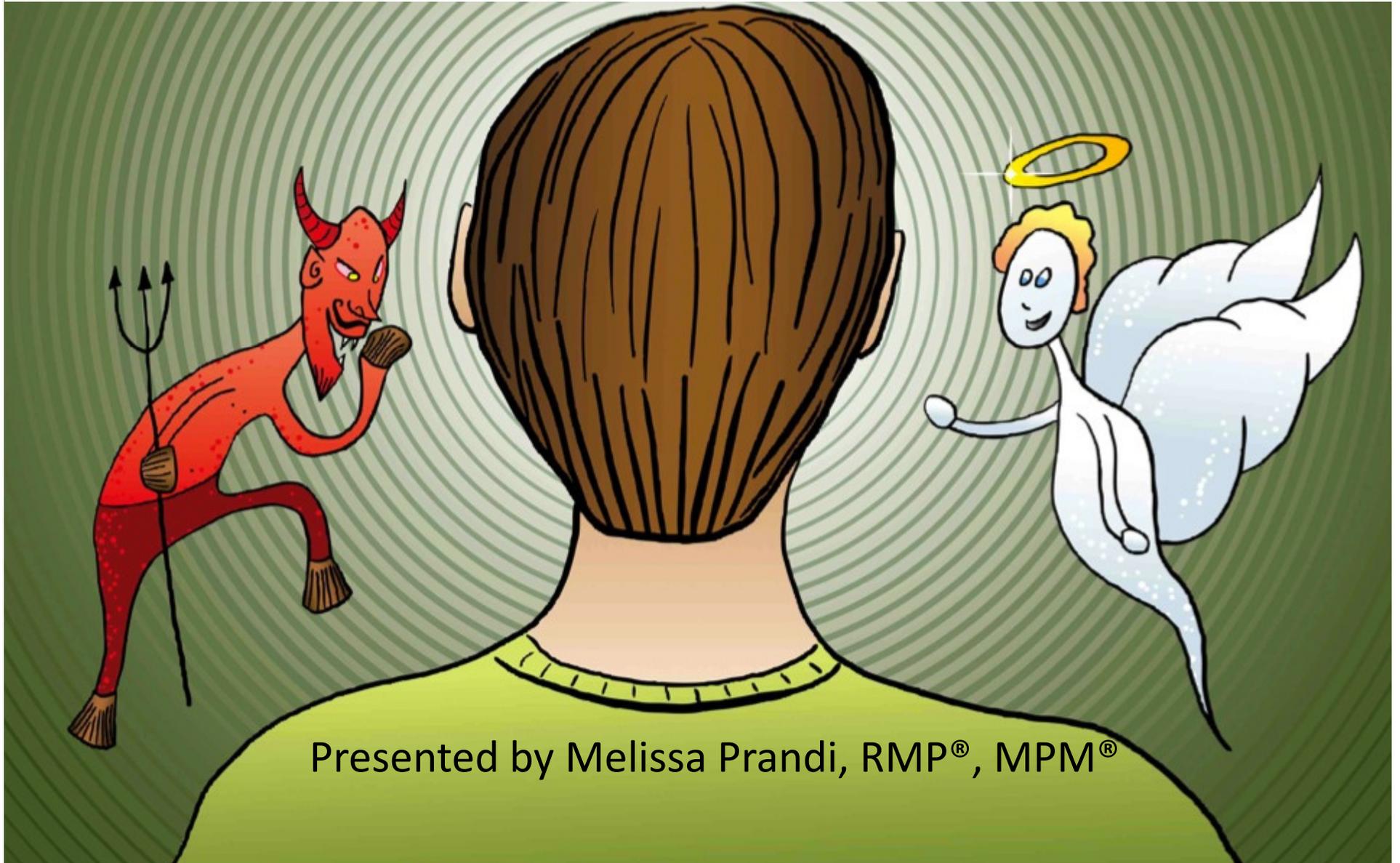


# *Good Owner. Bad Owner.*

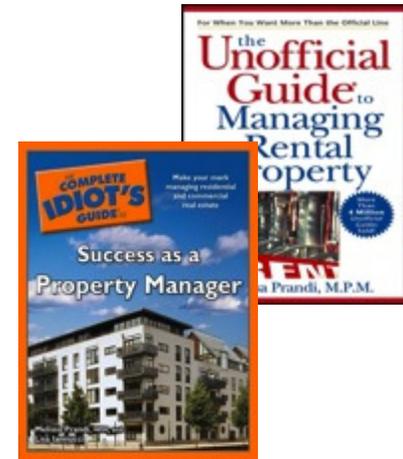


Presented by Melissa Prandi, RMP<sup>®</sup>, MPM<sup>®</sup>



# Melissa Prandi = Property Management

- 29 years in the industry
- Former NARPM National President
- Growth from 100 to 3,000 units
- Studied the formulas of a great property management company
- Traveled 175,000 miles to visit 300 management offices in one year



**Delighted  
Customers  
vs.  
Profitable  
Customers**





## A Balanced Scorecard Approach To Measure Customer Profitability

*“Customer profitability measures provide a valuable signal that satisfaction, retention, and