Building Engines

What Are Your Tenants Thinking?

How to Find Out with Ongoing Feedback

Our lives would be a lot easier if only we could read tenants' minds.

Until we can, property managers will have to rely on innovative and effective ways of understanding what tenants are really thinking.

Occupancy—the phase after lease signing and before renewal—is the longest part of a property management team's relationship with tenants. It only makes sense, then, to cultivate as much positive sentiment as possible during this time. Not only is it essential to running an efficient and profitable building or portfolio, but research has shown that **tenants who are satisfied with property management are three times as likely to renew.**

When it comes down to it, customer satisfaction can be the difference between keeping and losing a management contract.

Done well, Tenant Relationship Management (TRM) can differentiate your property and create a distinct competitive advantage. Of course, you cannot serve customers properly if you are not listening to them. If, however, you proactively take the necessary steps to understand tenant sentiment, you will be set up for success.

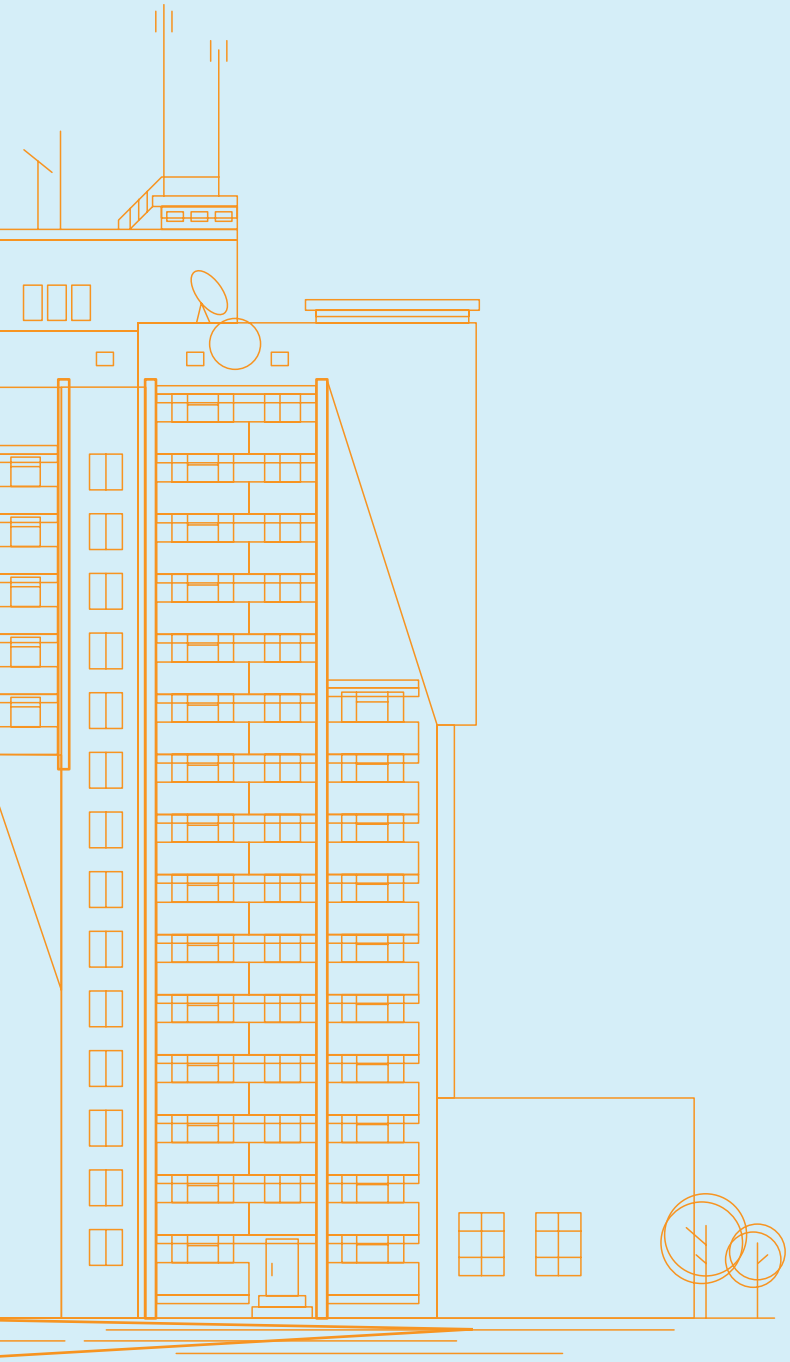
In this eBook, we'll cover three topics:

1. **Why Most Current Tenant Feedback Programs Fail**
2. **What it Takes to Supercharge Tenant Satisfaction**
3. **How to Evolve to Operations Performance Management (OPM)**

Part I

Why Current Tenant Feedback Programs Fail

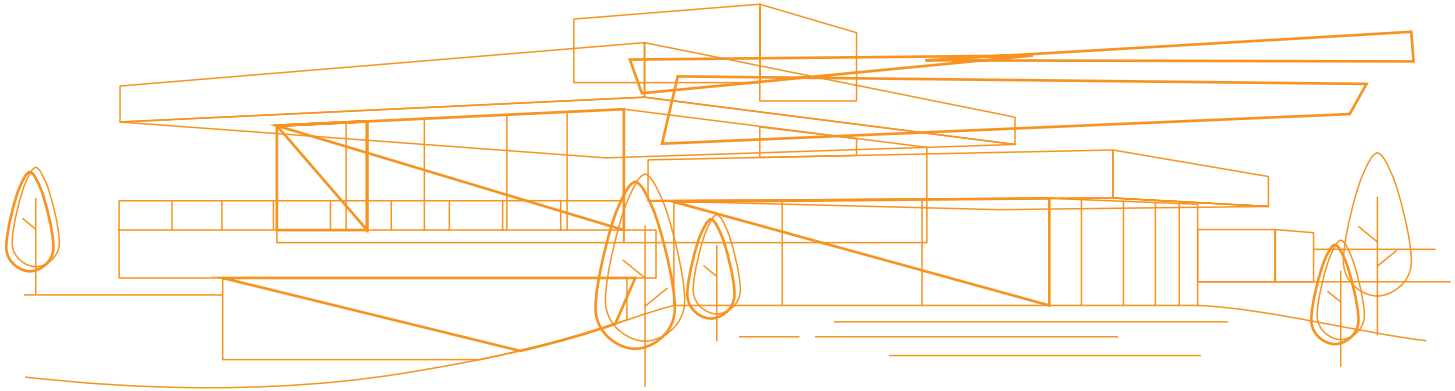
The traditional methods building owners and property managers have used for decades to understand customer sentiment are largely ineffective for today's tenants. There are three main reasons for this.



1. Too Difficult

According to Building Engines' Tenant Relationship Management Benchmark Report, only 42% of building owners and managers say their tenant feedback program is easy to administer. This might explain why half of them say they use "informal tenant meetings" to measure tenant satisfaction—which, of course, is not really a measure at all!

Others deploy highly general, broad surveys that include as many as 50-60 questions. Whether conducted internally or through a third-party vendor, surveys take a lot of work for both the building management team and the tenants who fill them out. That is one reason why most owners and managers survey only once a year (or less).



2. Too Infrequent

When the difficulty of capturing tenant feedback leads to low-frequency measurement, the problem is compounded. Without a modern, efficient feedback program, potential problem areas are hidden for months—or until they grow so large that they blow up. But problems happen every day, in real-time. Property managers need continuous insight into sentiment so they can tie it to the underlying issues that impact it. This is more effective than the all-too-common approach of "putting out fires."

Another problem with infrequent surveys and ad hoc hallway conversations is the difficulty in documenting response to feedback.

If you're committed to service, you need a way to enforce, deliver, and prove the level of service you provide tenants every day.

A record of consistent service delivery is important not only in tenant renewal conversations, but also as an additional layer of visibility for property owners.

