



# Grainger plc

## Voids Process Discovery

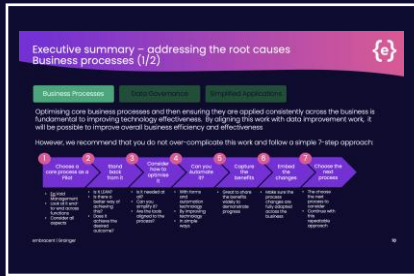
January 2023



# {Contents

- **Background** [slide 3](#)
- **Executive summary** [slide 4](#)
- **High-level briefing** [slide 5](#)
- **Next Steps** [slide 12](#)
- **Detailed findings**
  - Process findings [slide 17](#)
  - SWOT analysis [slide 38](#)
- **Appendices**
  - Discovery methodology [slide 40](#)
  - Process metrics [slide 42](#)
  - Interview detail [slide 45](#)
  - PEX assessment & guidance [slide 61](#)

# { Background



Our previous review identified opportunities to simplify and automate your current complex operating procedures

It recommended a simple approach – starting with Void Management (this review) – based on the following phases:

1

optimised & standardised

Optimise complex business processes and then apply them consistently across the business to deliver significant benefits

2

automated

Automate the enhanced processes to drive further efficiency and repeatability

3

link to data for insight

Align this work with the data improvement work to further improve business efficiency and effectiveness and deliver insight

This paper presents the findings of the 'void to let' process review, as part of phase 1 above

Click to Navigate!

| Discovery Methodology   |  |  |
|---|--|--|
| The methodology taken during discovery and during the interview process, including objectives of findings:  |  |  |
| <b>Methodology</b> <ul style="list-style-type: none"><li>Conducted 2-hour interviews across 9 business areas</li><li>Understood each business area and the role played within the Voids Process</li><li>Walk through of the process, discussing individual challenges and pain points</li><li>Discussed the systems used, documentation produced and transferred</li><li>Collected challenges to high level themes and prioritised between business areas</li><li>Explored the root causes of challenges to recommend an opportunity summary for improvements</li></ul> | <b>Objectives</b> <p><b>Process</b></p> <ul style="list-style-type: none"><li>Identify variation and understand where could be standardised</li></ul> <p><b>People</b></p> <ul style="list-style-type: none"><li>Identify areas of inefficiency around roles and responsibilities</li></ul> <p><b>Data</b></p> <ul style="list-style-type: none"><li>Identify data gaps/ quality issues and how they can be alleviated including GDPR, controls and compliance</li></ul> <p><b>Technology</b></p> <ul style="list-style-type: none"><li>Identify the touchpoints of different systems and where these could be aligned, integrated or utilised better/ expanded</li><li>Understand areas of the process that could be automated to increase efficiency and reduce voids time/costs</li></ul> | <b>Deliverables – Review Findings</b> <p><b>Presentation:</b></p> <ul style="list-style-type: none"><li>Process discovery PowerPoint</li><li>Background</li><li>Executive summary</li><li>High-level briefing</li><li>Detailed findings</li><li>Next steps</li><li>PEX Assessment &amp; Guidance</li></ul> <p><b>Written document:</b></p> <ul style="list-style-type: none"><li>Process discovery document</li><li>Process maps</li><li>Process per function</li><li>Process per property type</li><li>Process per location</li><li>Process Metrics</li><li>Lean Assessment</li><li>Opportunity Grid</li><li>Opportunity Assessment</li></ul> |

# Executive Summary

## Current process

complex  
inconsistent  
unclear

Many different processes are followed across functions, property types and locations, with limited performance metrics or tracking

Significant manual intervention required with multiple documents and work-arounds

This makes the task of reducing voids very challenging as we have no way of measuring current performance or tracking improvements

## Future process

standardised

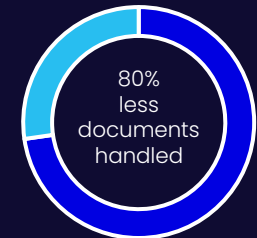
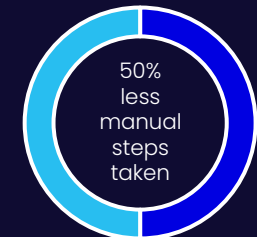
simplified  
(end-to-end)

transparent  
(for insight)

In order to optimise Voids, we recommend a collaborative redesign of the process which focuses on the below 3 design principles:

1. standardisation of how the process is completed, regardless of the property type or business area
2. structuring inputs and creating rules-based logic that can be automated
3. ensuring the process information is accessible, accurate and visible end to end, across the business

There is potential to reduce the manual steps taken in the process by ~50% and manual documents created/handled by ~80% at ~2-3 minutes per document



next steps

design "one"  
process

measure  
performance

apply best fit  
technologies

right size, RACI &  
train

# { High-level briefing

The current process is highly inefficient and inconsistent – requiring huge amounts of manual intervention and offering little opportunity to monitor like-for-life performance

Amount of intervention needed

| Business Area*           | PRS Stabilised        |                  | PRS Reversionary      |                  | Bill to Rent          |                  |
|--------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|
|                          | North                 | South            | North                 | South            | North                 | South            |
| Portfolio Managers       | Very high (70+ steps) | High (51+ steps) | Very high (70+ steps) | High (51+ steps) |                       |                  |
| Property Managers        |                       |                  |                       |                  | Very high (70+ steps) | High (51+ steps) |
| Customer Service Desk    | High (51+ steps)      | High (51+ steps) |                       |                  |                       |                  |
| Refurbishment (URM)      |                       | High (51+ steps) |                       | High (51+ steps) |                       |                  |
| Lettings                 | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) |
| Tenancy Progression      | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) |
| Finance – Credit Control | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) |
| Asset Mgt                | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) | High (51+ steps)      | High (51+ steps) |
| Procurement              | Low (5-20 steps)      | Low (5-20 steps) | Low (5-20 steps)      | Low (5-20 steps) |                       |                  |

Very high (70+ steps)

High (51+ steps)

Medium (21-50 steps)

Low (5-20 steps)

Minimal <5 steps

Click to Navigate!

\*External parties were not interviewed including Marketing, Inventory, referencing and refurbishment contractors however, Unit Refurbishment Managers were included in discovery, due to their more secondment like partnership with Grainger plc

It became clear that there is **no single process followed across functions, property types or locations leading to many off-system workarounds**

## Process Metrics (1 of 3) :

Number of steps taken per function during the MMO process, per property type and location (north versus South).

| Business Area*           | PRS Stabilised |       | PRS Reversionary |       | Bill to Rent |       |
|--------------------------|----------------|-------|------------------|-------|--------------|-------|
|                          | North          | South | North            | South | North        | South |
| Portfolio Managers       | 56             | 43    | 84               | 71    | x            | x     |
| Property Managers        | x              | x     | x                | x     | 87           | 74    |
| Customer Service Desk    | 30             | 30    | x                | x     | x            | x     |
| Refurbishment            | x              | 20    | x                | 20    | x            | x     |
| Lettings                 | 19             | 20    | 19               | 20    | 23           | 23    |
| Tenancy Progression      | 23             | 23    | 23               | 23    | 23           | 23    |
| Finance – Credit Control | 7              | 9     | 7                | 9     | 7            | 7     |
| Asset Mgt                | 17             | 13    | 17               | 13    | 14           | 14    |
| Procurement              | 1              | 1     | 1                | 1     | x            | x     |
| Total                    | 153            | 159   | 151              | 157   | 154          | 141   |
| Total (External)**       |                | 139   |                  | 137   |              |       |

\* External contract work is not included – Marketing, Inventory, Lettings Referencing

\*\* Does not include Unit Refurbishment Management tasks provided by TFI

# { High-level briefing

## Value Stream per MIMO (~)

- 6 *internal* functions involved from future vacant to move in
  - 35 emails are sent
  - 25 handover points
- 35 - 45 documents created/handled (BTR-PRS)
- 5-10 different documents from north to south (BTR-PRS)
- North complete 10% more steps than the South (*non-contracted*)
  - Perceptions of employee to property differences between locations
- 5+ Tracking sheets maintained
  - Up to 8 x double keying of information between systems

## Root Cause

### Process

- Complex processes with different ways of working
- Too many handover points

### Data

- Required information is often not available within systems
- No visibility of the end-to-end process
- No single version of the truth
- No true picture of the voids cost or performance

### People

- Different resourcing between north and south
- Lack of accountability

### Technology

- System limitations
- Lack of integration/ automation

## Opportunity

In order to optimise Voids, we recommend a collaborative redesign of the process which focuses on the below 3 design principles:

1. **standardisation** of how the process is completed, regardless of the property type or business area
2. **structuring inputs** and creating **rules-based logic** that can be automated
  - *Includes tactical RPA opportunities to improve data challenges*
3. ensuring the **process is accessible, accurate and visible** end to end, across the business

# { High-level briefing

In order to optimise the Voids process, we recommend standardisation of how the process is completed, regardless of the property type or business area:

optimised & standardised

automated

transparent

1

**Standard pricing play book** – Extend property price playbook to the South, updated and shared at selected intervals throughout year

Why?

Standardise between north and south, shared with teams via Salesforce – Replace the manual steps taken during asset approval  
Reduce the need for approvals and email exchanges

2

**Standard Specification:**

- Standardise the specification for BTR & PRS with tick boxes/ standardised pricing
- Localised partnerships with one contractor per area – organise schedule for rates and agree with contractor, system can then auto select based on location and create works order
- Price per property (PPP), Schedule of rates (SOR) then falls out of PPP

Why?

Standardise between PRS and BTR, North and South  
Eliminate the need to:

- Gather and process multiple quotes
- Create workarounds in Proactis for those who do not meet requirements, maintaining data transfer with contractors within MRI, as is done with refresh works
- Reduce the need for property managers to create technical specifications leading to issues during the refurbishment and creating delays

Reduce the steps taken by ~60% during the refurbishment/ approval process  
Increase relationships with contractors to bring day 0 work starts to 100% (currently at 40%)

# { High-level briefing

In order to optimise the Voids process, we recommend structuring inputs and logic, automating tasks wherever possible:

| optimised & standardised |   | automated | transparent  |
|--------------------------|---|-----------|--|
| 1                        | <b>Digitise and structure</b> the notice to quit received by tenants, mirroring the inputs needed in MRI to be able to automatically kick start the process | Why?      | Removes the manual steps of double keying/ requesting information from the NTQ. Auto creates the MIMO task and associated tasks for move out (resell process excluded)           |
| 2                        | <b>Approval layers and workflows</b> accessed within the system, with notifications for actions required  | Why?      | Centralises communications to the system and forces proper procedure re approvals.<br>Removes retrospective approvals  |
| 3                        | <b>Use RPA</b> to upload historic unit intelligence and automate rules-based tasks  | Why?      | Make unit information accessible and remove the need for off system comms/documentation such as key location and previous refurbishment dates                                    |
| 4                        | <b>Create logic-based rules</b> to reduce the need for clarification and guidance on refurbishment/ sell/ refresh   | Why?      | Rules based on length of time since previous works and properties proactively marked to sell to:<br>Reduce time taken to market property<br>Reduce manual steps/ handover points |



# { High-level briefing

In order to optimise the Voids process, we recommend structuring inputs and logic, automating tasks wherever possible:

optimised & standardised

automated

transparent

5

Utilise customer facing technology to automate deposit returns/ compliance documentation required on move in

Why?

Centralises communications/updates & reduces emails  
Improves customer experience  
Reduce documentation creation/ handling

6

Automate any data input/ collection to third party systems and portals such as tenancy deposit, utilities, council tax, inventory hive

Why?

Reduce number of manual steps  
Reduce handover points between systems and the time taken to navigate/ transfer information  
Reduces delays/ downstream information gaps & frustration

# { High-level briefing

In order to optimise the Voids process, we recommend ensuring the process is accessible, accurate and visible end to end, across the business:

optimised & standardised

automated

transparent

1

**Accurate process information** – Ensure all required information and data points are held and accessible within the systems

Why?

Remove the need for off system comms/documentation such as key location and previous refurbishment dates

2

**Simplify data input** – ensure the same information is only CRUD (created, read, updated, deleted) in one place throughout the process

Why?

Remove double keying between systems/ documents and people  
Reduce transactional data collection that is not useful

3

**Create clear and measurable KPIs** and implement accessible and dynamic dashboard style process tracking

Why?

Ability to measure the performance of each void  
Improve accountability and people performance  
All areas can track the end-to-end status, per MIMO, eliminating the need for off system trackers

4

**Ensure field employees have access to the information they need**, to be able to update in near real time

Why?

Reduce delays on information  
Improve downstream process and turn around times  
Reduce data gaps & increase accountability

# { High-level benefits

## standardised

“one” process across property types, locations and functions:

- 100% voids starting on day 0 (60% increase)
- Eliminate 5-7 days waiting/chasing on contractors to return quotes
- Eliminate bespoke specifications for each refurbishment
- All works ordered and tracked via same system

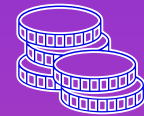
Reduction in lost rents for 60% of refurbishment turnarounds:



Documents created, handled and shared



Reduction in turnaround time between tenancies



All works to start on day 0

## simplified (end-to-end)

Simplified and accurate processing:

- Structured, data inputs that feed directly to systems
- Automated processes to reduce manual interventions and human input between systems and third parties
- Digitised and centralised comms with customers
- 50% less manual intervention
- ~80% less handling/creating documents

50% reduction in manual intervention:



Manual intervention



Increased employee satisfaction



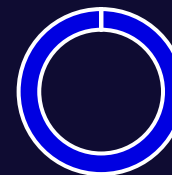
Improved customer experience

## transparent (for insight)

Ability to gain insight on factors affecting:

- Void cost
- Effective lead management / viewings
- Turnaround time between tenancies
- Rental growth at the point of renewing a tenancy
- Retention rates

The ability to track each void & factors end to end:



100% Trackers / Double keying removed



Emails & off system comms



Ability to measure & track performance

# { Next Steps

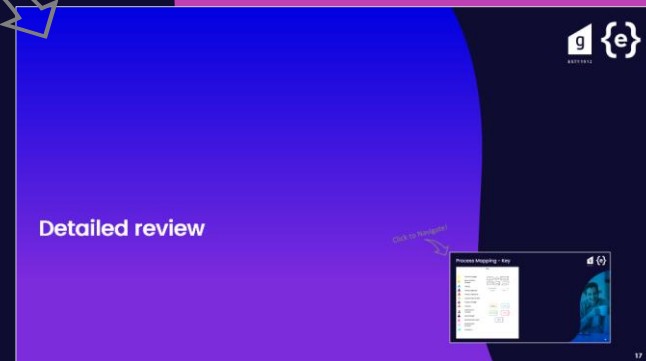


1. Collaboratively design one end to end “to-be” process that follows the same steps, documentation and logic regardless of property type, location or role completing the task:

Hold workshops with all business areas to make future process decisions and understand required exception handling

- Stick to the 3 design principles, ensuring exceptions to the “one” process are only for legal requirements, customer experience and business need and stick to it
- Use the detailed analysis conducted during discovery to understand current variance and steer standardisation
- Simplify manual tasks through creating structured, rules-based logic that can be automated within systems

Click to Navigate!



# { Next Steps



2. Ensure the status of each void is visible to all and performance can be measured:
- Ensure there is one version of the truth
  - Clarity on how the performance (KPIs) of the process is tracked and ensure the data required is input and accessible

# { Next Steps



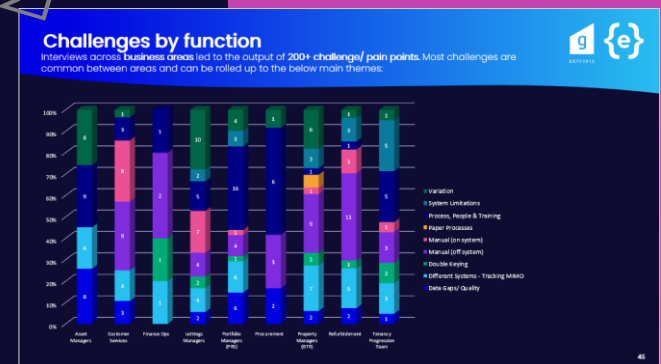
3. Overlay the standardised and simplified process with best fit technology – requires a technology deep dive to understand how technology is best utilised, accessible to those who need it and can easily be tracked from end to end
  - Deep dive into technologies, with a decision made on moving the entire process to one system or integrating systems to reduce double keying and ensure visibility of end-to-end void status between teams
  - Automation of any manual tasks that sit outside of Grainger systems e.g. third party portals
  - Digitise communications and information transfer with tenants through utilising applications (spike/ salesforce)
  - Eliminate manual tasks through RPA, such as double keying, document transfers and emails with customers
  - Ensure data can be input by employees out in the field

# { Next Steps



- 4. Right size teams, clarify roles and responsibilities with clear RACIs, handover points and trainings in place to ensure **"one"** process is adopted, and accountability taken
- Alleviate and work with functions to alleviate perceptions of the process, collected during the interview process
- Share "good news" of how the process is improving and ensure feedback loops are in place until fully adopted

Click to Navigate!



# { Wider Next Steps

There is discussion needed over next steps regarding your wider process landscape:

## 1. Repeating the optimisation methodology across your process framework *Which order?*

- How do we prioritise processes for discovery for optimisation?
- Do we complete an end to end "to-be" process development and delivery
- before moving to the next?
- Do we complete optimisation discovery across whole landscape before redesign?
- Do we layer and complete in parallel?

