

STRATEGIC PLANNING IN PROPERTY MANAGEMENT

An Essential Element of a Successful Property Management Organization

BY TROY GIPSON, CPPA
ROCKET CITY CHAPTER

Strategic Planning is not listed among the 15 Property Management Functions. In fact you may not find the term anywhere near the Property Management organization policies or procedures. However it is one of the essential elements to a successful Property Management organization.

Eventually all organizations will face unforeseen problems (reduction of resources, reorganization, unsatisfactory conditions etc.). A successful long range plan is essential in order to quickly recover and regain control.

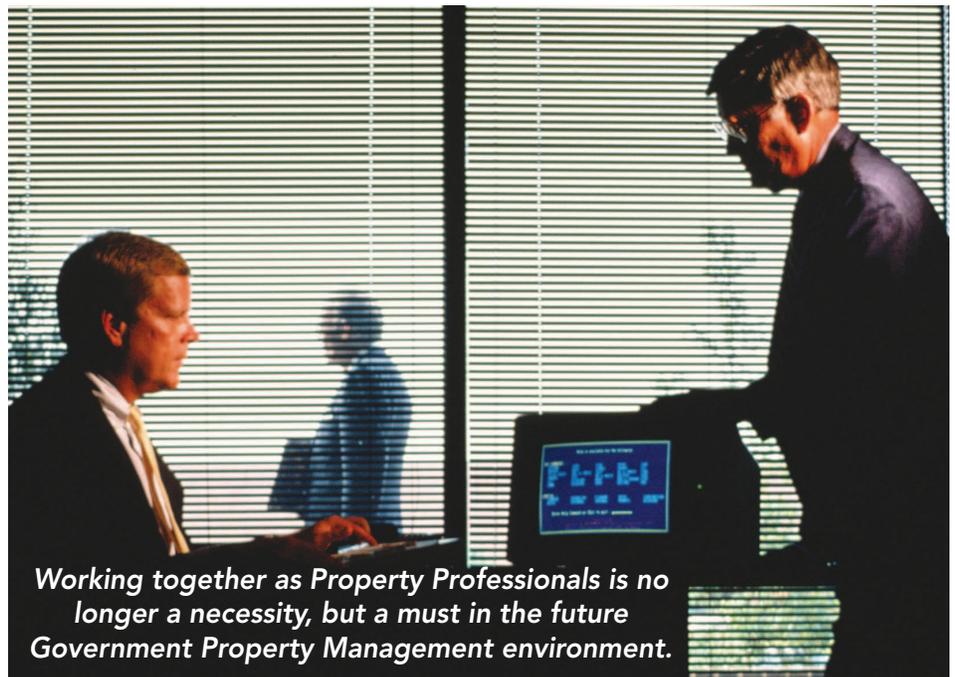
What is Strategic Planning? Strategic Planning involves setting goals and objectives. It involves looking ahead to future events, either anticipated or unanticipated. Strategic Planning also involves reviewing the organization both internally (resources, personnel) and externally (customer, organizations, etc.).¹

In the remaining article, we will attempt to provide some examples and suggestions on how you can apply Strategic Planning principles to the Property Management organization.

STRATEGIC PLANNING SUGGESTIONS

1. Know your Organization Structure.

One of the first things you should consider in developing a strategic plan is the organization structure and how the Property Management organization falls within your company. This may



Working together as Property Professionals is no longer a necessity, but a must in the future Government Property Management environment.

involve reviewing the organizations business structure to determine the potential strengths and weaknesses. One of the most important factors to consider is the upper management support and the alignment of the Property Management organization. In order to be successful, the Property Manager must have executive management support. Therefore it is very important for the Property Manager to develop a good understanding of how the executive management operates. The main thought on the organization structure is to determine how your organization is aligned in order to increase the maximum exposure and support from the alignment.

2. Review the external (customer) expectations.

Knowing your customer expectations is in fact one of the keys to any

successful company or organization. Property Management is no different. Always strive to know what your customer expects, both from a product/service standpoint and also from business interaction (communication). You should ensure that you have good communication with your customer at all times, and keep them informed. Sometimes your customer will not have the latest information. Therefore you have a responsibility to keep them informed on internal and external changes. Working together as Property Professionals is no longer a necessity, but a must in the future Government Property Management environment.

3. Plan for future events, either anticipated or unanticipated

It is difficult to plan for the future knowing that there will be inevitable unplanned or unanticipated events.



No one can predict precisely how the Property Management organization will look in 5 or 10 years, or how the Government Property field will look in the future.

However there are some steps you can take to help prepare for the unplanned events. Begin by reviewing the anticipated changes (FAR Rewrite, reduction of resources, etc.). You may elect to assign specific personnel with the responsibility of reviewing the pending regulation changes. You may decide to develop an impact list (things that may be affected as result of the change) and review the list with your employees and management. When the changes finally do occur you will be better positioned. For unplanned events, consider mapping out possible events or changes that may likely occur over a period of time. Then take the list and develop “back-up” plans for each area that is considered high risk.

4. Develop Risk Ratings for each Property Function

Before each fiscal year consider sitting down with your employees and reviewing each property management function. Develop a risk rating scale (high, medium, low) based on established criteria (i.e. dollar values, line items, past audit results, metrics, etc.). Once you have developed the risk rating criteria sit down with your personnel or customer and review each function. After you have established an “internal” rating for each function, identify methods to help prevent the “high” risk areas from becoming deficient. You may decide to conduct “internal” reviews or audits to measure

the “high” risk areas. You may also elect to establish “internal” metrics for some of the “high” risk areas. And finally your customer may be interested in sharing the “joint” risk ratings as part of the annual property system analysis.

5. Develop Succession Plans

Another important area to plan is the management of internal resources. Most companies have some type of succession plan for their management. However you may not have a plan for your employees. You are encouraged to have contingency plans for each of your employees. This may involve extensive cross-training of employees, but it can be critical if you encounter personnel reductions.

6. Develop Training Opportunities

A well-trained staff is essential in today’s ever changing environment. With the changes in Government regulations and Industry Standards, having well-trained and productive personnel is essential. There are several ways you can plan for training opportunities. You may develop your own training materials as many agencies and companies have done. The more formal and established training, of course, is through the NPMA. Working with NPMA, property professional’s employees can share information through networking and formal certification testing. There is no doubt that some Agencies and Companies have more resources than others. However

there is no excuse for property professionals not to join NPMA or to take advantage of the training opportunities.

7. Develop Annual Performance Goals and Strategies

Today most agencies and companies have performance goals and objectives. But if you have not been exposed to these now is the time to consider. Typically most performance based metrics will measure the success (satisfactory, unsatisfactory) of individual goals. An example in the Property Management field would be to “maintain” a 95% inventory accuracy. Another goal might be to establish 5% inventory reduction for the fiscal year. After you have established a measurement for each goal, periodically track the progress through weekly or monthly reviews. Once you have established a consistent performance measurement you will be on your way to implementing some very important benchmarks for controlling property.

It is important to note that Strategic Planning is not a science and is therefore unpredictable. No one can predict precisely how the Property Management organization will look in 5 or 10 years, or how the Government Property field will look in the future. There will no doubt be changes to government regulations (FAR, NASA FAR, State and Local Regulations, etc.) and company policies. The Property Management field is no different than any other profession in that regard. This is exactly why the Property Management organization needs an effective Strategic Plan for the present and future. The Property Management organization that uses Strategic Planning today will be steps ahead when changes occur in the future. □

¹ Drucker, P.F. (1974), *Management: Tasks, Responsibilities, Practices*: New York: Harper & Row.