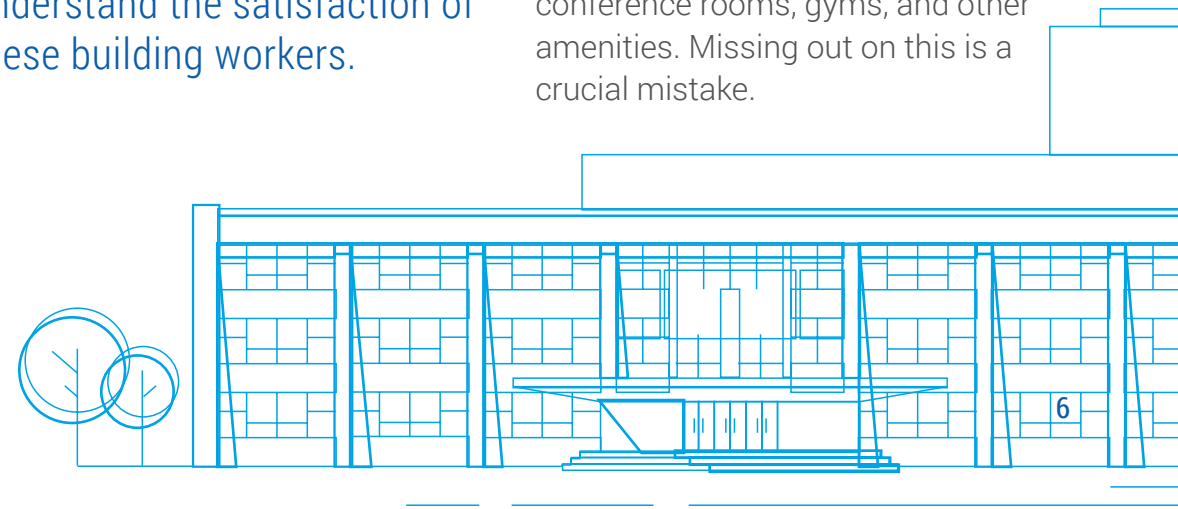
3. Too Narrow

A third shortcoming of outdated feedback programs is their lack of breadth. Rarely do they offer any point of view beyond that of a single organizational point of contact. But today's building owners and managers are under new pressure to understand the sentiment of all building workers, who are increasingly using building resources, hanging out in common spaces, and influencing renewals.

In Building Engine's **TRM Benchmark Report**, **71%** of CRE owners and managers believe that all tenant employees are now their "customers," yet only 20% are extremely confident they understand the satisfaction of these building workers.

Furthermore, four out of five wish they understood building occupants' degree of pride in the building.

Today's technology enables property managers to capture feedback from occupants while they are using various building resources such as the cafeteria, parking facility, conference rooms, gyms, and other amenities. Missing out on this is a crucial mistake.



Part 2

Supercharge your Tenant Satisfaction

The two most valuable tools in the property manager's toolkit to help deliver excellent customer service are automated and online work order management systems, and tenant surveys, according to the TRM Benchmark Report. Combining the two into an integrated feedback loop enhances the power of both.

Establish an efficient work order system

Work order systems are designed to provide complete visibility into every building issue – dramatically improving communication, staff productivity, and service response times, leading ultimately to happier tenants.

In fact, **67%** of CRE professionals surveyed would prefer that tenants communicate with building staff via an online property management system (i.e. Building Engines)

A best-in-class work order system allows you to assign, track, and manage all your work orders from inception to completion, directly from your mobile device, then turn all your service data into full-featured, flexible reports. This data then informs capital planning, billing, and tenant communication strategy.

And this visibility goes both ways. Tenants, too, should be able to see when a task is created, scheduled, and completed – and to provide feedback on the experience.