## 2. Process Excellence Maturity

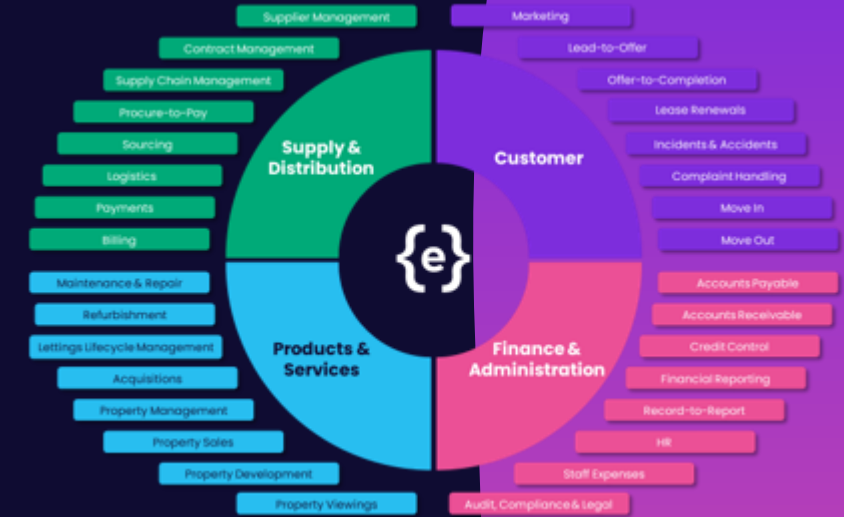
*Where do you see your PEX maturity and when?*

- We have completed a high-level assessment of your process excellence maturity and provided guidance on how this can be grown – apex, p60

## 3. Governance & Optimisation Delivery

*Self sufficient versus process partnership?*

- Self sufficient – Training/ upskilling of internal colleagues to be able to perform assessments & deliver optimisation
- Digital Transformation partner – Creating a collaborative process centre of excellence (CoE), centralising and governing process documentation & optimisation
  - Bringing together areas of the business to identify, discuss, prioritise and approve optimisation
  - Automation partner to elevate efficiencies tactically & strategically
  - Measuring, tracking and continuously improving process performance



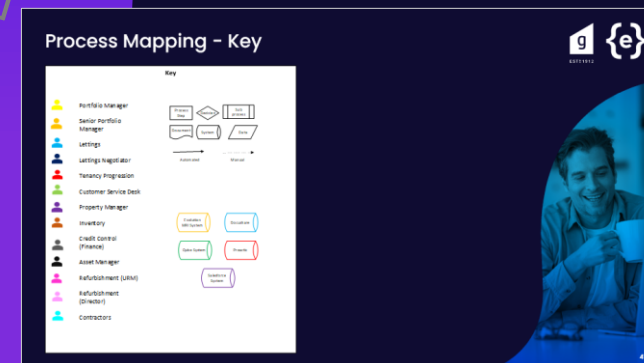
Click to Navigate!

|                               | Base  | Evolving   | Performing   | Optimised  | Next Gen  |
|-------------------------------|---|--|--|--|---|
| <b>Process Understanding</b>  | Decentralised and non-standardised documentation of processes, limited visibility into all people and customers (role on standardisation) | Framework for documentation in place and ongoing on future vision and strategy   | Standardised documentation of processes, controlled visibility into all people and customers (role on standardisation)                   | Documentation model in line with ISO 9001, Audit documents embedded to track regulation processes and KPIs | Continuous visibility through digital process mining, Process model reviewed and amended to reflect evolution                     |
| <b>Customer Experience</b>    | Traditional channels operating reactively to individual requests  | Having a systematic approach to serving user and customer problems, engaging frequently, data for processes in place                                 | A clear and easy to digest customer service delivery model in place that is aligned to the business strategy                             | Proactive and strategic support to customers and their decision making, act at the table                   | Customer and user led services, personalised content, real time delivery, predictive customer experience by driver of services    |
| <b>Process Efficiency</b>     | Non-standardised, fragmented, disjointed processes, labour effort around lower quality in performance                                     | Global Process Owners for core processes, driving standardisation and innovation, Plans to systematically non-value adding tasks through the roadmap | Standardised processes throughout, Process driven and digital portfolio, Performance, Automation successful at eliminating manual effort | Processes fully automated, exception reporting, Core three operational benchmarks around top quartile      | AI and Machine Learning, digital business process innovation in core processes and metrics  |
| <b>People &amp; Culture</b>   | Processes performed with little training, governance or bottom-up challenges, because we have change done it this way "mentality"         | Process Excellence vision communicated to global process owners, aligned to future vision and strategy   | Culture and training reinforced, starting to bring people along the improved journey through the Centre of Excellence                    | Change champions embedded within teams, challenging processes and making "small" improvements              | Introduce global technologies to empower employees to continuously improve processes and make changes to themselves and customers |
| <b>Continuous Improvement</b> | Lack of Process Excellence vision or strategy, no recognised need to design core processes into the organisation's direction              | Process Excellence being formed, active and ongoing on future vision and strategy  | Centre of Excellence created, and a Continuous Improvement Programme initiated   | Stepping up change delivery, tangible benefits in line with strategy, positive customer feedback           | Continuous refinement of existing processes, utilising the PEX framework, digital and technologies                                |



# Detailed review

Click to Navigate!

# Complex process with different ways of working

The following slides outline the different challenges and inefficiencies found within the process, highlighting the areas for improvement



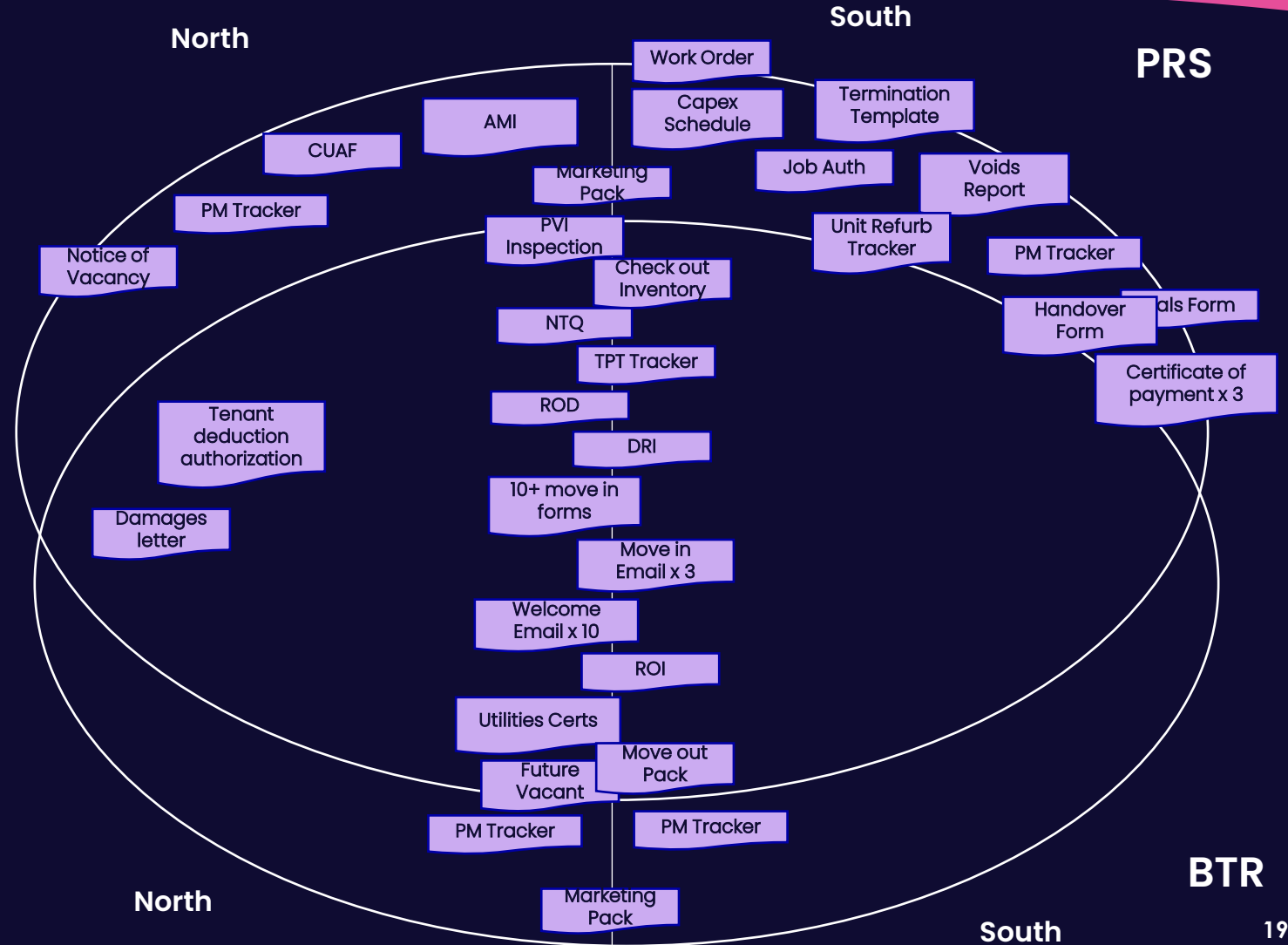
There are huge differences between the way BTR and PRS properties are processed:

- Differences in the way information is processed and different systems used between functions, leading to a lot of off system documentation and information transfer/ chasing
- PRS usually runs through a refurbishment process during the move out stage which involves more steps and time taken before a property can be marketed and relet
- Majority of PRS/general works appear to be conducted in the South and therefore a lot of work has been contracted out, whereas in the North steps are carried out internally
- PRS (stabilised) properties, future vacant to move out, is managed by the Service desk with multiple handover points between Portfolio Managers
- Some units have their lettings outsourced, leading to less steps processed internally but lack of control over process and customer experience
- Some locations use Kier as a contracting partner and in others there is no localised partnerships, resulting in no SLAs, multiple manual quotes/tenders retrieved and processed and bespoke pricing

# Off System Working

There is an opportunity to minimise the documentation needed by creating an accessible and visible process across all functions and standardising and building logic rules that can be automated and transferred digitally

- 35+ Documents used across the process
- 18+ are double keyed/ uploaded into systems
- 5-10 differences between north and south
- 5+ trackers used due to not having access to information/systems
- 15+ used due to system limitations
- 10+ used due to no integration between systems
- 10+ used due to no digitised inputs (paper processing or unstructured inputs)

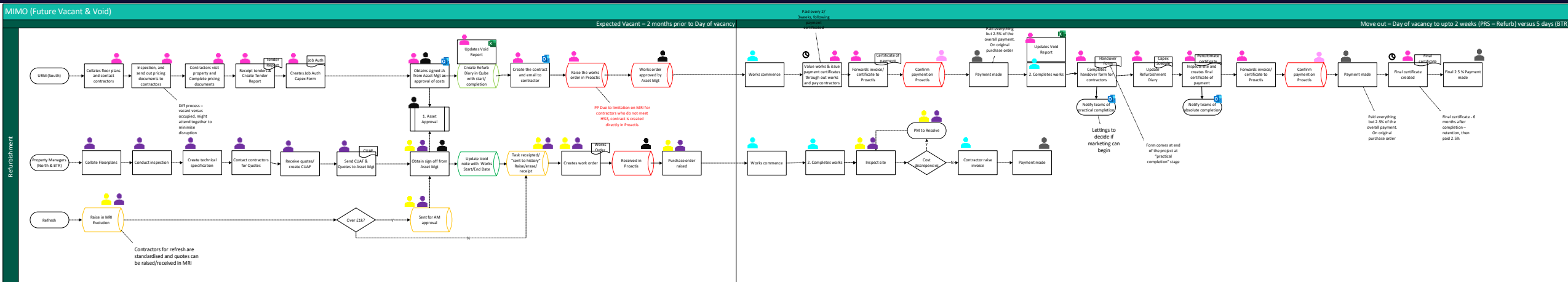


# Refurbishment Variation (1 of 2)

There is an opportunity to simplify the refurbishment process for PRS, by aligning it to the BTR/refresh process through standardizing the contractor engagement process. The process can then be managed in an automated manner through a system

## There are variances between refurbishment North to South (PRS) & BTR

- South uses external third party (TFT) who conduct all site inspections, inventory, management of contractors including tender and quotes and provide void reporting to PMs, asset management and lettings
- North uses Property Managers to manage the above. This leads to different ways of working; communication style and documents produced and rework due to Property Managers not trained to provide technical specifications
- The refresh contractor engagement through MRI is a lot less complex than the refurbishment, although the principles of contracting works are the same



# Contractor Engagement Variation (2 of 2)

There is an opportunity to simplify the refurbishment process for PRS, by aligning it to the BTR/refresh process through standardizing the contractor engagement process. The process can then be managed in an automated manner through a system



There are large variances in the way contractors are engaged, between North and South/ PRS versus BTR

- All areas were trialed to use Kier however it appeared this model did not work nationwide:
  - Kier have pre agreed PPP (price per property) and anything further is invoiced separately (however this does sometimes lead to duplicate invoicing)
  - Kier will attend PVI and give technical specifications on work, with prices rarely changing once a tenant moves out and works commence
- For those using localised contractors, internal policy dictates 2/3 quotes are received for comparison
  - Many smaller companies refuse to deliver quotes due to continuously not winning tender
  - Employees are forced to process contractors in Proactis rather than MRI due to strict health and safety regulations excluding them from being contracted
  - No standardised specification sheet for PRS properties leading to bespoke quotes and work orders, no structured tick box form or standardised PPP
  - No SLAs with contractors leading to chasing for quotes, often across multiple teams
  - No set contractors per location so no way for system to auto select, relieving manual work

There is an opportunity to standardise the process between north and south, using the same systems to approve costs and rental price changes. This relies on the recommended changes to contractor engagement and refurbishment works



- MIMO (Future Vacant & Void)

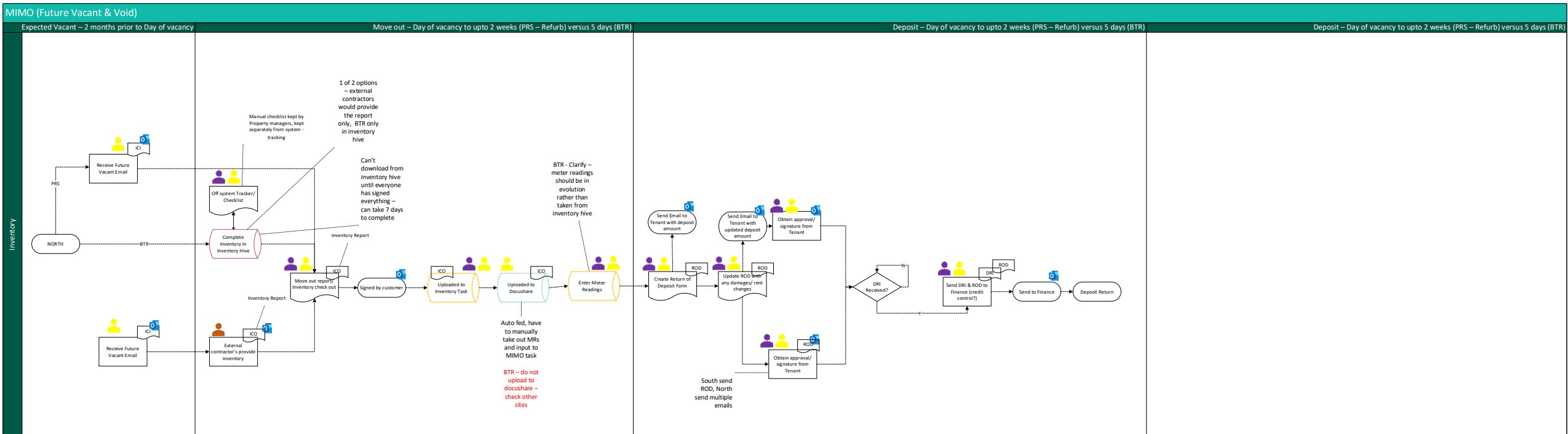


# Inventory Variation

Due to external inventory in the South, it is difficult to deep dive and recommend an aligned process. For inventory processed internally, integration of data from inventory hive to internal systems, will reduce manual keying into internal systems and reduce data gaps on meter readings

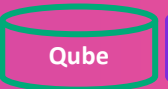
There is variation between locations and PRS/BTR during the inventory phase:

- For PRS in the South, external contractors are used to provide inventory
- For BTR and in the North, the Property/Portfolio Managers will manage inventory, usually processed by an RSM/RSA
- For BTR a third-party system, Inventory Hive, is used to process transactional data and upload documentation



# Functions and locations use different systems

There is an opportunity to simplify the technology used between different functions within across the process. Salesforce has capacity for voids processing and there are integration capabilities within MRI and Qube, however a deeper dive is required



**Asset Management** - Main decision maker on refurb/relet versus sell, approval of capital refurb costs

Involved in Expected Vacancy, Move Out

Work across PRS mainly, sometimes BTR (anything capital)



**Property Manager**— Act as main communication for tenant from move out to move in, conducts all inspections/ refurb and comms with contractors

Involved in Expected Vacancy, Move Out, Deposits, Move in

Work across BTR



**Service Desk** – Process PRS notice to quit through to deposits

Involved in Expected Vacancy, Move Out

Work across PRS (Stabilised) only



**Refurbishment**— Responsibility split between Property Manager and URM (third party to arrange refurbishment and manage contractors)