growth in customer relationships are desirable only if these relationships contribute to higher, not lower, profits.”*



## A Balanced Scorecard Approach To Measure Customer Profitability

*“If a company finds that an important customer is unprofitable, it should first look internally to see how it can improve its internal processes to lower the cost-to-serve. After all, we can't expect customers to pay for our inefficiencies.”*

# Calculating Profitability

## REVENUES

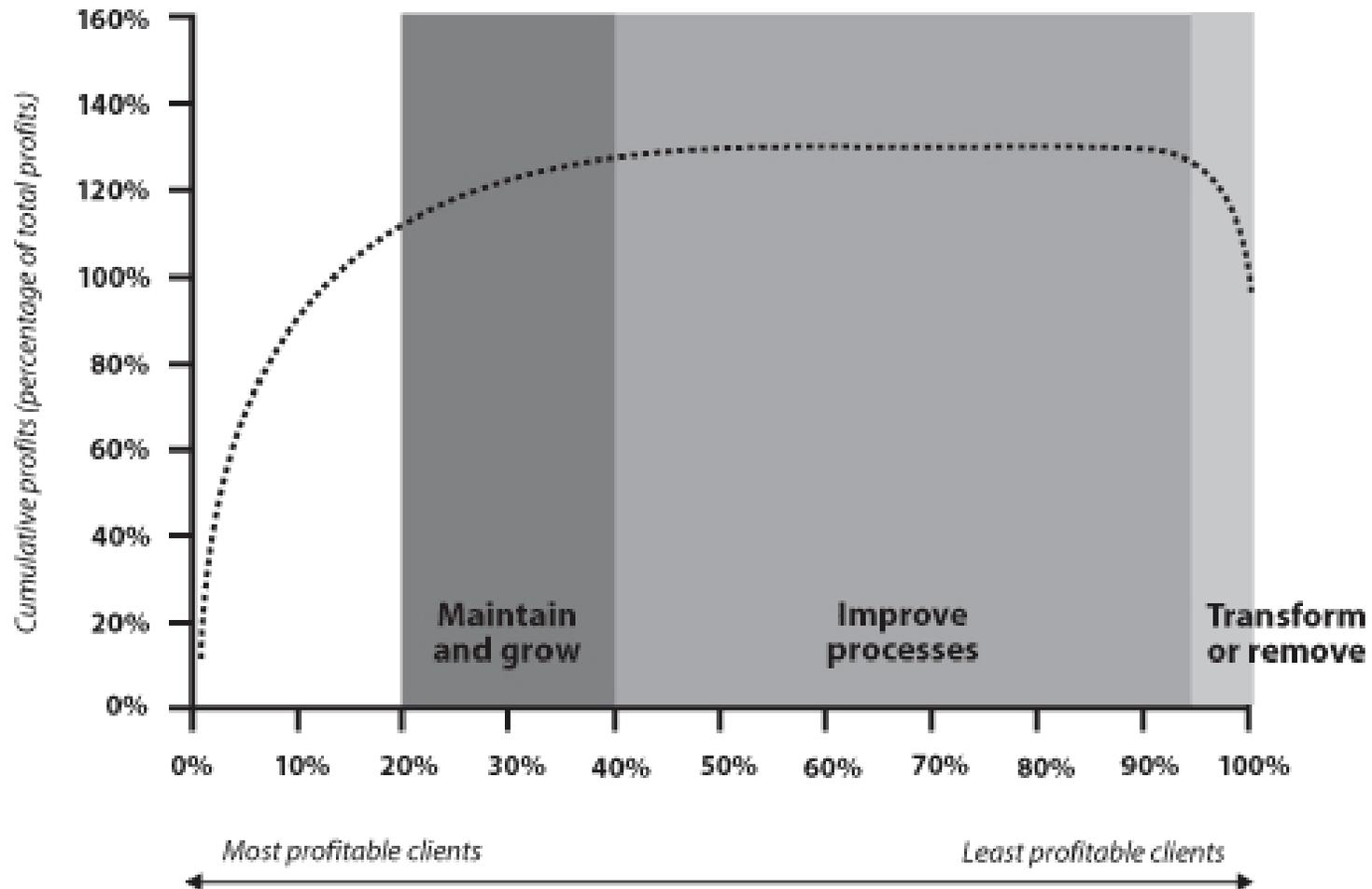
- Number of units
- Base annual management fee revenue generated
- Total of all other fees collected
- Deferred maintenance on the property
- Occupancy status

