

Satisfaction Improves With Investment in Work Order Management

BY DOUG MILLER AND CHRIS PULKET

RESEARCH CONFIRMS THAT RESIDENT SATISFACTION AND RENEWAL LIKELIHOOD INCREASE AS MORE TIME AND RESOURCES ARE DEDICATED TO IMPROVING MAINTENANCE AND WORK ORDER MANAGEMENT.

Dedicating more focus, time and resources to managing the “resident experience,” especially investing in maintenance staffing and the work order management process, is something SatisFacts consistently has cited as being critical to increasing resident satisfaction and minimizing costly controllable turnover.

This position is based on what SatisFacts’ research consistently has shown: the majority of turnover is controllable; nearly one-third of such issues are related to staff performance; there are powerful correlations between outstanding work orders and

satisfaction, and between satisfaction and renewal likelihood. Because saving one move-out positively impacts the bottom-line by \$3,000 to \$6,000, it is clear that enhancing satisfaction has greater financial value than any new resident—regardless of strong or weak market conditions.

Nowhere has return on investment (ROI) evidence been more apparent than in the results from recent follow-up studies completed for apartment communities. The issues identified in the initial surveys, followed by focused post-survey efforts, and the resulting changes in resident satisfaction measured in subsequent surveys present valuable case studies.

These points support SatisFacts’ position on the returns for investments that improve the resident experience, customer service and the efficiency and effectiveness of the work order process.

Case Study 1: Address Maintenance Issues

One National Multi Housing Council (NMHC) Top 50 owner has had various challenges at several communities. Working with its fee management partner, SatisFacts conducted an initial phase of resident satisfaction research to determine what controllable issues were negatively impacting the performance at each community.

As Table 1 shows, the initial studies conducted in March of 2005 indicated there were significant service and work order management issues. All maintenance-related question scores fell into either the “red flag” or “warning” category (scoring below 3 and 3.5, respectively, on a five point scale). Given the significant correlations between the percent of residents with outstanding work orders and satisfaction, these issues required immediate attention. Using the findings as rationale, important decisions were made during the post-survey review and subsequent planning sessions: add a floating maintenance technician and