Involved in Expected Vacancy, Move Out

Work across PRS only



**TPT**— responsible for progressing tenants through to move in

Involved in Expected Vacancy, Move Out, Deposits, Move in

Work across BTR & PRS



**Lettings** - responsible for supporting on letting the property including marketing and pricing

Involved in Expected Vacancy, Move Out, Deposits, Move in

Work across BTR & PRS



**Finance**— Responsible for processing return of deposits, managing incoming direct debits and updating systems to reflect

Involved in Move Out, Deposits and Move in

Work across BTR & PRS



**Procurement** - Responsible for supporting on decisions on costing (contractors)

Involved in Expected Vacancy, Move Out

Work across BTR & PRS



**Portfolio Mgr.** — Act as lead across move out to move in, each assigned portfolios

Involved in Expected Vacancy, Move Out, Deposits, Move in

Work across PRS





# 15+ handover points during expected vacancy

By simplifying technology/ integrating data points, the end-to-end process will become available to all functions and should reduce the handover points required via email and consequent delays , reducing TAT



- Customer Services, Portfolio Managers or Property Managers will update stages of the tenant moving out through Evolution MRI, MIMO task, dependent on the property type
  - Portfolio managers hand over to the Customer Service desk, sending documents via email
  - Some data is also duplicated in Qube (key dates and notes on the Void/ Refurbishment)
  - There are multiple handover points between operational teams (PMs, Asset Mgt, Lettings) during this phase, majority via email notification with communication, rather than by system tracking
- Lettings & Asset Management receive notice/tracking of the tenant move out via automated emails, or voids reports pulled from Qube
  - Lettings communicate to TPT who will both begin to process the future vacancy via Salesforce, relying on automated emails and comms via Property Managers/ Asset Managers for updates
  - Information on the new tenant move in is periodically updated in MRI and Qube which can be viewed by the Property & Portfolio Managers
  - This is often where recruitment of a new tenant begins with early marketing on refresh/relets, reference checks and deposits taken with communication with external contractors. This is logged within Salesforce and first notice of a new tenant for the wider team, who do not use Salesforce, is setting up of a move in appt in MRI and Lettings due date in Qube Void Note.
- Delays in updating systems and sending through communications via email leads to a lot of to and fro/ chasing and duplications of work
- Rescinding notices and delays in refurbishment works are often difficult to track across numerous systems leading to off system communications, chasing and delayed updates to customers

# Manual steps taken during expected vacancy

There is an opportunity to rearrange, digitise, structure and integrate the notice to quit into expected vacancy MIMO, reducing ~25 manual steps by automatically triggering MIMO tasks, currently manually selected by employees

## The notice to quit from tenants is received via various forms and funneled into an unstructured email

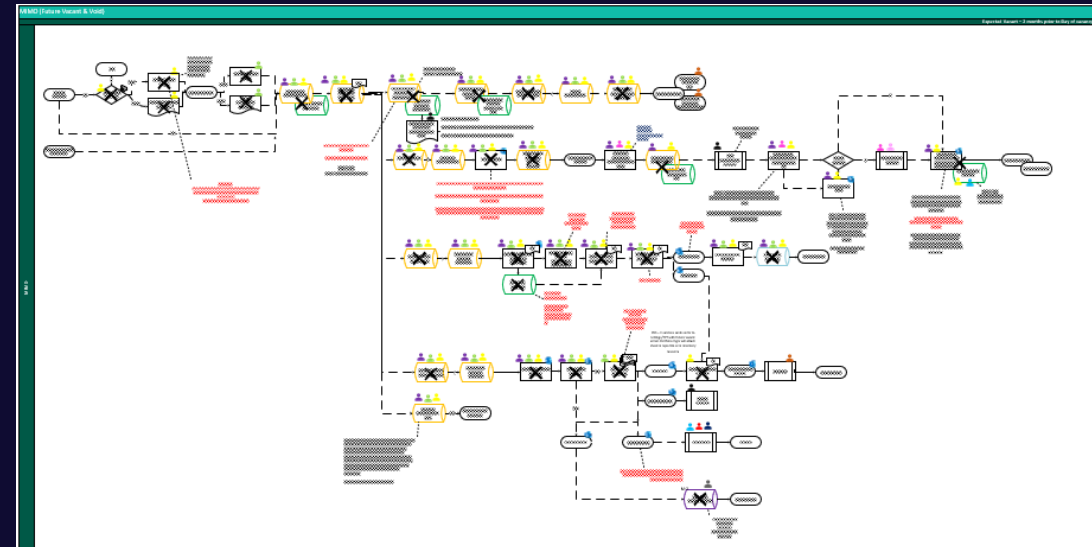
- There is often missing data including the reason for leaving
- Information is copy and pasted into evolution MRI
- Manual responses to emails, including reactive retention calls

### Opportunity:

- Proactive rather than reactive retention, clarify roles and responsibilities with retention team
- Digitise and structure the notice to quit, aligned with the fields required in evolution MRI
- Integrate the data points to the systems required
- Automate the data entry of multiple steps
- All data required for move out email moved into system so email does not need to be edited, automatically sent to tenant
- System approval workflow on whether the future vacant email is distributed and automated emails to team email addresses
- Utilise customer facing technology to prompt tenants to self serve their own appointments
- Automated actions that do not require human intervention, such as changing the direct debit in Salesforce to £0

### Customer experience:

- Customer facing application to track their required tasks to vacating and are automatically notified of changes/ required actions



# Delays on reletting properties

There is an opportunity to design structured logic-based rules on whether a property will be refurbished, based on its historic data, removing manual decision points, with an exception only workflow to PMs and relet dates standardised for marketing

## Lettings Managers discussed delays and time spent chasing regarding marketing relets

- Time taken to confirm whether a property will be refreshed, refurbished or sold
- For a refresh, a standard 5-day TAT is estimated
- For a refurbishment, Lettings are notified of practical completion by URM during handover to contractors, which triggers marketing

## Third Party (Agents) are not completing system steps correctly:

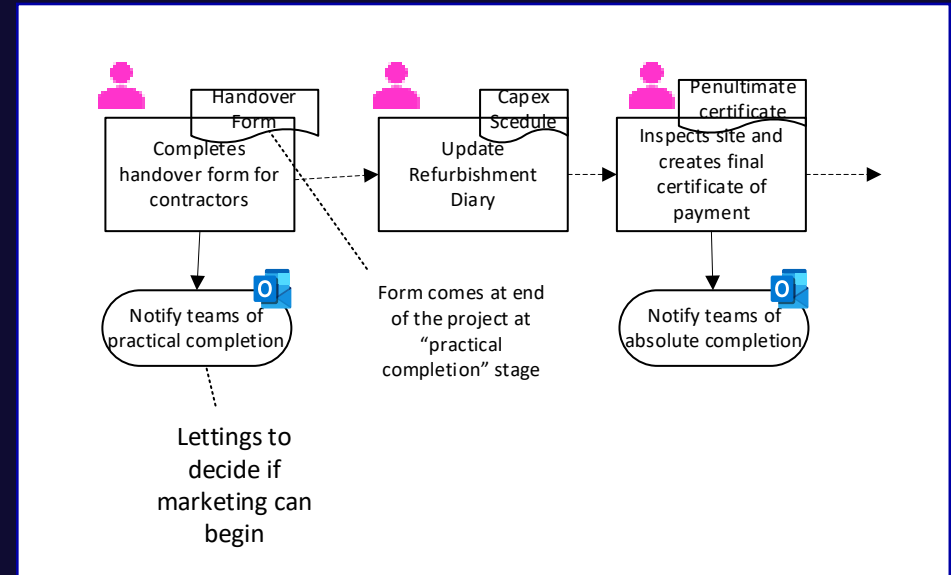
- Integration is not working between portal and SF
- Manual steps are taken to transfer information via email

## In person viewings take a lot of organisation:

- 85% in the North are let via video alone
- In the south the majority are done in person

## Opportunities:

- Proactive tagging of properties with a strategy to sell
- Proactive tagging of properties that require refurbishment
- Potential for a rules-based logic for whether a property should go into a refurbishment approval workflow:
  - length of time since previous works
  - properties not marked proactively to be sold
  - Provides an early indication on relet date
- Retraining third parties and Lettings team funneling back to portal to ensure adoption
- Pushing video lettings in the South, WhatsApp integration/ utilise customer app for off system comms with tenants



# 10+ handover points during move out

By simplifying technology/ integrating data points, the end-to-end process will become available to all functions and should reduce the handover points required via email and consequent delays , reducing TAT



## Customer Services (PRS) & Property Managers (BTR) will update stages of the tenant moving out through Evolution MRI

- Evolution MRI is used as the main tracker for legionella however there are no auto notifications, and it requires the assigned person to navigate into the task to track when this should be completed
- Inventory is processed via Inventory hive with forms uploaded and the meter readings submitted to Evolution MRI manually, which is often forgotten
- Asset Mgt & Lettings rely on Qube reporting to track voids/ voids cost and notify that the unit is ready to market
- This information is also duplicated in Qube for key dates (Vacant date) and notes on the Void/ Refurbishment. This is then closed once completed
- Due to the system not being user friendly on a field/mobile device, there are often delays to update MRI/Qube
- Delays in updating systems and sending through communications via email leads to a lot of to and fro/ chasing and duplications of work
- Rescinding notices and delays in refurbishment works are often difficult to track across numerous systems leading to off system communications, chasing and delayed updates to customers

## Manual steps taken during move out

There is an opportunity to reduce the manual keying of data during the move out (MIMO), reducing ~6 manual steps by automating the input/output of required data and communications to third parties



Property/Portfolio Managers and Customer Services, receive the check out inventory form via email or inventory hive, which they then extract and input the meter readings to MRI

- Waiting/chasing the meter readings
- Human error on input
- Manual extraction and input from system/form to internal system
- Manual Utilities/ Council Tax notifications

## Opportunities:

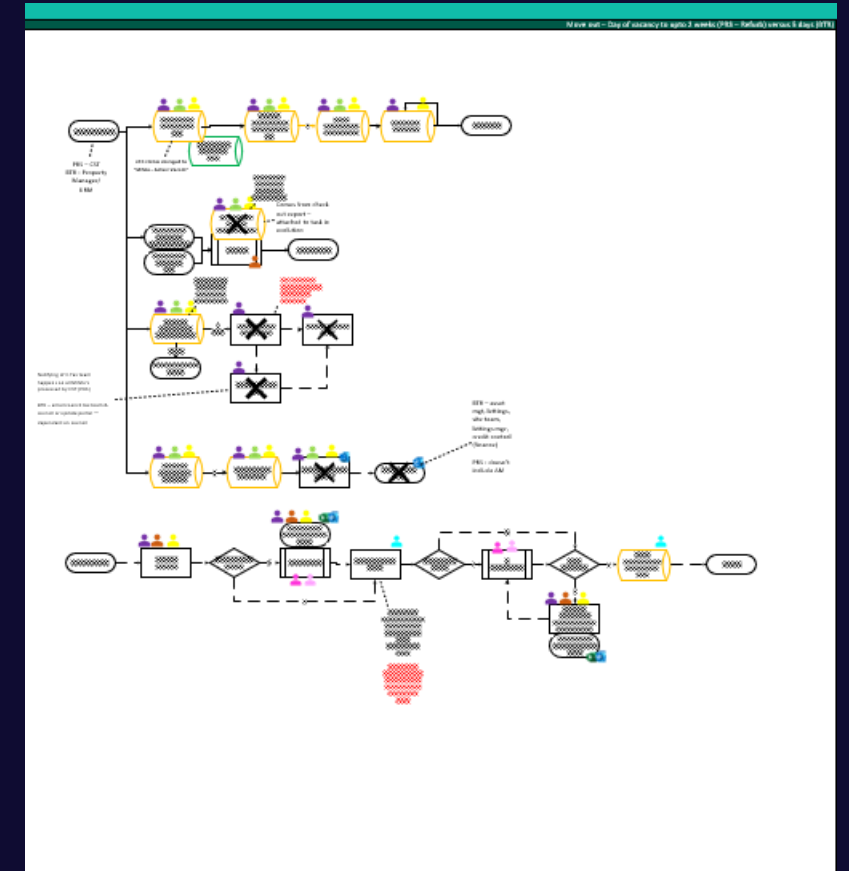
- Creating accessible systems to input information directly
- Integration from inventory hive to MRI
- Structured form inputs or RPA, which then feeds the data to all areas it needs to be collected
- Utilising customer facing technology for them to be able to self serve input of meter readings

Emails are manually sent out to 9 different business areas to notify of vacancy

- Template auto created and forwarded to business areas

## Opportunity:

- Auto notified directly without human intervention, can cc in PM, based on Meter reading input
- Standardised email inboxes for functions
- Visibility for all functions to track within systems



# 3+ handover points during deposit return

By simplifying technology/ integrating data points, the end-to-end process will become available to all functions and should reduce the handover points required via email and consequent delays , reducing TAT



- **Deposit Return Instruction (DRI) form is delivered by Property Managers/ Service Desk, as early as possible, via the tenant move out email (notice to quit confirmation), this is off system and uploaded to Docushare once received.**
  - There is currently nothing on the system to log that this has been received and relies on communication to parties involved, predominantly Finance
  - This leads to and fro as the bank details are required (to be returned on the DRI)
  - There are legal requirements on returning the deposit within several days of the tenant moving out (10-15% do not meet timeline)
  - It is currently unclear how the legal return timeline on deposits is tracked/proactively prevented
  - Currently if a DRI is not returned, the deposit will not be processed (<2%)
- Following an inventory check, during the move out stage, the damages are detailed on an inventory return form which is then keyed into MRI with a Deposit Resolution Update. Once a Return of Deposit Form (or email in the North), is agreed with the tenant, Finance can begin to process the return.
- Finance rely on being included in the Future Vacant email chain to give notice of an upcoming deposit return. They must then receive the DRI and ROD to return the deposit, both emailed via Property Managers/Service Desk. Finance often are not copied into emails and spend a lot of time chasing both forms and updates due to legal requirements on deposit return timelines
- It is Finance responsibility to update/close account and stop charges on Qube, and to amend and cancel the direct debit on Salesforce. The DRI therefore must contain a Qube reference which is manually retrieved from the system once the form is created in MRI



# Manual steps taken during deposit return

There is an opportunity to reduce the manual creation of documents during the deposit return, reducing ~4 manual steps and 10-15 elapsed time per account, by automating the input/output of required data and communications to tenants

PMs must edit a Deposit Return Instruction (DRI) form for each move out, which requests the tenant bank details

- DRI auto created in MRI, updated with tenant information and attached to the move out email
- A lot of time is spent chasing this instruction (10% of move outs)
- 10-15% are not returned within timeframe
- Bank details are emailed between functions (GDPR)

A return of deposit form is created for each return

- Agreement of return amount is sent within multiple email in North, and within ROD in South
- Finance manually perform stop actions across multiple systems, taking 2-3 mins per account

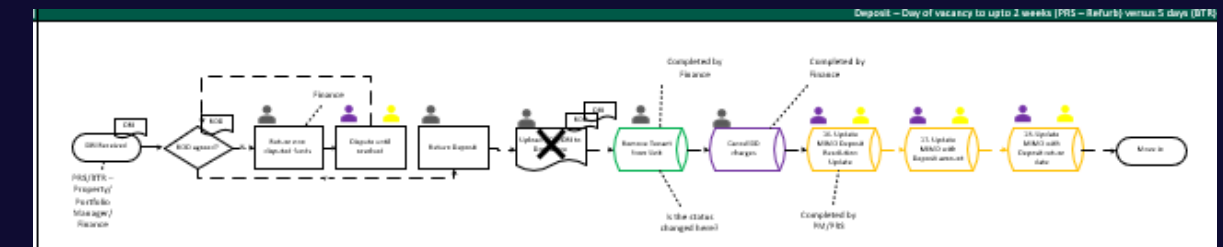
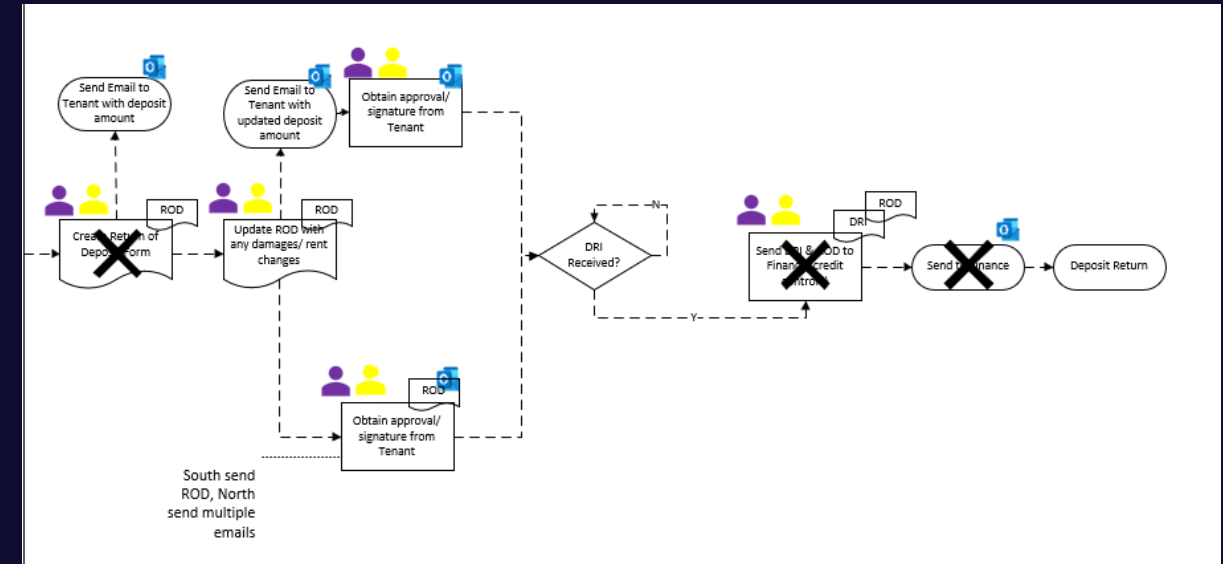
Total time taken to return a deposit is 10-15 mins

