LILLIBRIDGE

Monitoring Tenant Service With Data

As one of the nation's leading owners and managers of healthcare real estate, Lillibridge is passionately committed to customer service as exemplified by their "Lillibridge Standard" of delivering value to tenants and investors. However, the Lillibridge Management team wanted to monitor, manage, and capture data for **all aspects of their service delivery** in real time in order to truly demonstrate service excellence.

This is the story of how Building Engines worked with Lillibridge to document and prove their commitment to service excellence.

Case Study

Operations Performance Management

Market: Commercial Real Estate
Role: Owner, Manager, Broker
Purpose: Share a Customer Story

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The Challenge

Lillibridge engaged with Building Engines in 2010 to automate certain operational processes with an initial focus on tenant service request delivery. The project included standardizing workflow and nomenclature across **6.2 million square feet of their portfolio**＊, as well as extending the process to new mobile devices carried by the property management and maintenance teams.

While the initial deployment created immediate benefits and visibility, Lillibridge senior executives, led by their Executive Vice President of Property Management and Leasing, wanted to improve centralized management and measurement of service delivery by connecting the processes and system to their existing service delivery standards.

This would enhance understanding of property performance relative to those standards and help answer these questions (among many others) –

Are we hitting our service delivery targets?

How do our people know how to prioritize tasks each day?

Who are our peak performers and where should we seek improvement?

Which tenants are being underserviced or overserviced?

Which buildings are performing better than others? And why?

Lillibridge regularly emphasized the goals expressed in the axiom "you can't manage what you don't measure."

Additionally, the Lillibridge leasing department wanted data that would reinforce Lillibridge's historic service excellence, as well as demonstrate its ability to meet the unique service requirements of any tenant.

Building Engines believes the implications and value of this approach in today's economy are significant, where the battle for tenant retention and maintaining strong net operating income is often won through outstanding service delivery.

Today's sophisticated tenants are asking management teams to provide quantifiable and demonstrable proof of all building claims, including service.

Institutional owners and investors are demanding operational performance data and quantifiable evidence of management's ability to deliver on the investment goals for an asset.

Initial pilot test locations included 360,000 sq. ft.

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The Solution:
Operations Performance Management

The focus of the Building Engines initiative was to help clients derive deep and meaningful insight into performance through actionable intelligence. Further, they wanted to provide clients with the ability to set targets and benchmarks throughout the system that they could measure performance against internally, as well as against other like-clients and properties.

These objectives, which aligned with Lillibridge's needs, presented Building Engines an exciting opportunity to enhance their service and respond to a client's immediate need.

The Building Engines Product and Customer Services Team met with Lillibridge senior management in late Q4 of 2011 to clearly define their objectives and map out an implementation and deployment plan.

The new capabilities incorporate a management principal utilized in many other industries called **"Operations Performance Management" (OPM).**

The key principles of OPM are that all business units need to be aligned to achieve goals. Software used to complete operational tasks should aggregate raw data of daily use and present it to users as actionable information through key performance indicator (KPI) dashboards and alerts.

Additionally, OPM requires that results reflect performance against targets and benchmarks that are embedded in the processes and system.

Guided by OPM principles, **Lillibridge and Building Engines partnered in following a standard Building Engines 7-Step Implementation Process:**

Step 1: Establish KPIs

Key performance indicators are required service levels that can vary based on a priority level, a specific tenant, property or day of the week.

Building Engines worked with Lillibridge to gain input from property management, leasing and engineering, industry standards and existing contracts to answer the question, "What should our key performance indicators be for managing service delivery?"

Step 2: Review Processes to Support KPIs

The Building Engines Customer Operations Team reviewed Lillibridge's existing processes to promote alignment with Key Performance Indicators.

Step 3: Process Recommendations

Process recommendations included:

- Addition of a new state of "arrival" to track and measure physical arrival times, distinct from resolution times.
- Creation of service priority levels connected to work order request issue types.
- Setup of multi-level escalation notifications based on service priority levels.

Step 4: Establish Current Performance

We launched the system (with accompanying training and practice sessions) and Lillibridge immediately began collecting data to establish its current performance levels.

Step 5: Data Review Analysis

Within one week, Lillibridge and Building Engines were able to review performance data and identify areas on which to focus.

Step 6: Improvement to Meet Targets

Lillibridge took specific actions within their service delivery processes to improve identified inefficiencies. Within another two weeks, and following a few minor adjustments, they saw improvements in service response times.

Step 7: Ongoing Operations

The system continues to monitor activities and provide real-time alerts if established service level thresholds are not met.

In addition, Lillibridge regularly reviews interactive dashboards and shares reports with management teams and the leasing department to demonstrate performance results.

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Results

While Lillibridge came into the project confident it was delivering quality service, partnering with Building Engines provided an opportunity to improve service delivery, documentation and processes.

With the program in place, Lillibridge has enhanced processes to enforce, deliver, and demonstrate it is providing an exceptional level of service to its valued tenants.

Lillibridge also gained a set of tools to efficiently monitor performance through managing by exception - proactively targeting areas below the Lillibridge standard.

Without increasing staffing levels, Lillibridge was able to achieve and demonstrate a

73%

improvement in documented service delivery! *

The project contributed to this accomplishment by enabling staff to have "in the moment" visibility into service targets and the required actions. Now there is a clear understanding of what to prioritize in order to uphold standards and service delivery commitments.

These new capabilities are now available to the following Lillibridge constituencies:

Property Teams

- Maintenance personnel now know immediately the priority level, target response and completion times for service requests.
- Personnel can now manage daily activities by exception, based on automated escalation.
- Rich discovery dashboards allow for enhanced analysis and targeted action.

Senior Management

- Has clear visibility into performance and the ability to define and manage standards at all properties.
- Can clearly and proactively identify peak performers and areas to target for improvement.
- Are able to detail real time performance metrics to owners and investors.

Leasing

- Has quantifiable data to illustrate service delivery and performance to prospective tenants and tenants up for renewal.

results based on initial pilot test locations

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What's Next?

Building Engines is delivering additional insight to Lillibridge through the OPM program by layering in a service quality rating from its tenants. A proprietary formula will factor the service quality responses with the delivery metrics to provide an overall service delivery rating. Management will have complete, real-time visibility into service delivery performance with unprecedented insight into service data.

Is Operations Performance Management a Fit For You and Your Organization?

That depends on your service performance goals and whether real-time visibility and operational data are important to your organization and your bottom line. Ask yourself and your team a few key questions:

- Do we have a clear understanding of what our service delivery targets are or should be?

- How do we know if we miss a key deadline?

- What real-time visibility do we have into our service delivery performance across our portfolio?

- What real and current data could we provide to a prospective tenant that demonstrates our commitment to service excellence?

- How can we be certain the service we delivered to our tenants last week met our, and their, expectations?

To discuss the implications of how you answer these questions, please contact us today to schedule an introductory conversation.

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