## EXPENSES

- Relevant labor cost divided by number of clients
- Property proximity to management office/resources
- Quality of property and resident

## PROFITABILITY

# Customer Profitability Lifecycle



# Screening Out Bad Owners





# Information Sheets


  
 Specializing in 'Residential' Properties

Date: \_\_\_\_\_  
 Time: \_\_\_\_\_  
 By Whom: \_\_\_\_\_

**Prospective Client – Lead Sheet**

Owner's Name(s): \_\_\_\_\_ E-Mail: \_\_\_\_\_  
 Phone Number(s): C- \_\_\_\_\_ H- \_\_\_\_\_ W- \_\_\_\_\_  
 Property Address: \_\_\_\_\_  
 Cross Street: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 Referred By/Company: \_\_\_\_\_

Service Requested: Consultation / One-time Rental / Monthly Mgt. / Both

**Property Information**

House / Condo / Twnhse / Duplex / \_\_\_-Plex / Apt BR \_\_\_\_\_ BA \_\_\_\_\_  
 Garage: 1 or 2 car / 1 or 2 car Carport

Square Footage: \_\_\_\_\_ Date available for rent: \_\_\_\_\_  
 Currently Occupied? Y / N By Whom: \_\_\_\_\_  
 Contact Information: \_\_\_\_\_  
 Current Rent: \_\_\_\_\_

Mark for Follow-Up: \_\_\_\_\_  
 Contact Calls: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Initial: \_\_\_\_\_  
 Memo: \_\_\_\_\_

- Explanation of when they are used and key things to gather
- Know where your customer came from
- Get the details up front and confirm who owns the property.
- Get details so that you can bring comps to your meeting