Opportunity:

- Use automation to process deposit returns and actions
- In-system approval workflows
- Integration/RPA when tenant is removed, other steps in other systems are auto actioned

Customer experience:

- More secure data transfer (GDPR)
- Faster turnaround on deposit returns



# 4+ handover points during move in

By simplifying technology/ integrating data points, the end-to-end process will become available to all functions and should reduce the handover points required via email and consequent delays , reducing TAT



- The move in task begins with the property updated to “ready to market” within MRI, usually completed by the Property/Portfolio Manager following a site check on completion of works
  - There are sometimes delays at this point if works have not been completed to standard, the lettings due date should be updated at this point in Qube for reporting to other teams
- The move in appt is scheduled by the lettings team and input to MRI, assigned to a resource. With every update to the system every field in each system must be updated to align with changing timelines, leading to miscommunication and errors
- Uncertainty on responsibility to close Void Notes/MRI meaning these are often left open until next tenant leaves
- Multiple paper compliance forms are completed during move in session, scanned and uploaded to DocuShare. The forms are signed and dated by tenants. This can be 10+ documents depending on the property type.
- There is integration within adobe which is used for certain forms to be signed and returned/uploaded electronically. Interviewees were unsure why the paper documents did not follow the same process.
- **Move in checklists are used to track activities are completed, which must be signed and dated:**
  - No ability to easily track each move in on MRI or across systems, only in Salesforce



# Manual steps taken during move in

There is an opportunity to reduce the manual creation of documents during the move in, reducing ~15 manual steps by automating the input/output of required data and communications to tenants

PMs must update actions in MRI/Qube manually that are already input by Lettings/TPT to Salesforce

- Application received, move in date, Wishlist completion date, notes on void
- Meter readings from inventory check in
- Tenant information

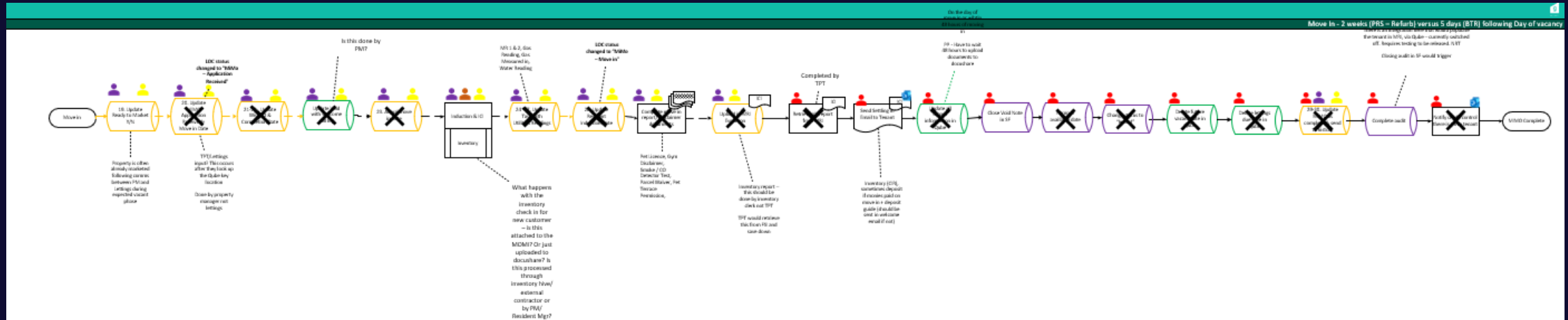
During the move in appt, 10+ paper compliance forms are completed, scanned and uploaded to internal systems

Multiple steps are completed in SF, Qube and MRI to close a lease that could be populated with one trigger point

- Includes email notifications/ information for customers e.g. (welcome email, settling in email)

Opportunity:

- Digitise compliance forms, integration and/or RPA to input the same data to multiple systems



# People process items differently

There is an opportunity to right size teams, clarify roles and responsibilities with clear RACIs, handover points and trainings in place to ensure “one” process is adopted, and accountability taken

Asset Mgt

Finance

Property Mgr.

Portfolio Mgr.

Procurement

Lettings

TPT

Service Desk



Lettings offers are not being completed in a standardised way

Pre vacation inspections should be logged in an MRI task but are not always tracked

Move away from Qube so recent hires have not been told to update Qube or been given insufficient training

Final check performed day before move in which sometimes leads to a hectic day arranging final cleaning etc

Sometimes must create the void note in Qube even though it should already be there

Information often not updated on Qube by Property Managers, currently a lot of property's are not marked as furnished

Huge difference in the way people log data upfront in MRI which really impacts TPT leading to a lot of chasing

Struggle to train their teams and advise on best practice as they do not feel confident in the process themselves

Chasing contractors for quotes - 3 teams doing the same thing - 10-day TAT. Often too late and miss 10-day KPI

New MIMO process is harder - there is no ownership and is difficult to understand which tasks need to be done

Notice to leave given through various inputs by different people and funnelled to written email

Don't have any training on MRI & SF so don't use them for any reporting/information

Get a lot of queries on whether someone has moved out - sometimes they forget to update Qube

Often direct debits are not set up prior to move in putting the tenant in immediate arrears

The North has a 3:1 unit to PM ratio & the South is 1:1

Legionella and Meter Readings are often not prioritised as well as other compliance aspects such as smoke detector testing, leading to vague and inconsistent audit trail

# There are many system limitation perceptions

There is a longer-term opportunity to apply best fit technologies to “one” process, utilising/ expanding or integrating existing technologies and applying RPA to data transfer logic that can't be integrated.

## QUBE

- No remote access, limiting near real time updates
- Misalignment of unit data to Salesforce, leading to manual editing
  - Documents cannot be uploaded to DocuShare until 48 hours after updating unit on Qube
- Currently only integrated with MRI at static data level and does not integrate transactionally
- Refurb information is held within notes and is not structured in a way to easily report on
- Parking spaces logged as individual units – unclear whether unit has a parking space

## Evolution MRI

- No remote access, limiting near real time updates
- All functions do not have access
  - All contact with contractors is usually completed off system due to restrictions on insurance requirements, led to a workaround in Proactis
- Set up at unit/block level. Can't issue multiple POs for one unit
- No tracking capability/dashboards
- No integration to Inventory Hive

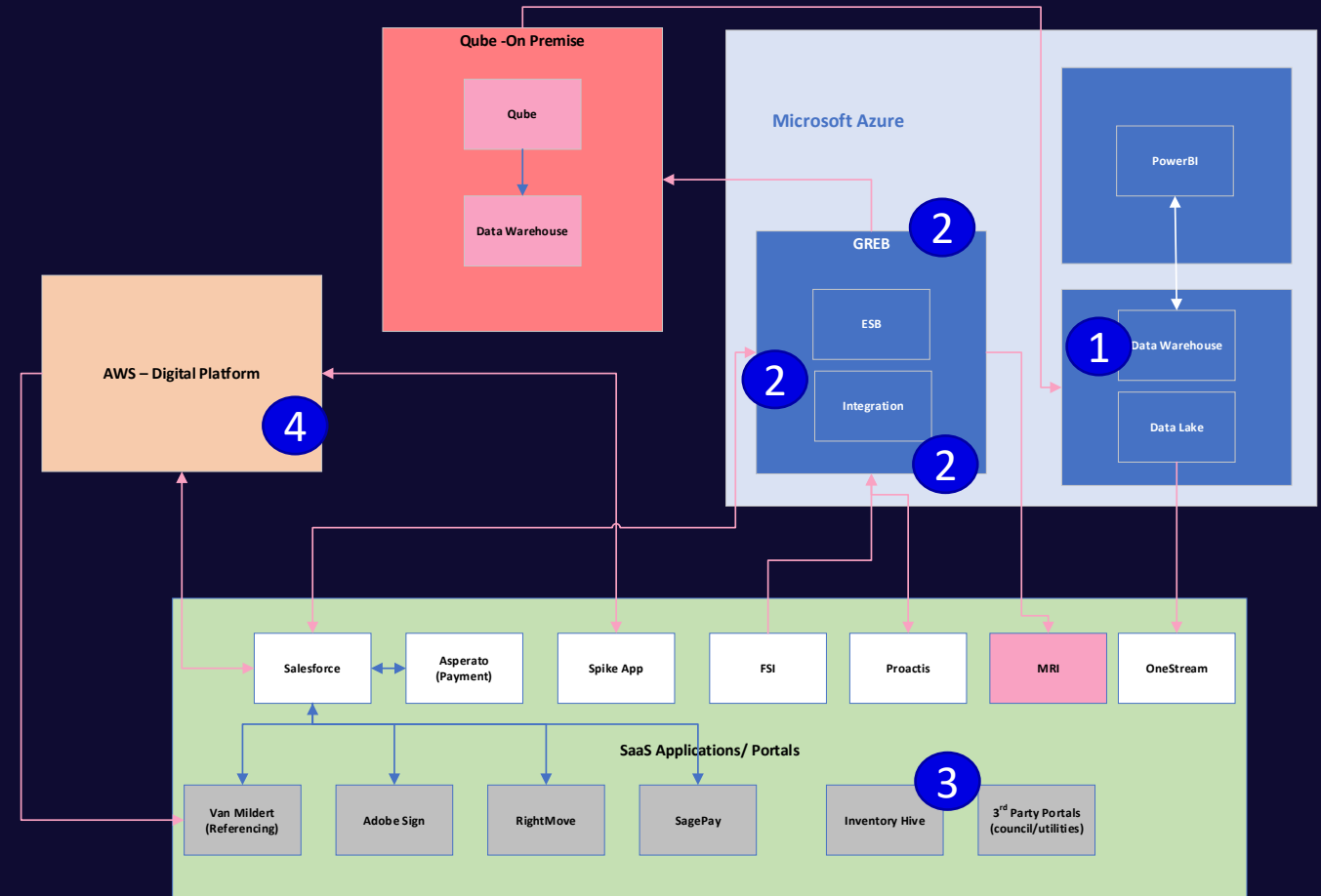
## Salesforce

- All functions do not have access/trained
  - No integration to car parking portals
  - No integration to outlook calendar
- Outgoing email communication only
- Salesforce and WhatsApp not integrated
- Salesforce app not currently utilised due to data security limitations
  - Customers can skip past Direct Debit, placing them in arrears from month one

# Current landscape may not be utilised to full potential

There is a longer-term opportunity to apply best fit technologies to “one” process, utilising/ expanding or integrating existing technologies and applying RPA to data transfer an logic that can’t be integrated.

- 1 Qube data feeds to the Azure Data Warehouse, feeding to PowerBI for reporting. However, reports are being pulled from Qube in excel for reporting
- 2 MRI and SF feed into the Azure integration and ESB service bus, feeding into Qube however it is unclear where this integration feeds between systems from interviews/ manual work completed
- 3 Inventory Hive & 3<sup>rd</sup> party portals are not integrated, information is double keyed between these systems
- 4 Spike app is a customer facing application which integrates to AWS, also integrating to SF, however it is not being utilised for straight through processing from customers to SF and unstructured manual inputs are used



# Data Gaps can often be a result of other challenges

Once “one” process is designed, and technology overlaid, there is an opportunity to create space in systems for required information, to upload historic intelligence and centralise to one version of the truth



Data Gaps and all other challenges are codependent and often influence or result in each other:

- Data input is all manual and prone to human error
- Double keying into different systems can lead to information being forgotten or delays to non prioritised systems
- Information shared outside of systems has resulted in localised storage of data
- System limitations/48-hour delays to upload information to DocuShare
- Inability to track tasks end to end in one system leads to variances in data between business areas and isolated reporting/ ways of working – no one version of the truth
- A lack of accountability, prioritisation and training mean data is not always uploaded, leading to unknown downstream impacts
- Unstructured inputs to the system lead to unstructured fields, with note areas utilised which can be difficult to track, export and report on over time

## Opportunity:

System changes to allow data to be stored centrally on system

- Perform data quality exercise to truly establish gaps/ quality
- Tactical automations to transfer documents and data from off system records
- Align documents and data recorded nationwide to ensure processes and data quality is standardised

Simplify the data input process:

- Applications that can be used out in the field
- Integrate/ automate transfer of information between systems
- All documents moved online to prevent delays in data upload
- Performance manage the field updates of systems in near real time to keep tracking visible and communication active and central

# SWOT Analysis

Overview of the strengths, weaknesses, opportunities and threats (risks) of the process discovery and next steps:



## Strengths

- Salesforce overall is working well with positive comments around the visibility and tracking mechanism of the dashboards from Lettings and TPT
- Automations within the MIMO task in Evolution MRI are helpful with emails auto created and documents provided
- Integrations from Evolution MRI to Utilities services work well
- Those who use the PowerBI report have commented that it is useful for financial reporting
- Pilots to standardise/simplify are working – Relet process piloted at 1 PRS property has had successful results

## Opportunities

- Standardise and simplify to “one” process, regardless of property type, function or location
  - Pricing play book and price per property
  - Simplify transactional data collected and transferred to what is needed
  - Prevent double keying of system
  - Reduce documents created/handled by ~80%
- Create rules-based logic wherever possible to reduce variation, automate triggers and actions reducing the need for manual steps taken by ~50%
- Digitise input points between parties to ensure data collected is structured and aligns to the information required by the system
- Overlay best fit technology to “one” process

## Weaknesses

- Process** – Complex processes with different ways of working, too many handover points
- Data** – Required information is often not available within systems, no visibility of the end-to-end process, no single version of the truth, no true picture of the voids cost or performance
- People** – Different resourcing between north and south, lack of accountability
- Technology** – System limitations, lack of integration/ automation, multiple systems

## Threats (Risks)

- Not collaborating/ workshopping the redesign of the process to bring people along the journey and account for all variation
- Failing to follow strict design principles that account for “one” process, except for any legal requirement, customer issue or business need
- Not establishing clear RACIs (roles and responsibilities) and change mgt of the redesigned process into adoption
- Underestimating the need for KPIs and clear performance visibility to measure and continuously improve
- Not doing due diligence of technology research and implementing technologies that may not be best fit

# Appendices

# Discovery Methodology

The methodology taken during discovery and during the interview process, including objectives of findings:



## Methodology

- Conducted 2-hour interviews across 9 business areas
- Understood each business area and the role played within the Voids Process
- Walk through of the process, discussing individual challenges and pain points
- Discussed the systems used, documentation produced and transferred
- Collated challenges to high level themes and prioritised between business areas
- Explored the root causes of challenges to recommend an opportunity summary for improvements

## Objectives

### Process

- Identify variation and understand where could be standardised

### People

- Identify areas of inefficiency around roles and responsibilities

### Data

- Identify data gaps/ quality issues and how they can be alleviated including GDPR, controls and compliance

### Technology

- Identify the touchpoints of different systems and where these could be aligned, integrated or utilised better/ expanded
- Understand areas of the process that could be automated to increase efficiency and reduce voids time/costs