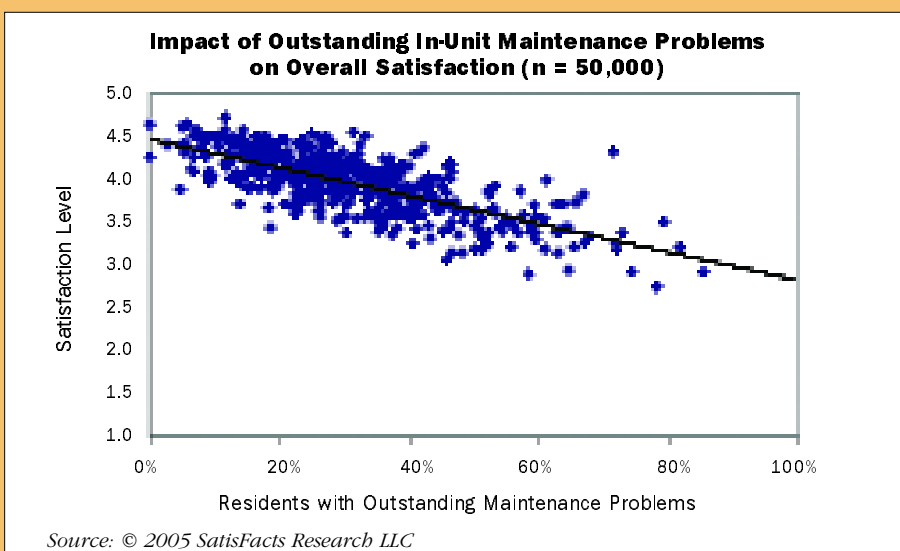


TABLE 1 - Case Study 1

Five Point (1-5) Scaled Satisfaction and Yes/No Questions

	SURVEY 1 SCORE OR % YES	RATING	SURVEY 2 SCORE OR % YES	RATING	% IMPROVEMENT	SATISFACTS INDEX
Apartment—Appearance, Condition	3.59	Average	3.79	Average	6%	3.91
Office—Courteous, Professional	3.85	Average	4.14	Superior	8%	4.18
Office—Responsive, Dependable	3.36	Warning	3.76	Average	12%	3.95
Maintenance—Courteous, Professional	3.92	Average	4.07	Superior	4%	4.12
Maintenance—Response Time	2.60	Red Flag	3.17	Warning	22%	3.75
Maintenance—Work Quality	3.43	Warning	3.79	Average	10%	3.98
Overall	3.51	Average	3.78	Average	8%	3.92

*Source: © 2005 SatisFacts Research LLC***TABLE 2 - Case Study 2**

Five Point (1-5) Scaled Satisfaction and Yes/No Questions

	2004 SCORE OR % YES	RATING	2005 SCORE OR % YES	RATING	% IMPROVEMENT	SATISFACTS INDEX
Apartment—Appearance, Condition	3.46	Warning	3.72	Average	8%	3.91
Office—Courteous, Professional	3.97	Average	4.46	Superior	12%	4.18
Office—Responsive, Dependable	3.45	Warning	4.04	Superior	17%	3.95
Maintenance—Courteous, Professional	3.55	Average	4.04	Superior	14%	4.12
Maintenance—Response Time	2.85	Red Flag	3.81	Average	34%	3.75
Maintenance—Work Quality	3.19	Warning	3.85	Average	21%	3.98
Maintenance—Problems Still Exist	47%		37%		-10%	33%
Renewal Likelihood—“Very Likely”	39%		43%		4%	46%
Overall	3.51	Average	3.92	Average	12%	3.92

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contract for maintenance call center support. It was also decided to re-survey the communities six months later to complete the “evaluate-plan-do-review” cycle. In addition, residents received a letter detailing the changes being made as a result of their feedback.

The follow-up survey findings reported that the changes had a highly favorable effect. As shown in Table 1, all core service scores increased. Adding maintenance staff and the call center support proved valuable, as office and maintenance staff responsiveness scores increased 12 percent and 22 percent, respectively. Residents appeared to greatly value the support and service enhancements. Overall, the average score grew 8 percent.

The percent of residents with outstanding work orders was surprising, yet enlightening; the percent increased from the mid-40 percent range to the 50 percent range. In comparison, the SatisFacts Index is 33 percent and the goal below 20 percent. The cause relates to what can

occur when a maintenance call center or online work order functionality is added. In the past, a resident would call about an issue. When going online to submit work orders, however, residents see a menu of service request topics; often this menu leads residents to enter a laundry list of issues, both significant and not. Call centers report that work order volume can increase two to three times. While the percent of outstanding requests grew, all of the service-related scores grew, as well. Positive attitudes about the added conveniences and support appear to have outweighed any negatives.

The lesson is that call center and online work order rollout plans should include: educating staffs on what to expect; pre-planning, including adding maintenance staff at least on an interim basis; and a resident communications plan.

Case Study 2: Replace Ineffective Staff

This case study is included because the

results show the value of addressing core maintenance and service issues. As shown in Table 2, by addressing key issues, this community was able to leverage results to improve satisfaction and renewal likelihood.

The 2004 annual survey results identified critical issues, most notably regarding the responsiveness, dependability and work quality of the office and maintenance staff. As SatisFacts’ research would forecast, excessive outstanding maintenance problems led to the staff receiving “warning” scores, and the high level of outstanding requests led to the “very likely” to renew percent to be well below the index.