  
 Green Lead Tracking—  
 MAY 2011

Prospective Client/	Address of Property/	Green sheet/ PM Assigned/	PM spoke to/	Appt. Scheduled?/	Source/	MP call/	Hired?/
<b>May 2-5</b>							
John Daniels	68 Red Hill Circle, Tiburon	5/5	BB	5/5	5/8 @ 11	Postcard mailing	
Glynnis Thomas	131 Gregory, Fairfax	5/6	DE	5/6	Send comps	---	
						<b>Total for week:</b>	<b>2</b>
<b>May 9-13</b>							
Carol Aceves	45 Bayview Road, Kentfield	5/9	CG	5/9	5/10 @ 3:30	Dave Doyle, Alain Pinel	
Nadia Volk	107 Mariner Green, CM	5/9	CG	5/9	5/13 @ 9:30	Sharon Daely	
Christopher Epsa	1020 Edgewood Ave, MV	5/9	MB	5/9	5/10 @ 3:30	Mayra Pasek, 1X client	
Jackie Carroll	309 Willow Avenue, CM	5/11	MB			Knows Melissa	
Jane Hecht	78 Cypress Place, Sausalito	5/13	BB	5/13	5/18 @ 2	Saw property sign	

# Service Boundaries

- Cost of servicing neighboring cities
- Use the 30 minute rule –
- Know who else is doing business in that area
- Know the market



# Properly Inspect Properties

- Safety issues
- Market status
- Check smoke detectors and carbon Monoxide
- By keeping the property maintained you have less emergency calls and a happy “resident”