## Deliverables – Review Findings

### Presentation:

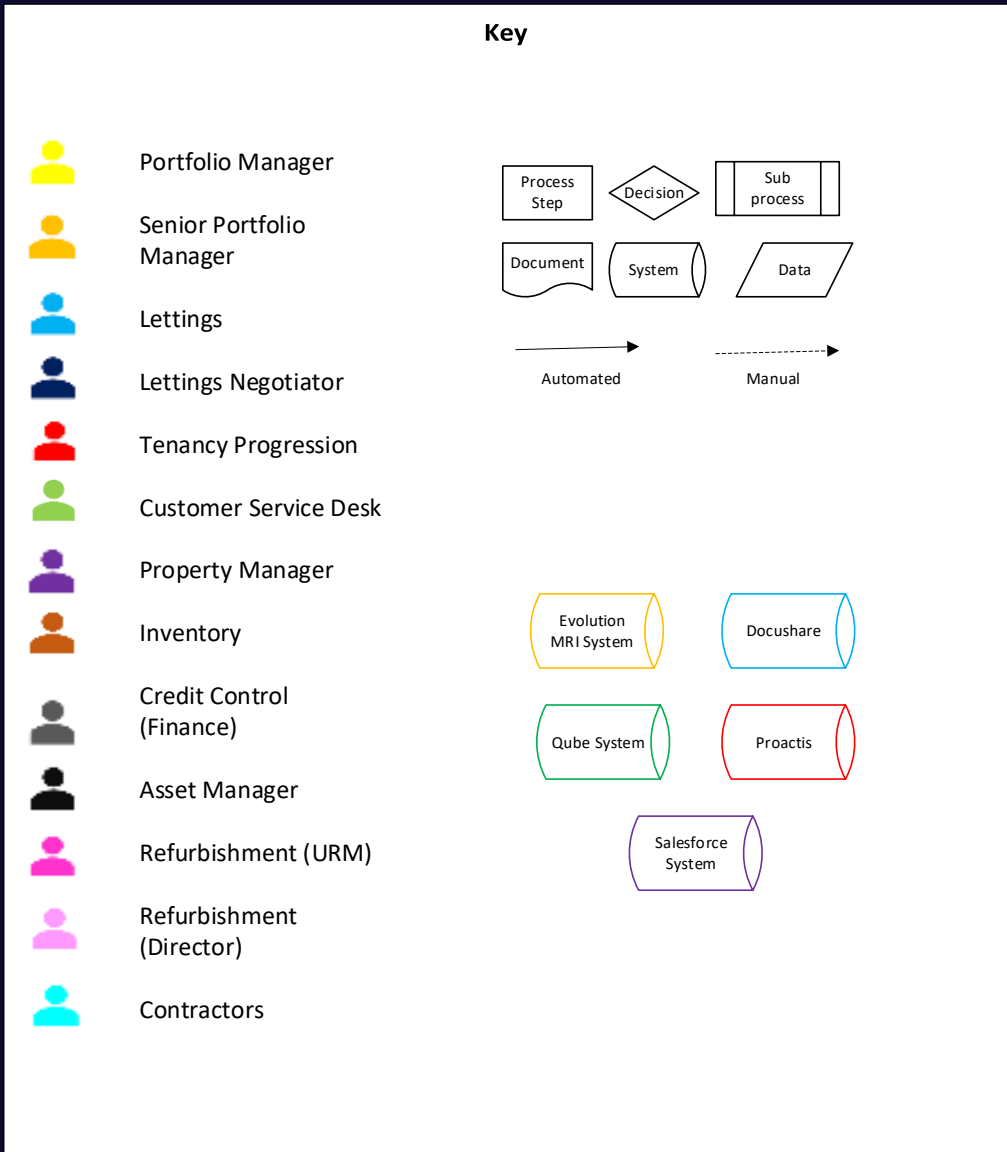
- Process discovery PowerPoint
  - Background
  - Executive summary
  - High-level briefing
  - Detailed findings
  - Next steps
  - PEX Assessment & Guidance

### Written document:

- Process discovery document
  - Process maps
  - Process per function
  - Process per property type
  - Process per location
  - Process Metrics
  - Lean Assessment
  - Opportunity Grid
  - Opportunity Assessment



# Process Mapping - Key



# Process Metrics (1 of 3) :

Number of steps taken per function during the MIMO process, per property type and location (north versus South):

| Business Area*            | PRS Stabilised |            | PRS Reversionary |            | Bill to Rent |            |
|---------------------------|----------------|------------|------------------|------------|--------------|------------|
|                           | North          | South      | North            | South      | North        | South      |
| Portfolio Managers        | 56             | 43         | 84               | 71         | x            | x          |
| Property Managers         | x              | x          | x                | x          | 87           | 74         |
| Customer Service Desk     | 30             | 30         | x                | x          | x            | x          |
| <i>Refurbishment</i>      | x              | 20         | x                | 20         | x            | x          |
| Lettings                  | 19             | 20         | 19               | 20         | 23           | 23         |
| Tenancy Progression       | 23             | 23         | 23               | 23         | 23           | 23         |
| Finance – Credit Control  | 7              | 9          | 7                | 9          | 7            | 7          |
| Asset Mgt                 | 17             | 13         | 17               | 13         | 14           | 14         |
| Procurement               | 1              | 1          | 1                | 1          | x            | x          |
| <b>Total</b>              | <b>153</b>     | <b>159</b> | <b>151</b>       | <b>157</b> | <b>154</b>   | <b>141</b> |
| <b>Total (internal)**</b> |                | <b>139</b> |                  | <b>137</b> |              |            |

• External contract work is not included – Marketing, Inventory, Lettings Referencing

\*\* Does not include Unit Refurbishment Management tasks provided by TFT

# Process Metrics (2 of 3):

Number of documents created/ handled per function during the MIMO process, per property type and location (north versus South):

| Business Area*            | PRS Stabilised |           | PRS Reversionary |           | Bill to Rent |           |
|---------------------------|----------------|-----------|------------------|-----------|--------------|-----------|
|                           | North          | South     | North            | South     | North        | South     |
| Portfolio Managers        | 20             | 18        | 20               | 18        | x            | x         |
| Property Managers         | x              | x         | x                | x         | 20           | 19        |
| Customer Service Desk     | 5              | 5         | x                | x         | x            | x         |
| <i>Refurbishment</i>      | x              | 9         | x                | 9         | x            | x         |
| Lettings                  | 2              | 2         | 2                | 2         | 1            | 1         |
| Tenancy Progression       | 14             | 14        | 14               | 14        | 14           | 14        |
| Finance – Credit Control  | 2              | 2         | 2                | 2         | 2            | 2         |
| Asset Mgt                 | 4              | 4         | 4                | 4         | 4            | 4         |
| Procurement               | x              | x         | x                | x         | x            | x         |
| <b>Total</b>              | <b>47</b>      | <b>54</b> | <b>42</b>        | <b>49</b> | <b>40</b>    | <b>39</b> |
| <b>Total (internal)**</b> |                | <b>45</b> |                  | <b>40</b> |              |           |

• External contract work is not included – Marketing, Inventory, Lettings Referencing

\*\* Does not include Unit Refurbishment Management tasks provided by TFT

# Process Metrics (3 of 3):

Number of emails per function during the MIMO process, per property type and location (north versus South):



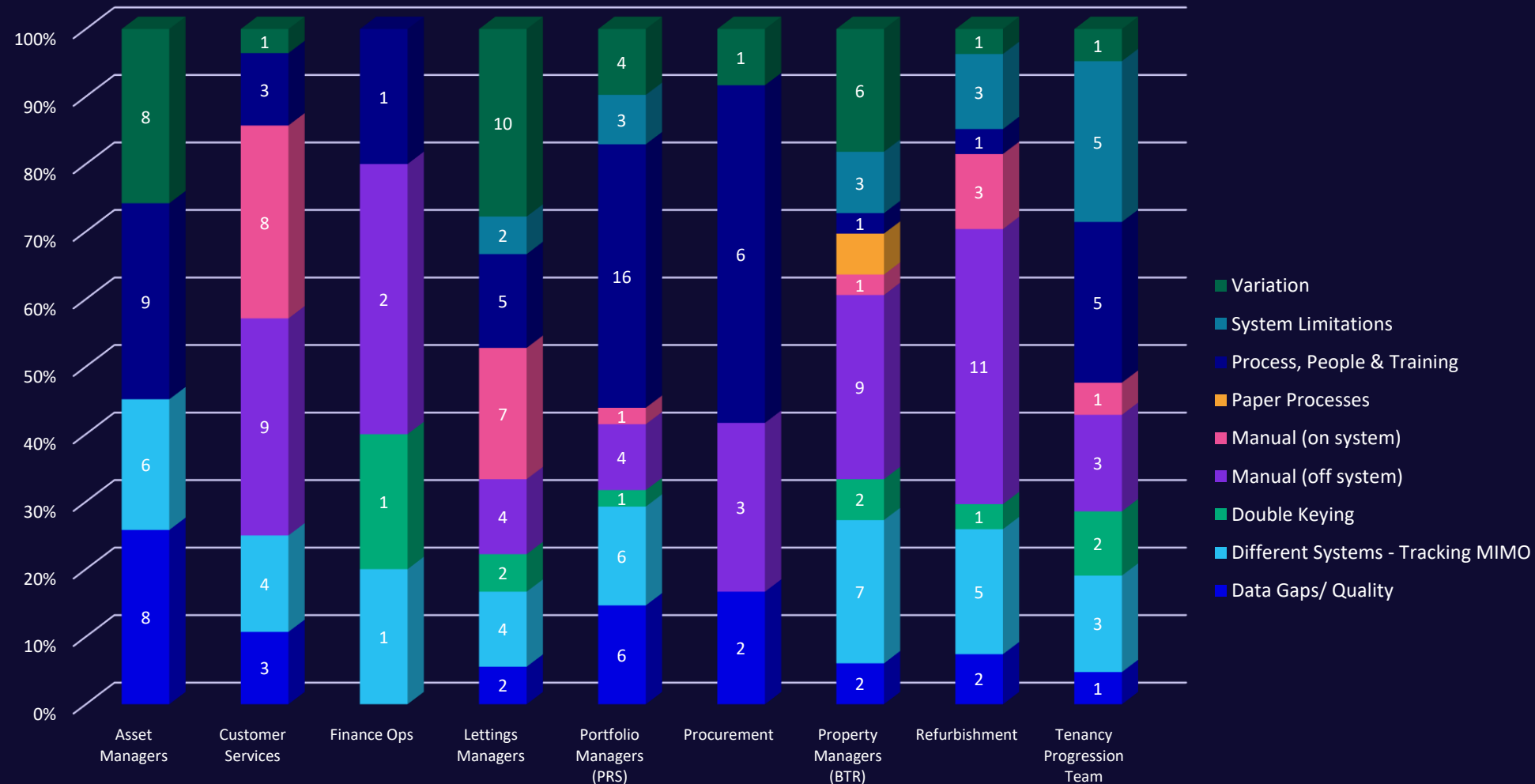
| Business Area*           | PRS Stabilised |           | PRS Reversionary |           | Bill to Rent |           |
|--------------------------|----------------|-----------|------------------|-----------|--------------|-----------|
|                          | North          | South     | North            | South     | North        | South     |
| Portfolio Managers       | 13             | 12        | 19               | 18        | x            | x         |
| Property Managers        | x              | x         | x                | x         | 19           | 19        |
| Customer Service Desk    | 10             | 9         | x                | x         | x            | x         |
| <i>Refurbishment</i>     | x              | 5         | x                | 5         | x            | x         |
| Lettings                 | 4              | 3         | 4                | 3         | 3            | 2         |
| Tenancy Progression      | 3              | 3         | 3                | 3         | 3            | 3         |
| Finance – Credit Control | 3              | 3         | 3                | 3         | 3            | 3         |
| Asset Mgt                | 5              | 4         | 5                | 4         | 4            | 4         |
| Procurement              | 1              |           | 1                |           | x            | x         |
| <b>Total</b>             | <b>39</b>      | <b>40</b> | <b>35</b>        | <b>37</b> | <b>32</b>    | <b>31</b> |

• External contract work is not included – Marketing, Inventory, Lettings Referencing

\*\* Does not include Unit Refurbishment Management tasks provided by TFT

# Challenges by function

Interviews across business areas led to the output of 200+ challenge/ pain points. Most challenges are common between areas and can be rolled up to the below main themes:



# Interview Detail – Verbatim & Metrics



Verbatim provided by all functions during interviews, regarding process steps/flow, challenges, limitations, pain points

Metrics requested from functions\* however the response rate was low and of those who provided figures, there were a lot of unknown and data gaps.

Summary of response:

| Business Area*           | Verbatim |       | Metrics |       |
|--------------------------|----------|-------|---------|-------|
|                          | North    | South | North   | South |
| Portfolio Managers       | ✓        | ✓     | x       | x     |
| Property Managers        | ✓        | ✓     | ✓       | ✓     |
| Customer Service Desk    | ✓        |       | x       |       |
| <i>Refurbishment</i>     | **       | ✓     | **      | ✓     |
| Lettings                 | ✓        |       | x       |       |
| Tenancy Progression      | ✓        |       | x       |       |
| Finance – Credit Control | ✓        |       | x       |       |
| Asset Mgt                | ✓        | ✓     | ✓       | x     |
| Procurement              | ✓        |       | *       |       |

\*Metrics were not requested from Procurement due to minimal involvement

\*\*Completed by Property/Portfolio Managers

# Verbatim – Portfolio Managers (PRS)



"Difficult to figure out whether unit has a parking space"

"Roles and Responsibilities between Customer Services & us are unclear"

"PowerBI is not being used/ monitored by team - no remote access to dashboards so everything is tracked off system"

"PVI/PMI/water flushing are not prioritised"

"Established handover points with Property Managers are not used"

"New MIMO process is harder - there is no ownership and is difficult to understand which tasks need to be done"

"Double keying of information to both MRI and Qube"

"Data on units has been stored within notes and off system leading to gaps in knowledge and within systems re units, lack of visibility across business"

"Not many are using the MIMO task, many are using emails."

"Key Location/Release - more complex than it should be"

"Meter Readings are often not input to MRI following the check out/ inventory report returned via Inventory Hive"

"No dedicated partner in Customer services so things often lost in translation, do not have strong knowledge of portfolios/units"

"Pre vacation inspections should be logged in an MRI task but are not always tracked"

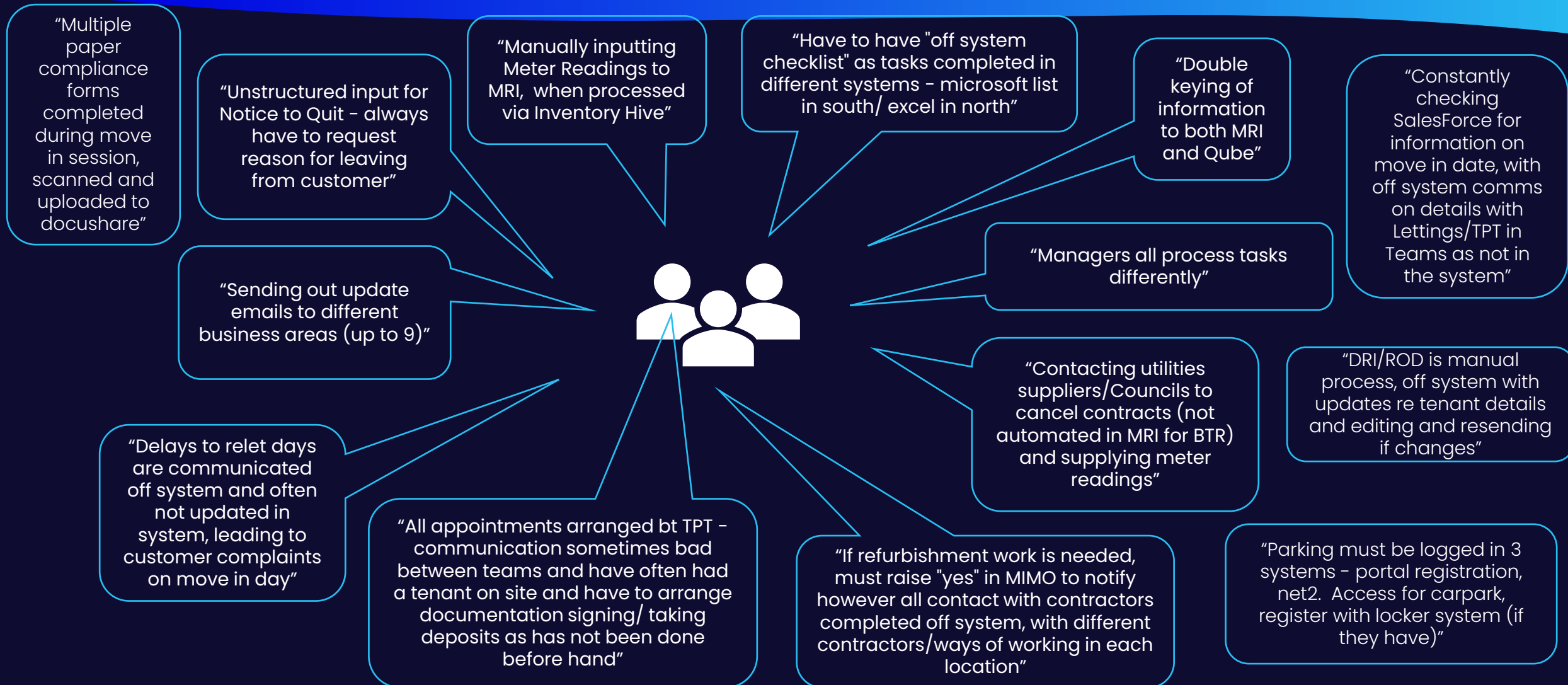
"Unstructured input for Notice to Quit, various inputs and funneled to written email"

"Ratio of PMs to units is 3:1 north compared to 1:1 in South"

"Portfolios have a separate office to site (different to BTR), meaning there are delays from work onsite being uploaded to systems"

"Retention calls made by Portfolio Managers after notice is provided, not proactive"

