AM  
ASSET MANAGEMENT

PM  
PROPERTY MANAGEMENT

FM  
FACILITIES MANAGEMENT

PC  
PROPERTY CONSULTANTS



Innovation requires . . .

- En-Visioning
  - What, Why, Where, and How
- Insight
  - Expectancy, Perception, Reality
- Culture
  - Of change
- Enterprise
  - Entrepreneurial individuals
- Energy
  - Incentivised and empowered
- Tools and techniques
  - Project management – ruthless execution

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### EastPoint self awareness



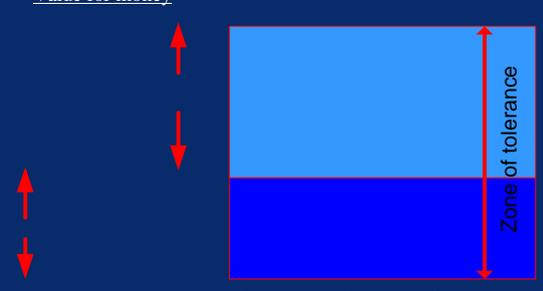
- En-visioning
  - Professional infrastructure managers
    - We are focused on physical assets
  - Caring for communities
    - People are paramount for a successful business
  - Providing lifestyle services
    - Satisfying the expectancies of our many customers
    - Personal appetite is limitless

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### Let's not forget value for money



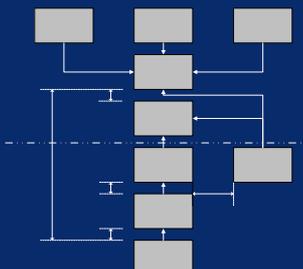
Value for money



Parasuraman's 'Zone of Tolerance'

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### Service Quality Model

Parasuraman *et al*

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### Quality Assurance is not enough



- Don't measure perception, expectation, performance
  - ISO 9000 series - quality assurance
  - OHSAS18001 – health and safety
  - ISO14001 – environmental control systems
- Internal/external assessments of process
- Customer satisfaction survey

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### Customer satisfaction surveys



- Self serving
- Low response
- Skewed results
  - Satisfied customers are passive
  - Dissatisfied customers are biased
- Too coarse a model
- Too long an interval
- Reactive not proactive

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### Performance assessed in reality



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- Rational objective measurement from a stakeholder point of view
- Broad range of measures
- Rational means 'objective' measurement
- Performance means 'reality' Vs KPI's
- Stakeholders are staff, clients, shareholders
- Broad range means, > 5, < 12

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### Matrix of relative weighting



- Bias free
- Data rich
- Credible source
- Credible measure
- Routine/ periodic measure
- Consistency of methodology
- Representative of client perception
- Objective is worth more than subjective
- Representative of portfolio performance

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### Multi-metric performance assessment....



Performance Metric	Wgt
Action@EastPoint	1.0
External audit by HKQAA	0.9
Audit of EastPoint management system	0.8
Directors independent inspections	0.7
Customer satisfaction tel interviews by CSC	0.6
Proforma Customer Satisfaction Survey	0.5
Client self assessments	0.4
Independent night audits	0.3
Proforma Staff Satisfaction Survey	0.2
PM Inspections	0.1

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### Matrix of measurements



Achieves

- A broad-based y-o-y performance indicator
- Triangulation of performance measures
- Monthly indicator of performance
- Multi-attribute stakeholder view
- Short term trend analysis
- Representative results
- Sensitivity analysis

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### External audits



- Integrated management system
- 200 marks for a faultless performance
- Deductions for exceptions per property
  - 50 per major NC
  - 10 per minor NC
  - 5 per observation
- Sampling is representative of portfolio
- Six monthly interval

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### Internal audits



- Integrated management system
- 100 marks for a faultless performance
- Deductions for exceptions per property
  - 10 per major NC
  - 3 per minor NC
  - 1 per observation
- Sampling is representative of portfolio
- Six monthly interval

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### Directors Inspections



- Senior management communication
- Random inspection of sites of others
- 20 key aspects of performance
- Proforma assessment
- Likert scale of 1-5
- Score < 3 requires CAP
- Sampling is representative of portfolio
- Six monthly interval

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**Other measures ..** 

- Annual customer satisfaction survey
  - ISO requirement
  - Simplified to measure 'perception > desired level of service'
- Night Audits
  - Independent auditors employed
- Staff satisfaction
  - Six monthly staff engagement surveys

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**Client expectancy and CRM** 

- All clients are important but some are more important than others
- Pareto ranking into 4 categories (A – D)
- Ranked by \$ value and other attributes
  - PR/Flagship site
  - Developer – potential for more contracts
  - Growth potential
  - Connection/Influence more contracts
  - Valued long term client

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**Client expectancy** 

- Expectancy understood in rank order
- Perception increased in rank order
- Perception > Expectancy delivered as a priority in rank order

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**Comment . . .** 

- Portfolio management approach should apply to service delivery
- Pareto methodology ensures priority is in ensuring customer expectancy is exceeded for the most relevant clients
- Customer expectancy norms apply for the remainder

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**Final comment . . .** 

- Perception is a reality in the mind of your customer. . .
- You become what people perceive you to be. . .
- Perception should always exceed expectancy. . .
- Perception and expectancy are in the minds of your customers. . .

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