Establish a Feedback Loop with Real-time Surveys

Work orders present a critical opportunity to capture real-time tenant sentiment. Setting up an automated feedback mechanism after each work order provides clear benefits:

- **It keeps you in touch with tenant sentiment on a regular basis and allows you to act before negative feedback escalates—or worse, before it festers for months, unseen.**
- **It prioritizes your efforts toward maximum-impact service standards. Management and maintenance teams can base their decisions on what is most important rather than falling back on a one-size-fits-all approach.**
- **It facilitates identifying and rewarding peak performers throughout the management organization, leading to greater team engagement.**
- **It can open a window into root-cause analysis of problems resulting from noncompliance or poor workmanship**

With the right platform in place, work order satisfaction can be just the beginning of an integrated, ongoing feedback measurement program. From general satisfaction and building resource use to special events and simple opinion polls, there are plenty of occasions to keep a pulse on tenant sentiment.

CASE STUDY: How RMR Group Improved the Tenant Experience and its Ability to Deliver Best-in-Class

Ensuring top-notch service and tenant satisfaction is a key priority of RMR REAL ESTATE SERVICES, a division of The RMR Group with over $23.4 billion of real estate asset and more than 1,300 properties under management. When this organization needed a more sophisticated platform to support its commitment to best-in-class operations, it turned to Building Engines.

In addition to configuring the application and workflows to meet RMR's needs, Building Engines integrated the solution with the company's accounting system, which now feeds property and tenant data into the Building Engines platform.

With the platform and modules in place, RMR can better communicate with its engineering and property management staff, and manage its workforce and properties operations based on data.

“By setting targets early, we can determine how our service level agreements correlate to tenant satisfaction. We expect to drive higher levels of satisfaction and feel the Building Engines system will play a critical role,”

- Jason Mayo, Manager of National Engineering Systems for RMR REAL ESTATE SERVICES