# Verbatim – Property Managers (BTR)





# Metrics – Property Managers (BTR)

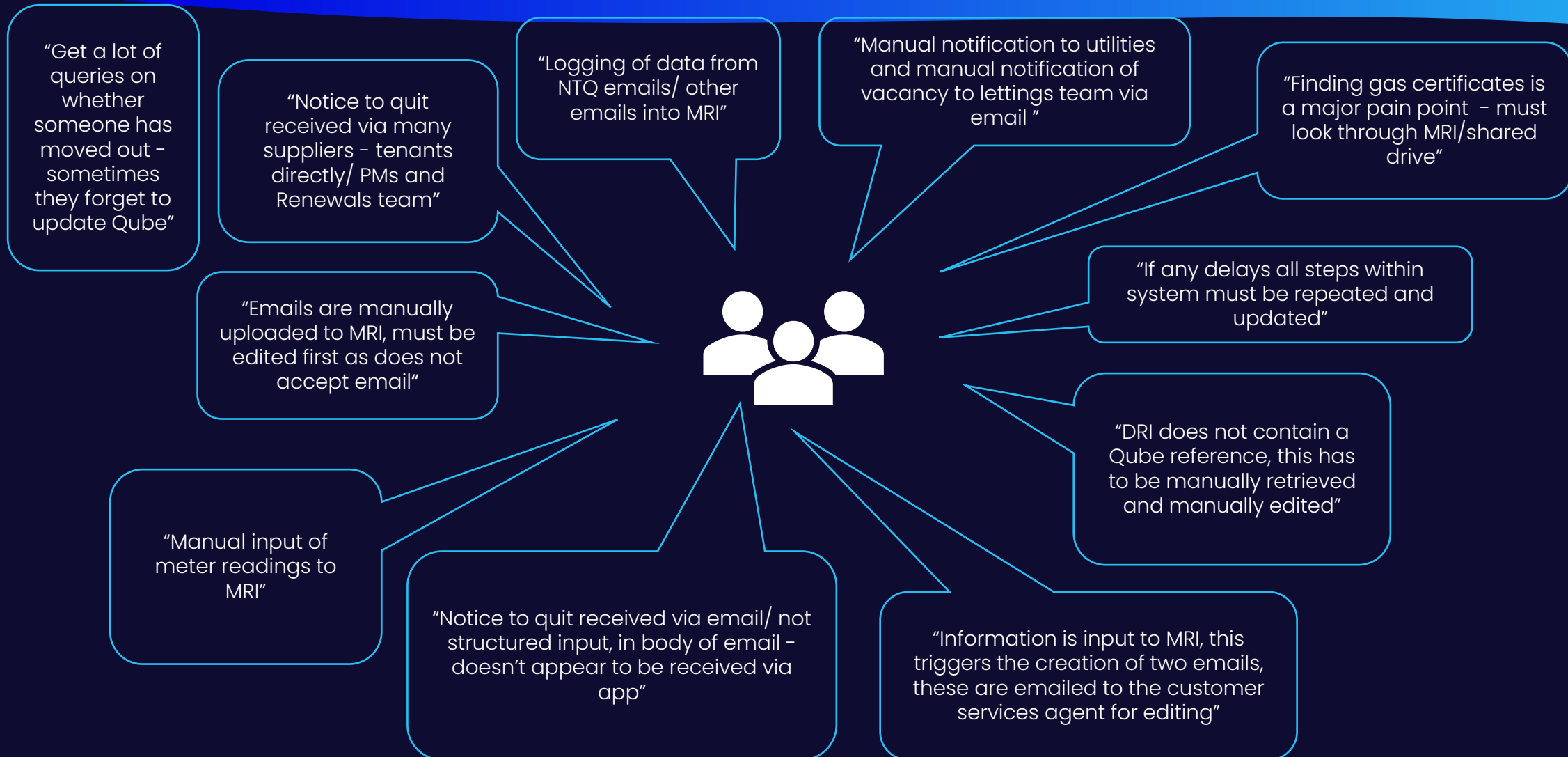


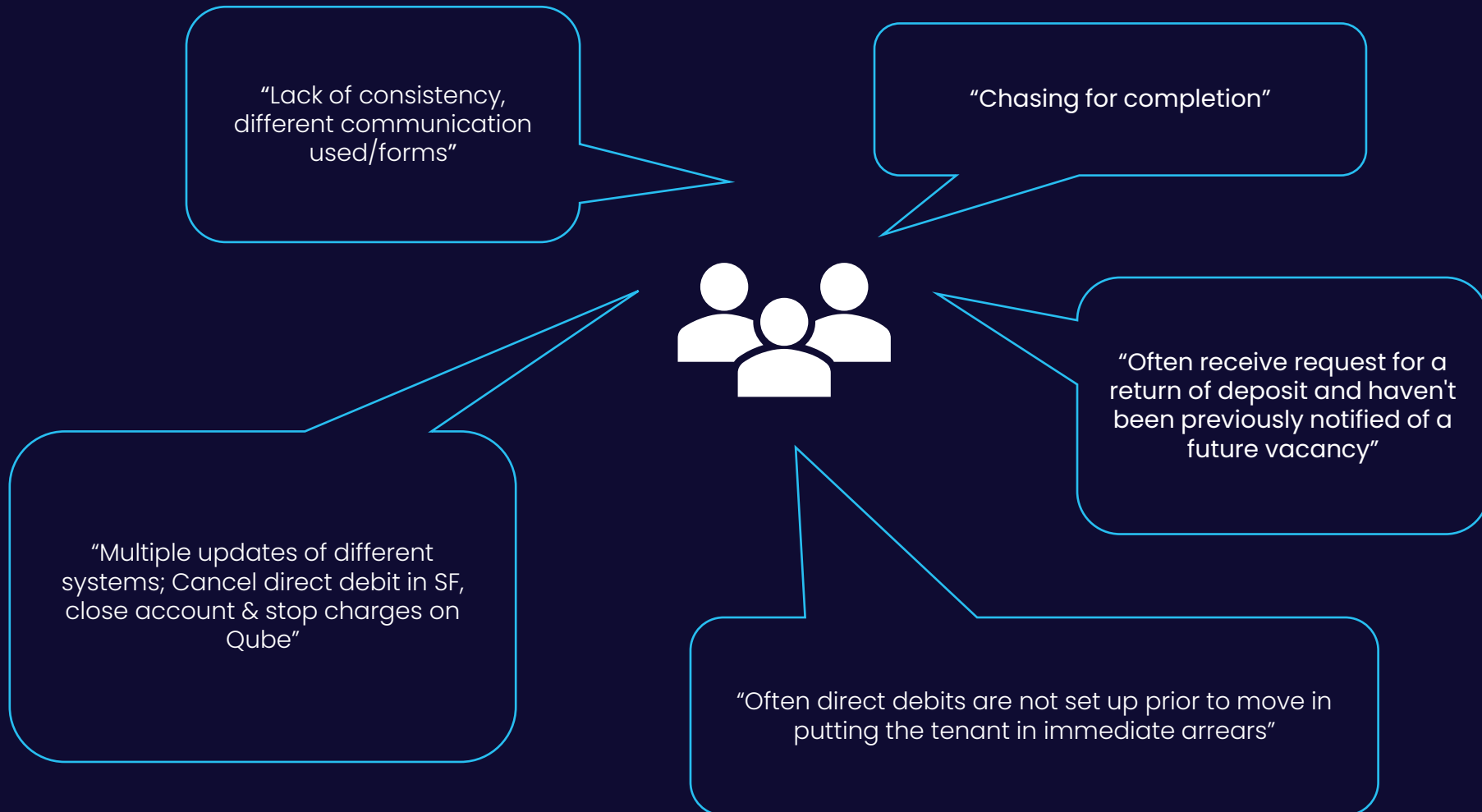
Metrics provided for North only:

| Description  | Metric*                   |
|--|---------------------------|
| Volume of Expected Vacancies (monthly)                           | ~89                       |
| Task Time to create documents                                    | Not known                 |
| Lead time Expected Vacancy notification to Move out              | ~60 days (about 2 months) |
| Volume of Move outs (monthly)                                    | ~89                       |
| TAT on refresh   | Not known                 |
| How many refreshes do not start on day 0?                        | Not known                 |
| How many refreshes overrun/ have issues?                         | Not known                 |
| Lead time Return deposits (move out date to deposit return date) | ~7 days                   |

\* Metrics collected from stakeholders following interviews

# Verbatim – Customer Service Desk (PRS – stabilised only)





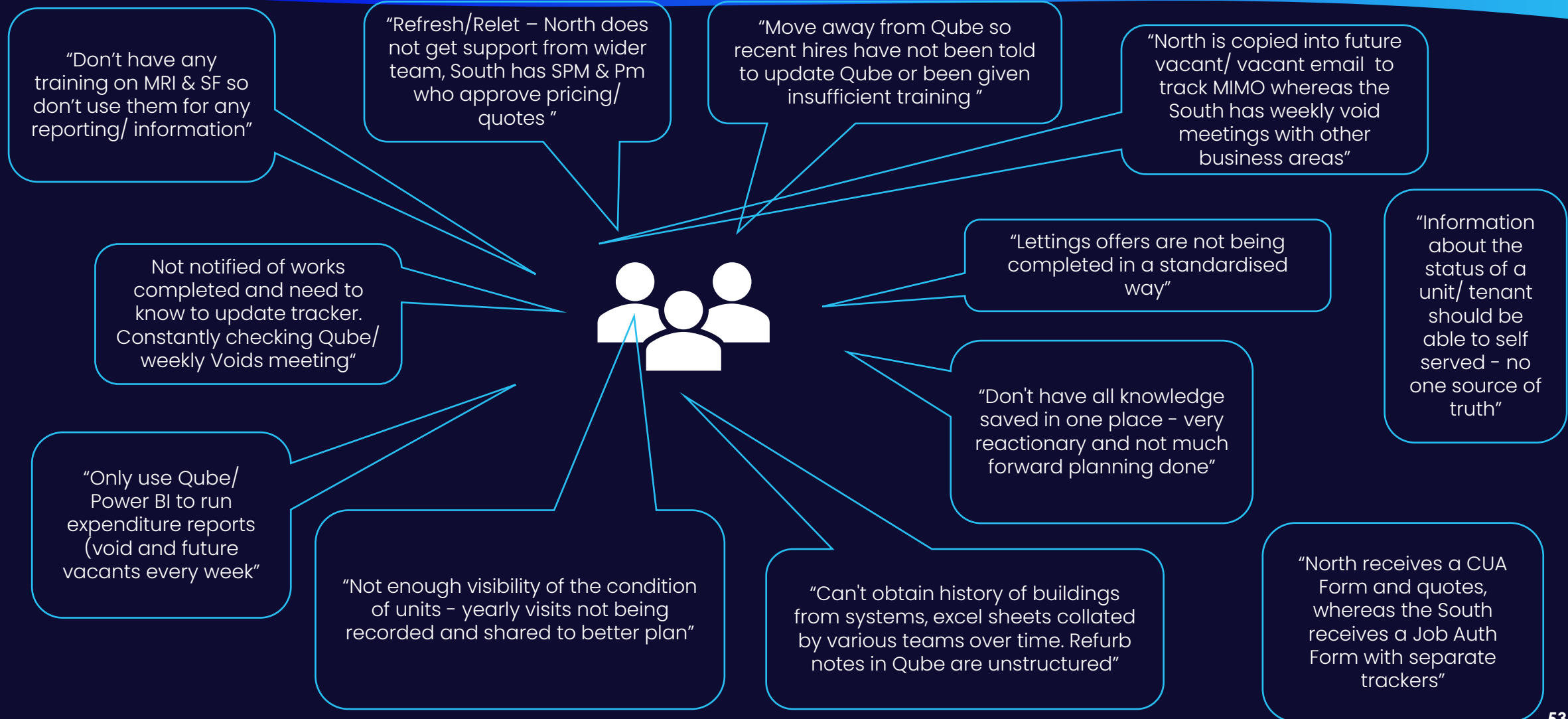
# Metrics – Finance



| Description   |                          | Metric* |
|---|--------------------------|---------|
| Average Volume of Move outs/ deposits returned                | ~242                     |         |
| Task Time to perform stop actions on systems for payments     | ~ 2-3 minutes            |         |
| Task Time to return deposit                                   | ~ 10-15 mins per deposit |         |
| % of move outs where you must chase for the DRI               | ~10%                     |         |
| % of deposits that are not returned within required timeframe | ~10-15%                  |         |

\* Metrics collected from stakeholders following interviews

# Verbatim – Asset Mgt



# Metrics – Asset Mgt

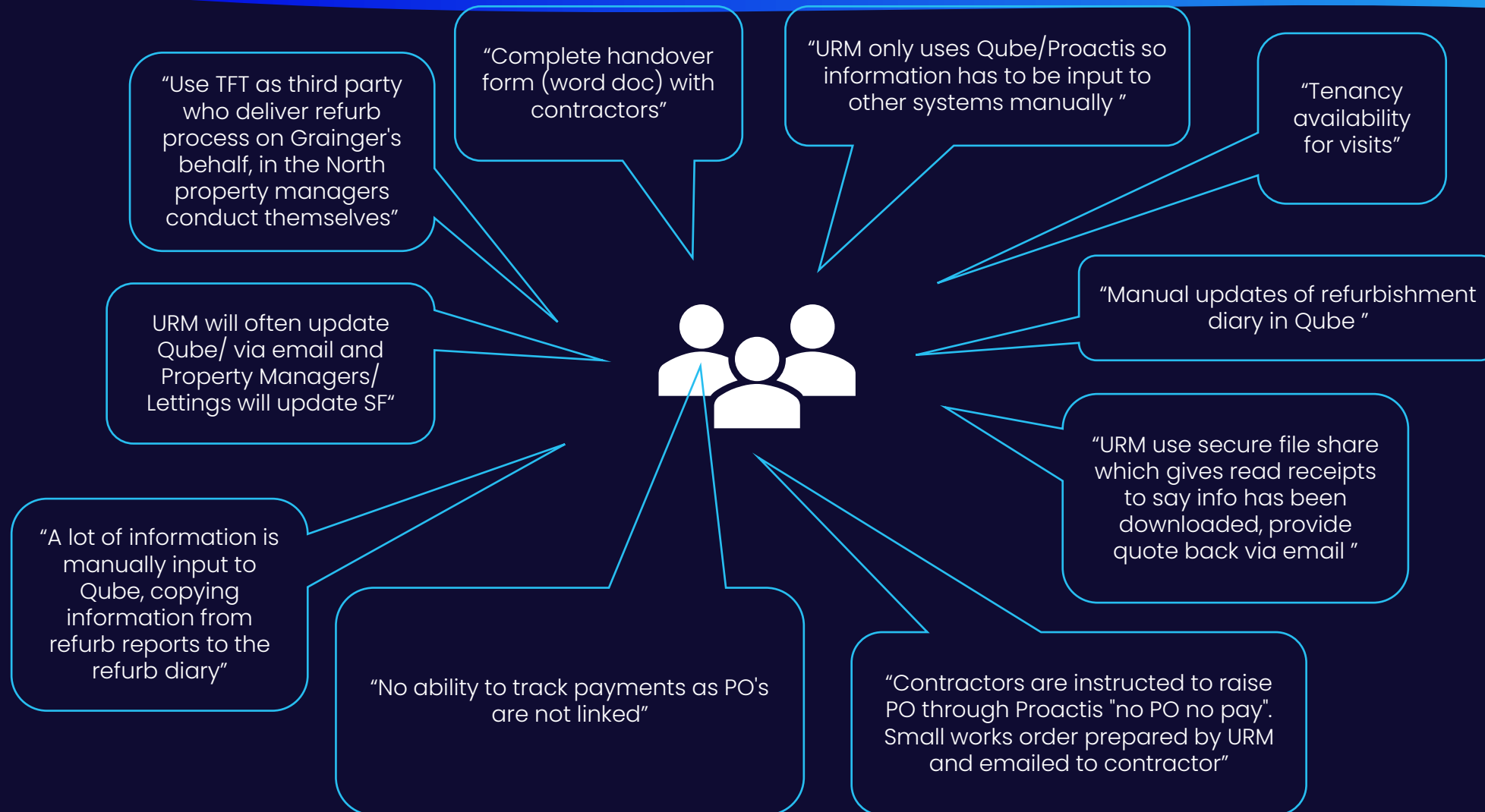


Metrics provided for North only:

| Description   | Metric*  |
|---|--|
| Average volume of approvals   | ~ Approves 5 a week as an absolute max. Some weeks may get none                      |
| Average % of refurb/refresh   | Mostly refresh as quantum of units requiring refurb has vastly diminished            |
| Task Time to process an approval  | 10 mins  |
| Task time to create Voids Reports                                       | Done on Power Bi – takes 2-3 minutes   |
| Task time to create/maintain Capex schedule (south) AMI Tracker (North) | To add each new additional approval to the AMI 5 mins                                |
| Average cost of a refurb  | In last FY c£18k   |
| Average cost of a refresh   | In last FY c£3k  |
| Average void cost for a refresh   | Not known – This is being looked at by wider business at present to try and quantify |
| Average void cost for a refurb  | Not known – This is being looked at by wider business at present to try and quantify |
| Average % that need to be reapproved due to changes                     | ~5%  |
| Average % that overrun agreed start/completion dates                    | Not known – don't track start and end date.  |