Upon reviewing the 2004 survey results, the community owner replaced the manager and maintenance supervisor. The effect became apparent when the 2005 surveys were conducted. Scores and renewal likelihood skyrocketed, as residents appeared to have noticed the change in service quality; all service-related satisfaction scores increased 12

TABLE 3 - Case Study 3

Five Point (1-5) Scaled Satisfaction and Yes/No Questions

	2004 SCORE OR % YES	RATING	2005 SCORE OR % YES	RATING	% IMPROVEMENT	SATISFACTS INDEX
Apartment—Appearance, Condition	4.30	Superior	4.32	Superior	0%	3.91
Office—Courteous, Professional	4.51	Exceptional	4.56	Exceptional	1%	4.18
Office—Responsive, Dependable	4.48	Superior	4.47	Superior	0%	3.95
Maintenance—Courteous, Professional	4.57	Exceptional	4.58	Exceptional	0%	4.12
Maintenance—Response Time	4.46	Superior	4.43	Superior	-1%	3.75
Maintenance—Work Quality	4.45	Superior	4.42	Superior	-1%	3.98
Maintenance—Problems Still Exist	21%		25%		4%	33%
Renewal Likelihood—“Very Likely”	63%		62%		-1%	46%
Overall	4.42	Superior	4.42	Superior	0%	3.92

Source: © 2005 SatisFacts Research LLC

percent to 34 percent. Coupled with a 10-point drop in outstanding work orders, the improvements led to a 4-point increase in renewal likelihood. And the net impact of a potential 4 percent turnover reduction at a 300-unit community is considerable: 12 fewer move-outs at a conservatively estimated cost of \$3,000 each leads to a \$36,000 positive increase to the bottom line. Imagine the portfolio-wide impact a sharper focus could deliver.

Case Study 3: Over-Staff Maintenance Teams

The final case study is intended to serve as a benchmark and is based on the performance of a long-term client with a Class B portfolio. While not having the resources of larger organizations, this company has a unique operational approach: Consistent with the mission of making apartments “homes” by providing caring, consistent and capable service, the company over-staffs every community with at least one-half extra maintenance technician. Its satisfaction scores clearly set the benchmark for excellence, as every year its portfolio satisfaction scores rank first or second nationally.

Table 3 shows how this company’s scores remain consistently high year in and year out. This company’s focus on service and its unique maintenance staffing plan lead to all service-related scores being “superior” or “exceptional” (above 4 and 4.5 respectively). The percent of outstanding work orders remains

low, despite older assets, due to the resources committed. Taking the steps to maximize satisfaction and minimize outstanding requests leads to 62 percent to 63 percent of residents each year saying they are “very likely” to renew, which is 16 to 17 points above the SatisFacts Index. These results confirm that regardless of market conditions, sound steps focused on satisfying residents minimizes exposure to costly controllable turnover.

Making a Case For Focusing on Maintenance

These three case studies are intended to show the returns for shifting more focus and resources into the maintenance and customer service arenas.

New technologies and functionality offer the ability to improve staff efficiency and effectiveness, eliminating many administrative tasks. These tools include property management software with robust service request management modules, portals with work order functionality and maintenance call centers. The key benefits offered by maintenance call centers and online work order systems are that they: expand “office hours” to 24/7 and add a much-needed time-saving convenience for residents; improve information gathering and subsequent work orders; can be integrated with property management software; address an area that powerfully affects satisfaction; and improve resident perceived value.

The results also provide justification for redirecting some education dollars

from leasing seminars to resident relationship management sessions for office and maintenance teams. Such programs should focus on the effect customer service has on retention, the role each person plays in the renewal decision-making process and how each person can help to improve service.

Lastly, SatisFacts’ research presents a compelling case to shift funds, such as from soft retention programs, to hiring additional maintenance staff. This is recommended at least for the heavy turnover season. A community’s greatest exposure to work order dissatisfaction and controllable turnover occurs during the prime rental season, when the majority of leases expire. Given the service-satisfaction-renewal correlations, it is critical to minimize outstanding maintenance problems just when a resident’s lease is expiring. Unfortunately, at the same time as the majority of leases are expiring, heavy make-ready and move-in efforts mean service requests have to compete for staff’s attention. ■

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