# Driving Profitable Owners

GAME  
PLAN

# Set Expectations Early

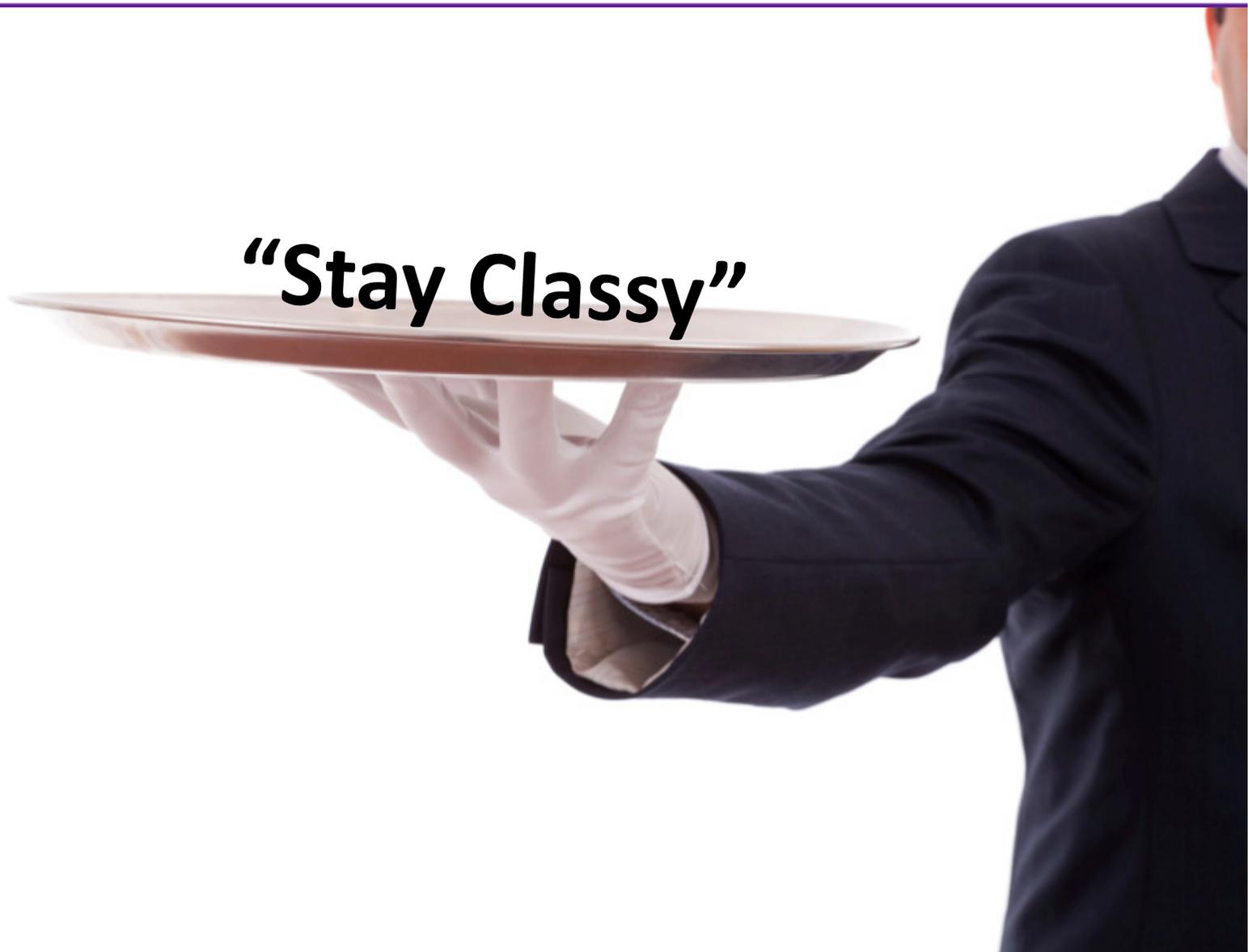
Response Times

Service Levels

The Cost of *“Peace of Mind”*



# Be Professional



**“Stay Classy”**

# Understanding Conflict



*“Anyone can become angry. That is easy. But to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way—that is not easy”*

*Aristotle*

# Understanding Conflict

“Conflict is a **natural and very typical** phenomenon in every type of human relationship, at every level.

Conflicts at every level have very significant **common characteristics** and dynamics, and, therefore, it makes sense to examine them together and comparatively.

People get involved in conflicts because their interests or their **values are challenged** or because their needs are not met.”

# The Four C's of Conflict

**COMMUNICATE:** Don't avoid one another or the problem

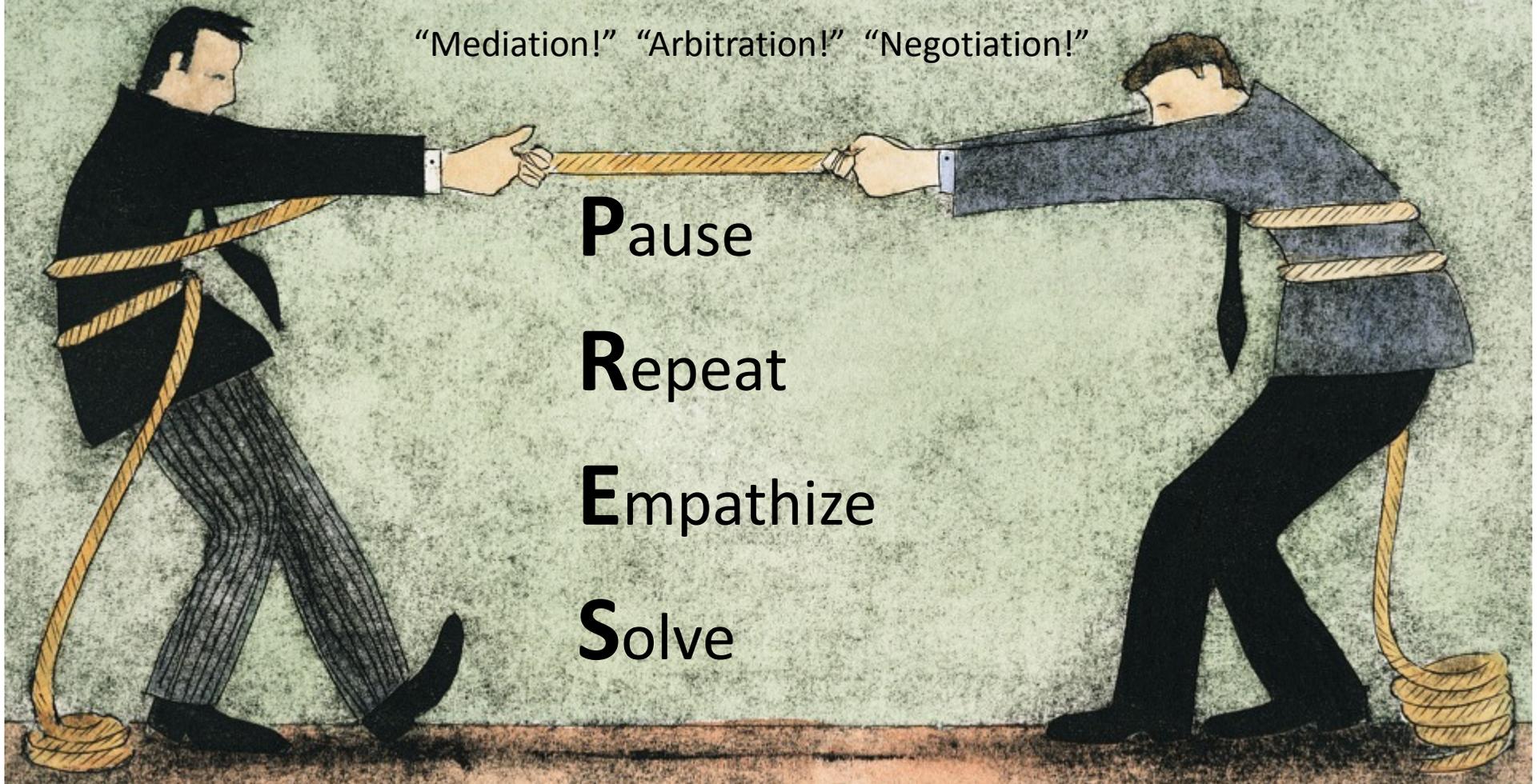
**COOPERATE:** Work together to find out exactly what the problem is. Find all sources of the problem.