\* Metrics collected from stakeholders following interviews

# Verbatim – Refurbishment



# Metrics – Refurbishment



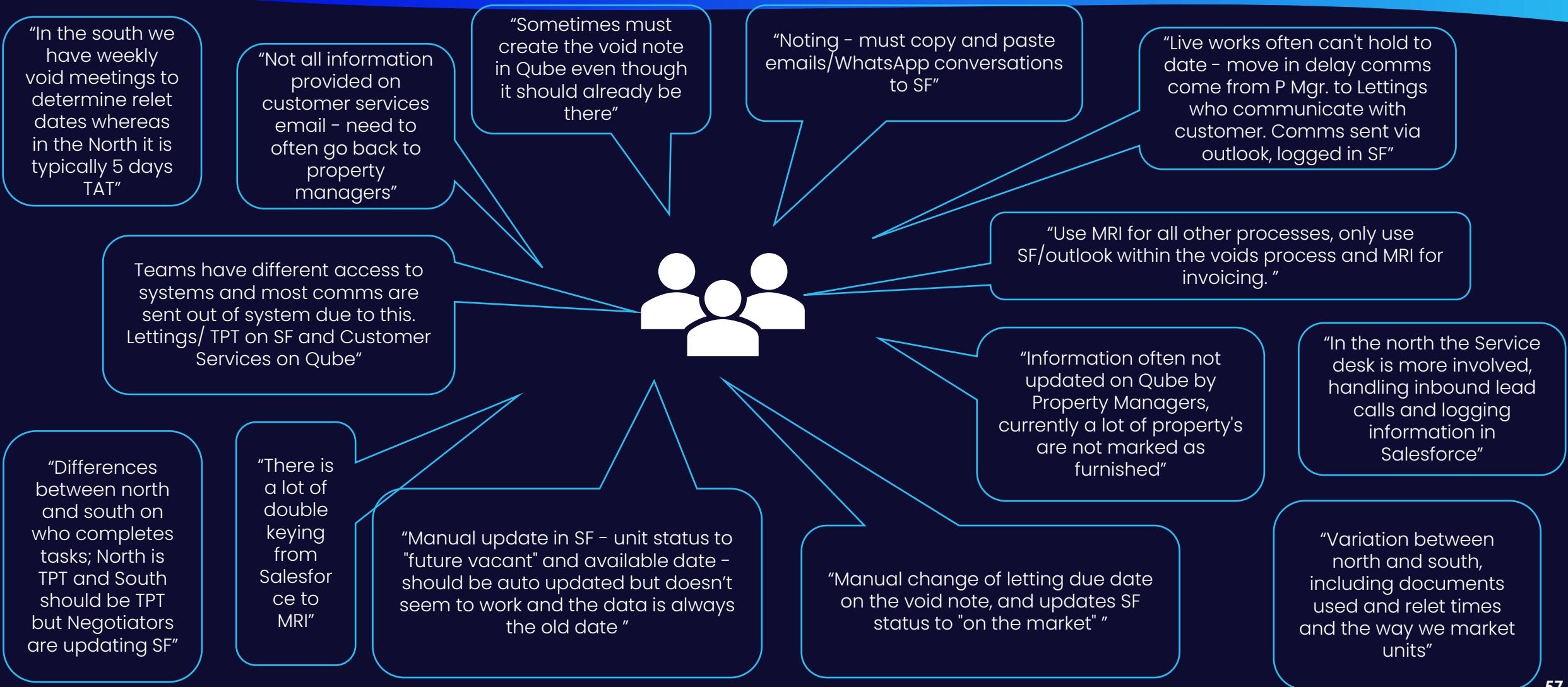
Metrics provided for South only, North uses Property/Portfolio Managers:

| Description   | Metric*    |
|---|------------|
| Average Volume of Refurbs (Annual)  | 50-80      |
| Task Time to create package (JA Form etc)   | 1-2 days   |
| TAT on Quotes from contractors  | 5-7 days   |
| Average TAT on refurb works (start to completion)   | 8-10 weeks |
|   | 20%        |
| Average % of units that do not have floorplans  | 30%        |
| * Metrics collected from stakeholders following interviews<br>Average % of tenders with 2-3 contractors (more than 1) | 90%        |
| Average % of refurbs that start on Day 0 (move out day)   | 40%        |
| Average % of refurbs that require multiple POs  | 100%       |

\* Metrics collected from stakeholders following interviews



# Verbatim – Lettings



# Metrics – Lettings

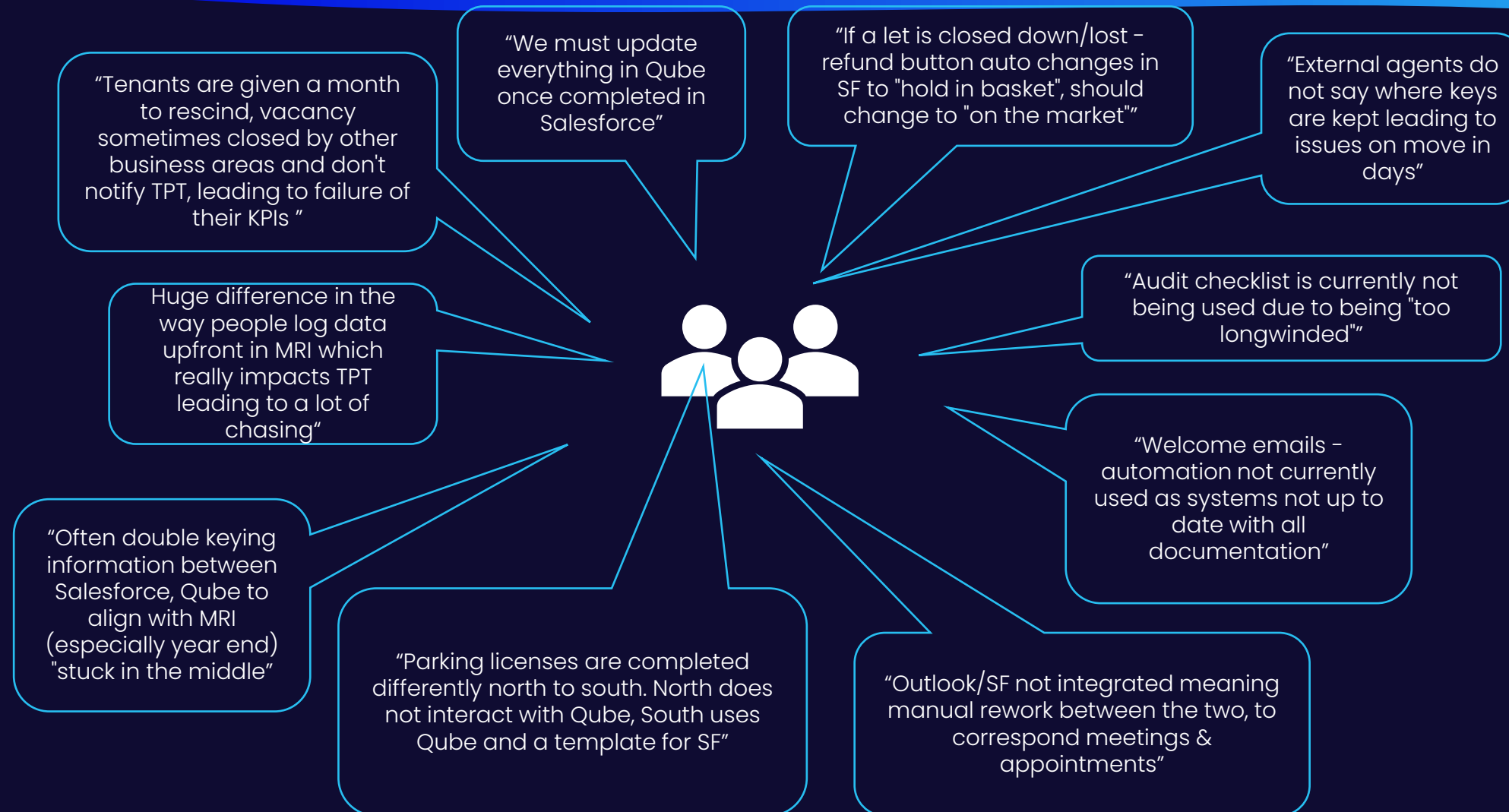


Metrics provided for North only:

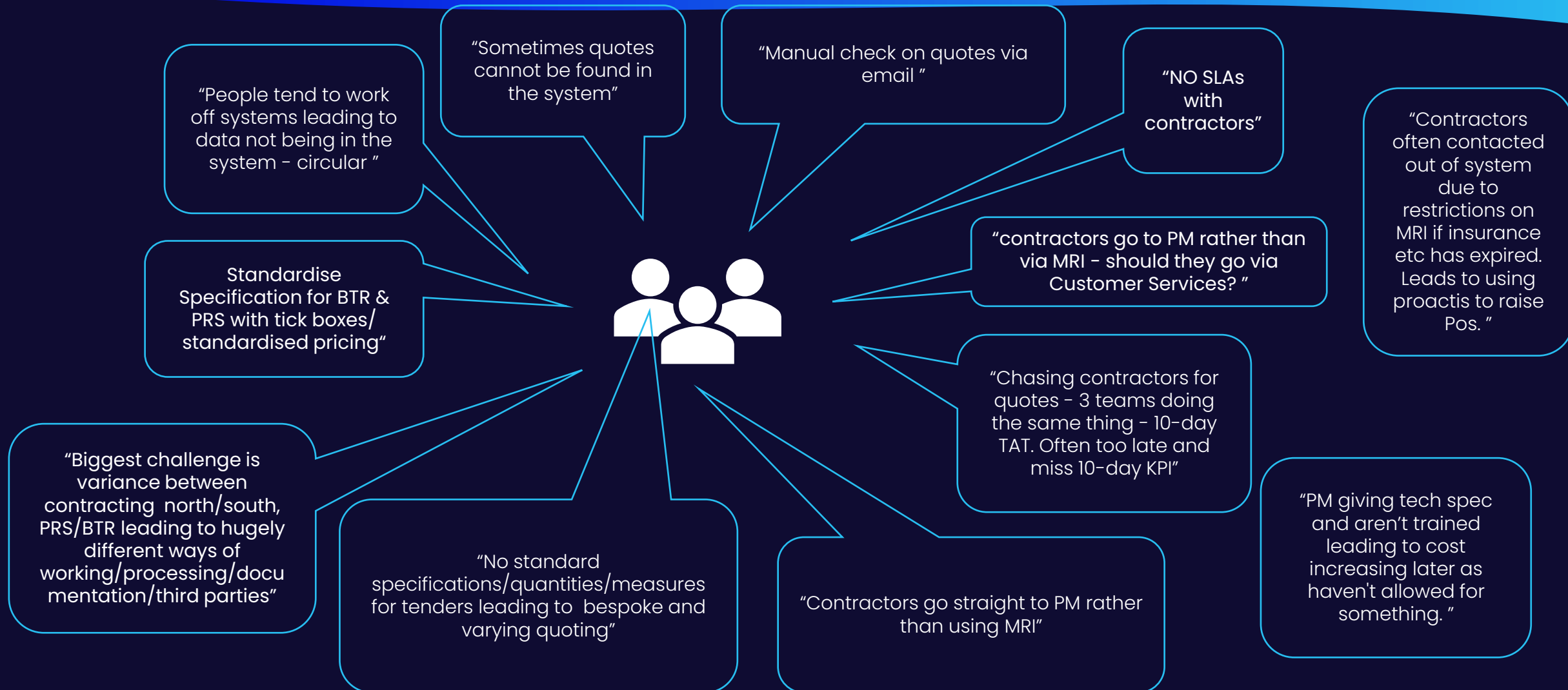
| Metrics  | North  | South |
|--|--|-------|
| Average Volume of Expected Vacancies                                   | We don't have a report on this but in the last year we had over 1800 lets          |       |
| Average volume of leads  | 27,000   |       |
| Average volume of qualifying calls                                     | 22, 000  |       |
| Task Time to create welcome emails                                     | Responsibility of RS team but should just be a template so not that time consuming |       |
| Task Time to create settling in emails                                 | Responsibility of RS Team but should also be a template so not too time consuming  |       |
| Avg Lead time from property being ready to market to converting tenant | 5 days   |       |
| % of move ins with delays  | No way of reporting on this, maybe around 3%                                       |       |

\* Metrics collected from stakeholders following interviews

# Verbatim – TPT



# Verbatim – Procurement



# Process Excellence Assessment (1 of 3)

Overview of process excellence maturity framework:



|                        | Base   | Evolving   | Performing  | Optimised   | Next Gen   |
|------------------------|--|--|---|---|--|
| Process Understanding  | Decentralised and non standardised documentation of processes. Knowledge of regulations and SLAs.                                | Framework for documentation active and aligning on future Vision and Strategy  | Standardised documentation of processes, centralised visibility with all people and customers clear on consistent actions                 | Documentation model in line with QMS ISO 9001. Action documents embedded to track regulation processes and SLAs | Continuous visibility through digital process mining. Processes tracked, reviewed and amended to reflect evolution                       |
| Customer Experience    | Traditional channels operating well, reactive to individual requests   | Having a systematic approach to solving user and customer problems, engaging frequently, SLAs for processes in place                                   | A clear and easy to digest customer service delivery model in place that is aligned to the business strategy                              | Proactive and strategic support to customers and their decision making, seat at the table                       | Customer and user led services, minimal/zero contact, real time delivery, predictive, customer experience is key driver of services      |
| Process Efficiency     | Non-standardised, fragmented, disparate processes. Manual effort. Around lower quartile in performance.                          | Global Process Owners for core processes. Driving standardisation and consolidation. Plans to automate/stop non-value adding tasks through the roadmap | Standardised processes throughout, Process governance driving continuous improvements. Automation successful at eliminating manual effort | Processes fully automated, exception reporting. Cycle times optimised. Benchmarks around top quartile           | AI and Machine Learning, digitised Business Process Intelligence on core processes and metrics   |
| People & Culture       | Processes performed with little training, governance or bottom-up challenges "because we have always done it this way" mentality | Process Excellence vision communicated to Global Process Owners, aligned on future vision and strategy   | Culture and training introduced, starting to bring people along the improvement journey through the Centre of Excellence                  | Change champions embedded within teams, challenging processes and making minor improvements                     | Introduce global technologies to empower colleagues to continuously nominate, prioritise and action changes for themselves and customers |
| Continuous Improvement | Lack of Process Excellence Vision or Strategy, a recognised need to realign core processes with the organisation's direction     | Process Excellence team formed, active and aligning on future Vision and Strategy  | Centre of Excellence created, and a Continuous Improvement Programme enabled  | Roadmap of change delivering tangible benefits in line with strategy, positive customer feedback                | Continuous refinement of existing processes, utilising the PEX framework, toolkit and technologies                                       |

# Process Excellence Assessment (2 of 3)

Assessment of Grainger plc against the maturity framework:



ESTD 1912

|                        | Base | Evolving      | Performing    | Optimised | Next Gen |
|------------------------|------|---------------|---------------|-----------|----------|
| Process Understanding  |      | <br>ESTD 1912 |               |           |          |
| Customer Experience    |      | <br>ESTD 1912 |               |           |          |
| Process Efficiency     |      | <br>ESTD 1912 |               |           |          |
| People & Culture       |      |               | <br>ESTD 1912 |           |          |
| Continuous Improvement |      | <br>ESTD 1912 |               |           |          |

# Process Excellence Assessment (3 of 3)

Assessment of Grainger plc against the maturity framework:



ESTD 1912



|                        | Base | Evolving   | Performing  | Optimised | Next Gen |
|------------------------|------|--|---|-----------|----------|
| Process Understanding  |      | Business Optimisation team exists however process documentation is being completed by individuals, decentralized and with huge variation. No mapping templates or governance structure |   |           |          |
| Customer Experience    |      | Customer service desk in play to attend to customer experience/ issues however RSA/PM's main point of contact. No mention of VOC or feedback loops within process                      |   |           |          |
| Process Efficiency     |      | Business Optimisation team focus is on systems/ functions rather than by process, efforts towards RPA programme in past however automations are still not in BAU – adoption and data   |   |           |          |
| People & Culture       |      |  | Business Optimisation team in play but no formal CoE. Evidence of training/ SOPs and lunch and learns and a continuous improvement mentality, although not widespread |           |          |
| Continuous Improvement |      | Business Improvement team led by PMO, aligning to wider projects and business strategy. No business/ process analysts, improvement team are role shares                                |   |           |          |

# Process Understanding (1 of 3)

Clear and reliable visibility of the way data flows through your organisation. Insight of Process Metrics and Pain Points to aid decision making.



## Implement a QMS:

We recommend a Quality Management (ISO 9001) approach to process excellence governance, documented using a standardised and repeatable methodology.