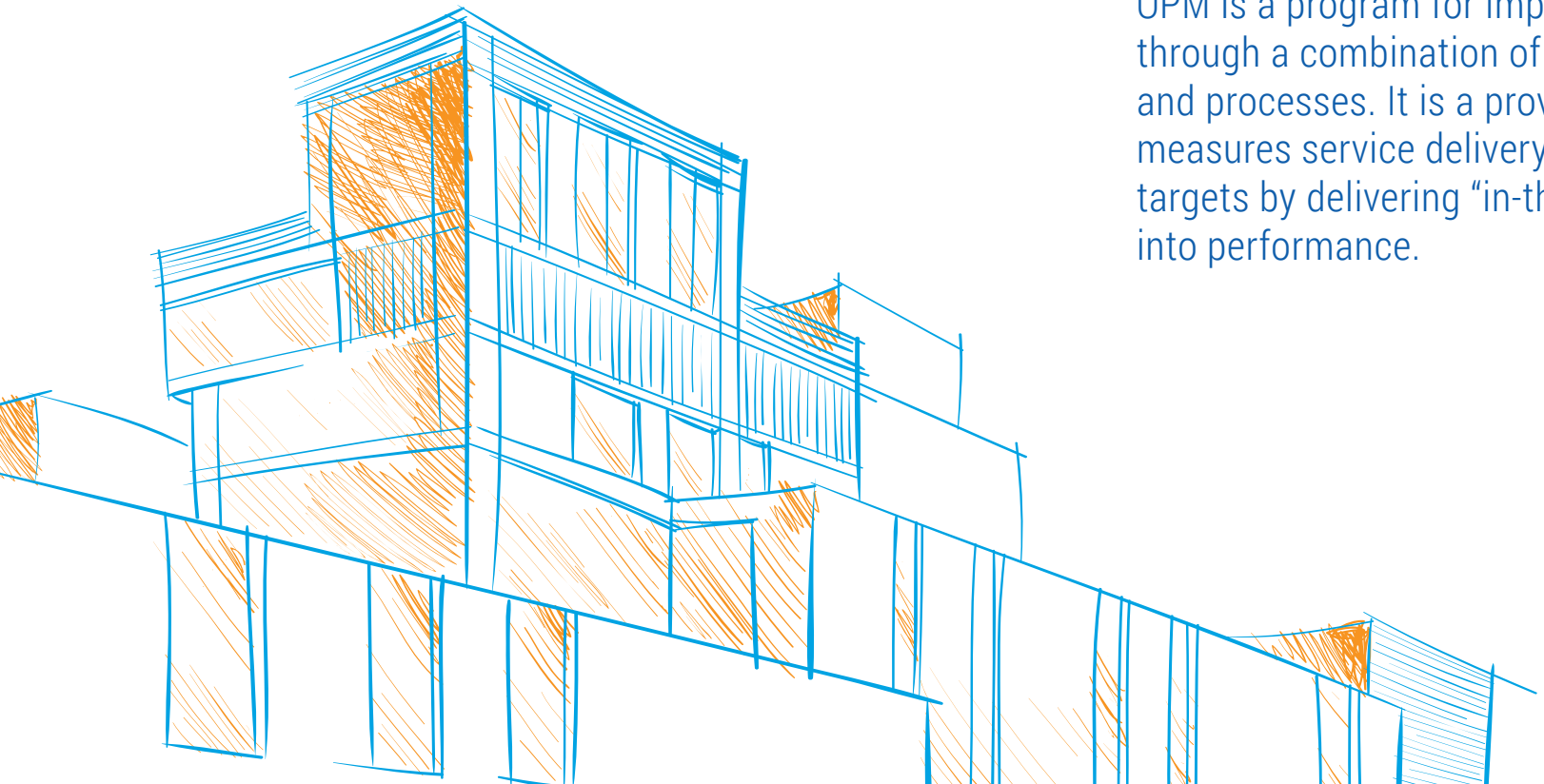
Part 3

Evolve to Operations Performance Management

The first and most immediate goal of an ongoing tenant feedback program is to create happy, loyal tenants who will stay in your buildings and expand over time. But capturing tenant sentiment frequently is only part of a big-picture plan to optimize the performance of your entire property management.

We call it Operations Performance Management, or OPM. This is the "north star" for commercial real estate organizations – a state of management in which you measure and optimize tenant services continually and proactively.

OPM is a program for improving tenant service through a combination of the right technology and processes. It is a proven strategy that measures service delivery against benchmark targets by delivering "in-the-moment" visibility into performance.



Four steps to OPM:

OPM allows property managers to manage by exception, in real-time, by using real, current data to document service delivery and improve tenant satisfaction. At Building Engines, we break OPM down into four steps:

1. Define Service Standards

Everyone needs a target. Setting a clear, visible standard is the first step in managing service delivery. Bonus points for proactively communicating with tenants about these standards!

2. Measure Performance

Once a set of standards is in place, measuring performance should be straightforward. Objective measurement is the starting point for discussion—the clock doesn't lie, after all—but it does not have to be the end…

3. Refine the Model

Every property is different, and that may mean occasionally tweaking performance standards. Perhaps that 15-minute response target was too ambitious. On the other hand, even 100% achievement may not be enough to satisfy tenants if a standard is too loose. Reports that include external benchmarking can be very helpful here. The best OPM programs pause to take stock every now and then, refining as necessary.

4. Configure Your Team for Continued Success

Are the right workers being dispatched at the right time? Are some engineers taking on too much work, while others have excess capacity? OPM shows you the data so you can make the proper adjustments. The right team setup will send your tenant service performance into overdrive.

Data on performance AND tenant sentiment, collected continuously across your portfolio, arms you with the insight you need to keep customers satisfied, increasing their loyalty and your bottom line.

With ongoing measurement, you'll have the insight to manage every building, every tenant, and every square foot.

Transform the Tenant Experience with Building Engines

Building Engines' SaaS (software-as-a-service) web and mobile property management platform helps operations teams improve service delivery, mitigate risk, connect with tenants, and maintain their properties using performance-based insights gathered from day-to-day tasks.

Find out how your organization can collect tenant sentiment on a consistent basis, **request a meeting with our experts today**.

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