

PMRE MONITOR

2010



State and benefits of process management in
the German and Swiss real estate market

Design and measure processes continuously – on all levels of the Real Estate Market!

In order to reach this goal, a fundamental analysis of the Real Estate Market is inevitable. How is Process Management doing in the world of Real Estate and which benefit can be generated with it? Can the success of the company be enhanced with standardised processes? Do investments in a process based management system pay off? The following Process Management Real Estate (PREM) Monitor has provides answers to these questions.

A total of 133 companies of the German and Swiss Real Estate Market underwent the analysis. Predominantly the companies come from the areas of Investment Management, Asset Management, Property Management or Facility Management in the role as service provider or proprietor. With most of the companies orientated to the private sector, they mainly manage real estate portfolios with a value > 65 Mio €.

The analysis of the status of process management is structured according to the EFQM-Model². It consists of the criteria Leadership, Policy & Strategy, People, Partnership & Resources, Processes, People, Customer, Society and Key Performance Results.

The high service orientation of the executive staff stands out in the assessment of the leadership skills. Further quality characteristics are shown in the clear assignment of responsibilities and the short communication channels. Potential for improvement is found in the deployment of Management-Information-Systems.

Under the criteria People, expertise and social skills are put on to test. Remarkable is the higher valuation of the soft factors compared to the professional experience and the expertise.

In the strategies of the companies the satisfaction of the clients is the primary objective. The reduction of costs were attached less importance. A clear drawback was assessed in the analytical work.

The companies foster cooperative relationships on a high level of commitment with their stakeholders. The analysis of data and the deployment of document management systems are less common.

The analysis of the customer demands and the coordination of the interfaces towards the clients are broadly developed with regard to the processes. Backlogs are seen in the automation of processes, the measurement of processes and the derivation of the process indices from the strategy.

The customer and people satisfaction are on an above-average high level. Also the service demands and the competition level are rated high. Overall the achievement of the qualitative criteria was rated higher than the achievement of the quantitative ones.

The crosstabulation points out the differences in the various levels of Real Estate Management. On the level of Investment Management the companies possess a clear definition of interfaces to clients and suppliers. Asset Managers score with the agreement of Service Level and the controlling of their supply relationships. Facility Management companies have their process costs under control and interact closely with their clients. For the Property Managers, potential for improvement is seen in their internal processes as well as in the harmonisation of interfaces.

The regression analysis reveals interdependencies between various factors and proves a positive effect of Quality Management on the customer and people satisfaction. Also financial criteria, for example the profit margin or the increase of market growth, are fostered with an effective management of processes. In order to meet the expectations of the stakeholders, structures and processes must be designed in a transparent way.

² European Foundation for Quality Management

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