**COMPROMISE:** Figure out a solution that is good and agreeable to both parties. Reach common ground.

**CONSOLIDATE:** Put the agreement in writing or in some other form that establishes validity.

# PRES METHOD

“Mediation!” “Arbitration!” “Negotiation!”



**P**ause

**R**epeat

**E**mpathize

**S**olve

# Tips on Conflict Resolution

1. Define the problem
2. Focus on some common points and interests; negotiate a solution rather than fight over one
3. Establish trust early on by keeping commitments
4. Go hard on the problem; soft on the person
5. Take control of conflicts, rather than allowing yourself to be controlled by them.
6. Understand the valuable benefits of reaching an agreement

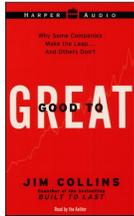


# Tips on Conflict Resolution

- Deal with any conflict immediately. Act quickly while the memory of the incident is fresh, because time has a way of rewriting the “facts.”
- Deal directly with the person who has offended you.
- *Explain* your issues clearly and calmly
- Stick to the facts; avoid stating how you feel and how you were *personally* affected
- Recommend a solution
- Deal completely with the issue – don’t leave loose ends and don’t hold grudges!

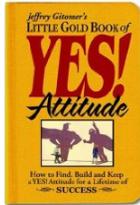


# Suggested Reading



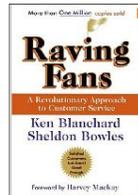
– *Good to Great: Why Some Companies Make the Leap...and Others Don't*

Author: Jim Collins



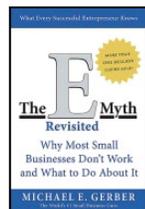
– *Little Gold Book of YES! Attitude: How to Find, Build and Keep a YES! Attitude for a Lifetime of SUCCESS*

Author: Jeffrey Gitomer



– *Raving Fans: A Revolutionary Approach to Customer Service*

Authors: Ken Blanchard and Sheldon Bowles



– *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It*

Author: Michael Gerber



# Questions? Comments?

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