ISO 9001 contains the requirements an organisation must comply with to become ISO 9001 certified, and is based on Seven Quality Principles that align with the {embracent} approach:

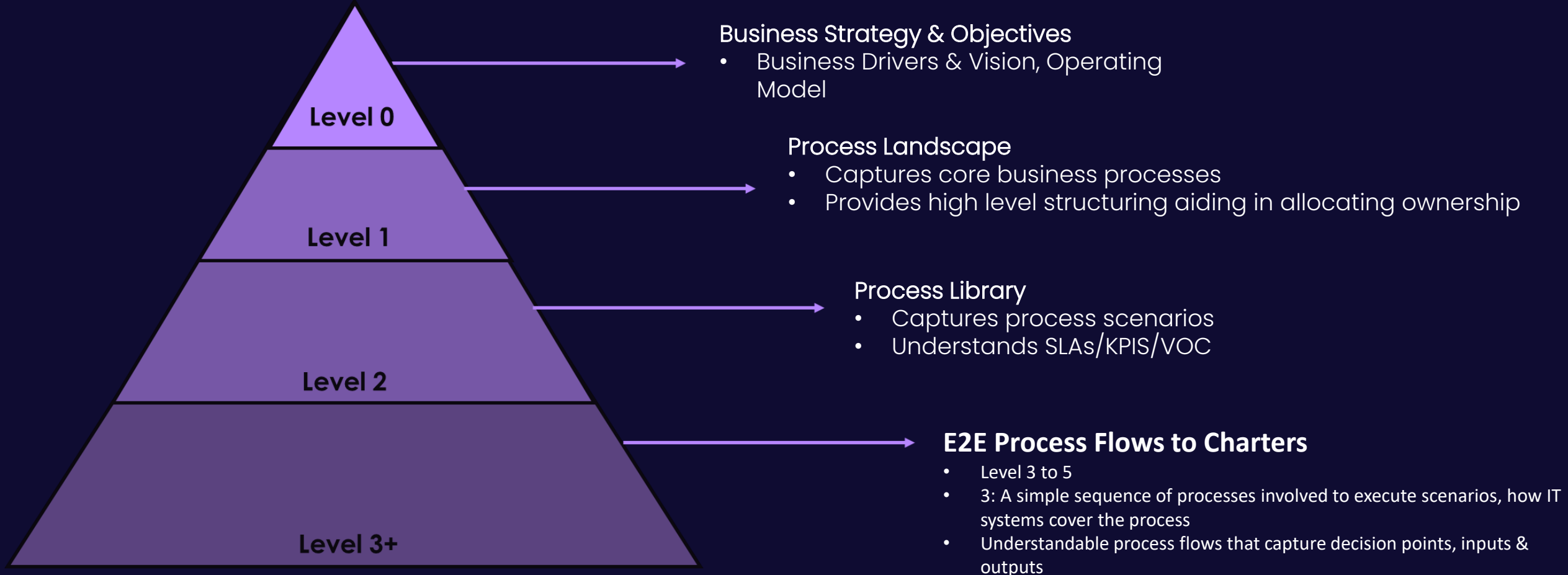
| {e} approach               | Customer Experience  | People & Culture   |  |  | Process Understanding   | Continuous Improvement   | Process Efficiency   |
|----------------------------|--|--|--|--|---|--|--|
| ISO 9001 Quality Principle | Customer Focus   | Leadership   | Engagement of People   | Relationship Management  | Process Approach  | Improvement  | Evidence Based Decision Making   |
|                            | Know and meet your customer's current requirements, predict future customer needs and always strive to exceed their expectations | It is the responsibility of Top-Level Management to create an environment where everyone can work to achieve the organisation's objectives | Training employees to ensure they have the tools and techniques they need to do their job and contribute to the organisation's success | Select suppliers and stakeholders that can create value by managing costs and optimising resources | Business activities should be managed as a process to achieve your desired result in the most efficient way | Your organisation should always strive to continually improve their overall performance – this should be a permanent objective | When data reveals that an area is underperforming, it is important to take corrective actions to improve performance |



# Process Understanding (2 of 3)

Clear and reliable visibility of the way data flows through your organisation. Insight of Process Metrics and Pain Points to aid decision making.

## Document your operations:



# Process Understanding (3 of 3)

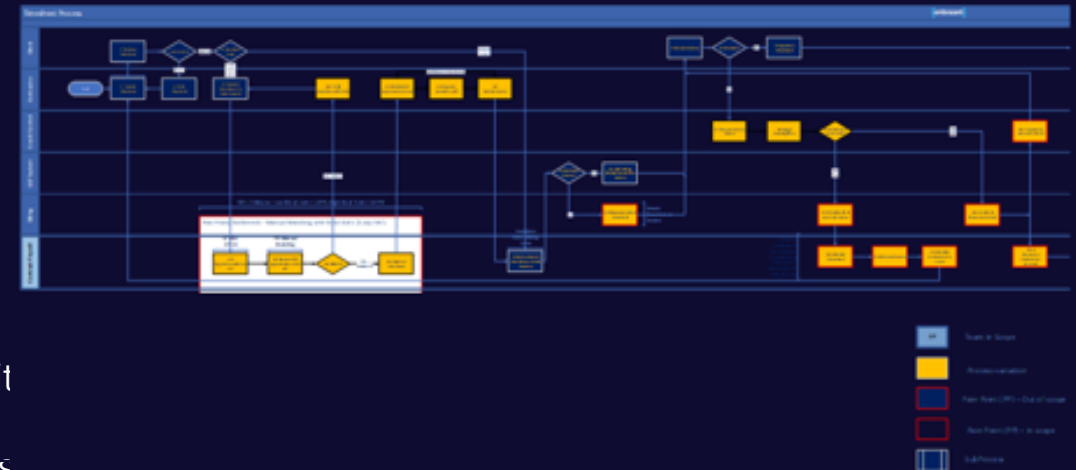
Clear and reliable visibility of the way data flows through your organisation. Insight of Process Metrics and Pain Points to aid decision making.

## Understand and improve your operations:

### Understanding the current situation (“As-Is”, Level 2)

During an initial understanding of core processes. We challenge on the below two points:

- How do processes and systems currently work?
  - How well do they perform?
1. Understand your high-level core process scenarios
  2. Appreciate the business areas Involved, upstream & downstream dependencies
  3. Establish breadth of process variation
  4. Recognise process pain points including integration and data quality issues/ error rates
  5. Identify cycle times, volumes, frequency, Required FTE & peak process times
  6. Understand your KPI/SLA touch points and assess performance against vision

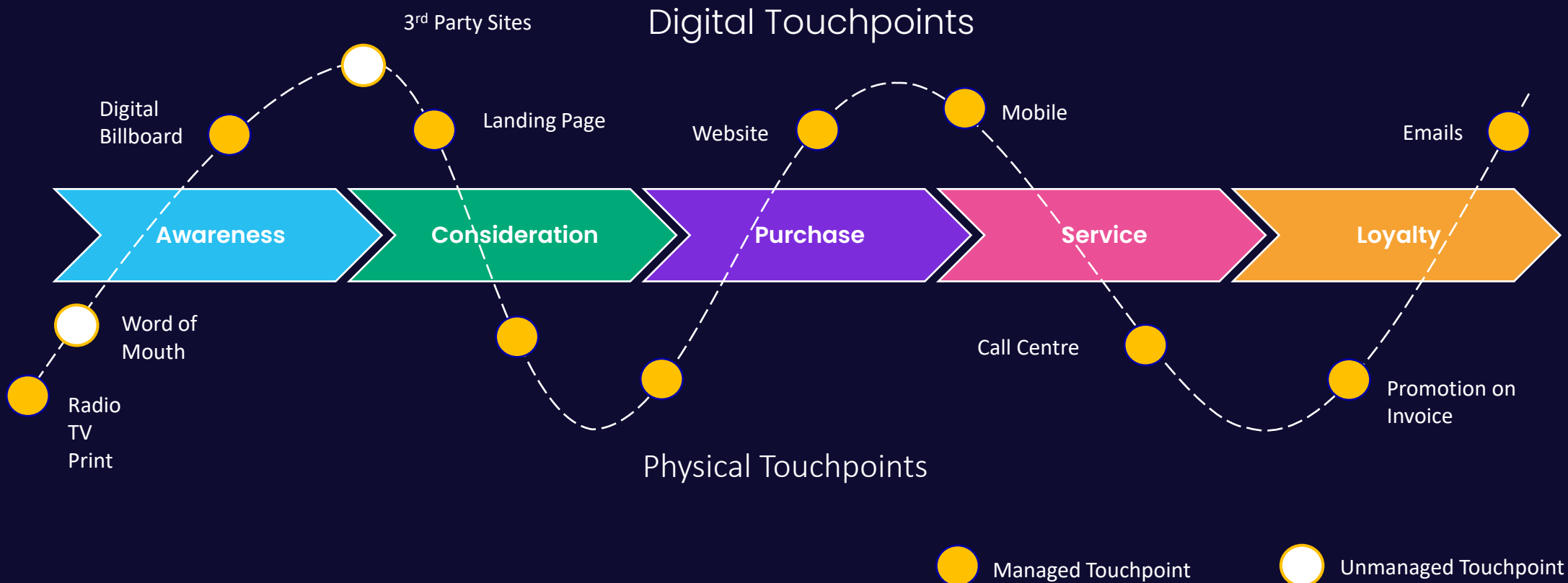


# Customer Experience (1 of 2)

Processes built around the customer voice and their needs and expectations

## Map your Customer Journey:

Customer Journey Mapping is the process of creating a visual story of your customer's interactions with your organisation. This can help your business to see things from the customer's perspective.



# Customer Experience (2 of 2)

Processes built around the customer voice and their needs and expectations

## Collect VoC (Voice of the Customer):

It is important to understand the Voice of the Customer (VOC) to establish the critical-to-customer requirements (CTCs) and then define the critical-to-quality characteristics (CTQs) of your processes. embracent recommend using Lean Six Sigma tools and techniques to gather the VOC.

### VOC Roadmap:



### Techniques to gather VOC data include:



Customer interviews



Recorded call data



Online or in-person customer surveys



Live chat



Monitoring website behaviour

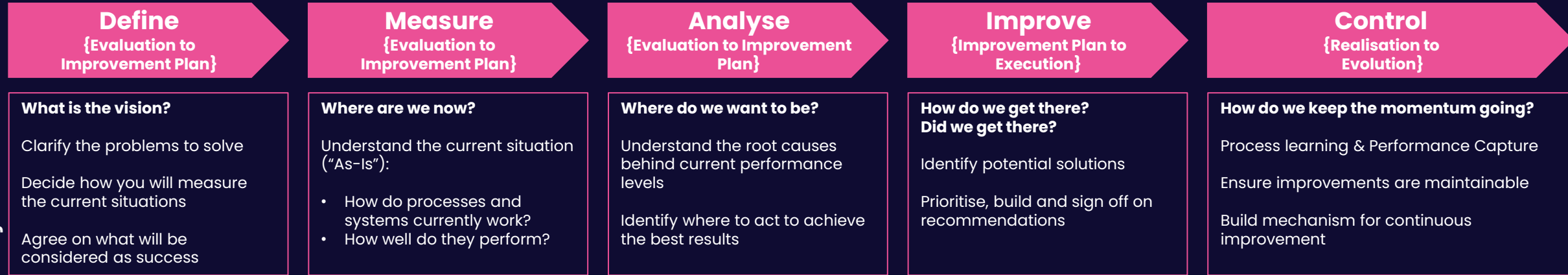
# Process Efficiency

Utilising tools and techniques to simplify processes, stripping waste. Implementing best fit technologies to deliver and track efficiencies

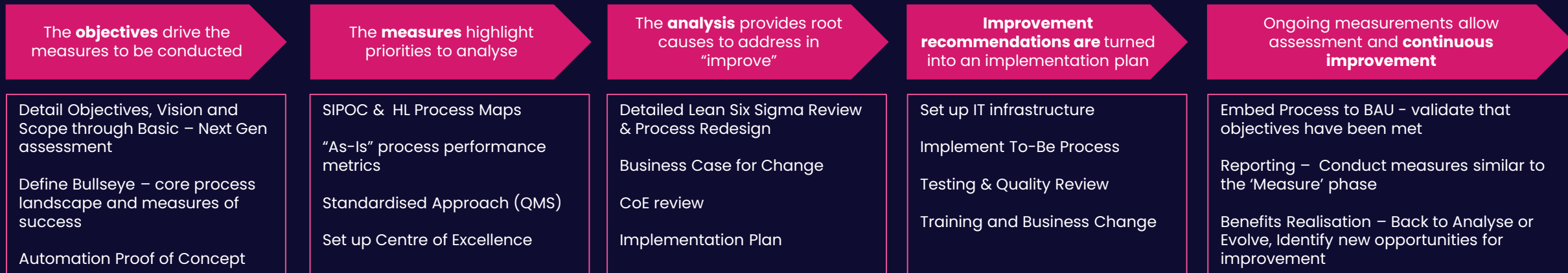


Use a Lean Six Sigma (LSS), Continuous Improvement approach:

Objectives



Activities



# People & Culture (1 of 2)

Engaged and enthusiastic improvement initiatives through an established process excellence culture

## Make change stick:

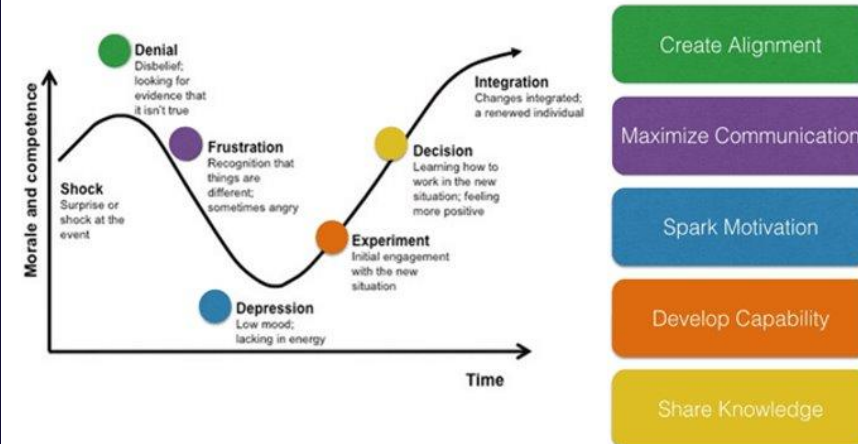
Making change stick is critical, whether technology enabled or other. The change curve is well documented and understood, but in our experience often not applied

Change management has four key phases:

1. Shaping the change
2. Readiness for change
3. Delivering successful change
4. Embedding change

**Building effective change leadership into the roadmap is vital to ensure that the business is prepared and ready for the “downs and ups” that lie ahead**

## The Kübler-Ross change curve



### **Sell the Future Vision**

...driving ownership of the change and 'Winning Hearts and Minds'

### **Manage business benefits and change adoption**

...to increase odds on achieving the expected outcomes of the change

### **Lead people**

...through complex, business critical, time critical change

### **Drive cultural and behavioural change**

...to increase adoption of changes

### **Develop others**

...in understanding and applying change leadership techniques to drive business success

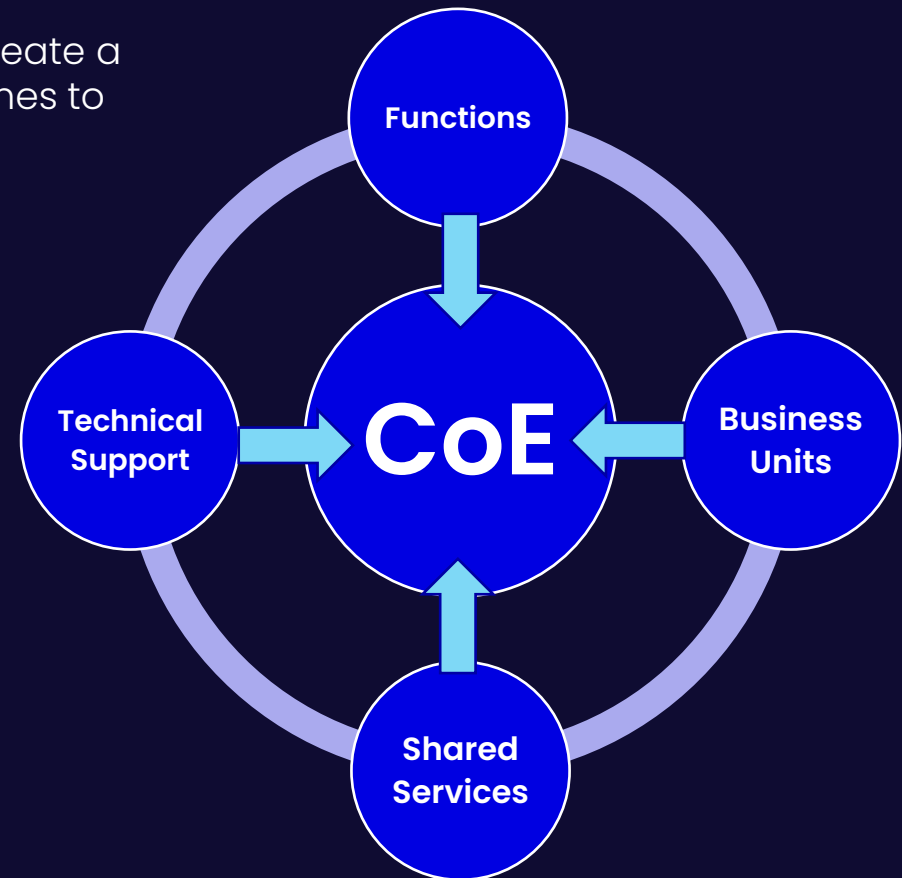
# People & Culture (2 of 2)

Engaged and enthusiastic improvement initiatives through an established process excellence culture

## Create and embed a process CoE (centre of excellence):

### What is a CoE?

- A process CoE brings together stakeholders from across the organization to create a single, well-defined group that is responsible for making decisions when it comes to companywide processes..
- Hybrid representation of SMEs, IT, Decision Makers and Change Managers
- Enables improvement scalability through the establishment of business wide:
  - QMS standards, processes and procedures
  - Sharing best practices
  - Driving common technology adoption
  - Creating a robust governance model
  - Tracking existing KPIs/SLAs and improvement automations and
  - Removing barriers to success
  - Identifying and prioritising business wide Candidates for improvement



# Continuous Improvement (1 of 2)

Continual evolution of processes through incremental and breakthrough improvements

## Combine all process excellence elements to keep the momentum going:

- Reassess your vision and strategy for process excellence annually
- Maintain a centre of excellence to maintain standards/governance and manage and drive in change
- Continually understand the needs of your customer through feedback and touch points in processes, measured in KPIs
- Empower and educate people to challenge the status quo, tailoring processes to meet customer needs as well as their own leaving change to come bottom-up as well as top-down
- Monitor core process and regulatory metrics to track, assess and amend your processes/ train your people
- Scale your improvement journey through intelligent automation, leading to a more strategic and thoughtful workforce
- Stay ahead of efficiency and process intelligence technologies, evolving and working smarter rather than harder





# Continuous Improvement (2 of 2)

Continual evolution of processes through incremental and breakthrough improvements

Implement technologies to elevate your improvement programme, in line with your vision:

## Digital process/task mining

- Tracking processes digitally, directly from your systems
- Uses System event logs and timestamps to map in near real time
- Exposes variations from the norm and tracks cycle/lead times and errors down to employee level



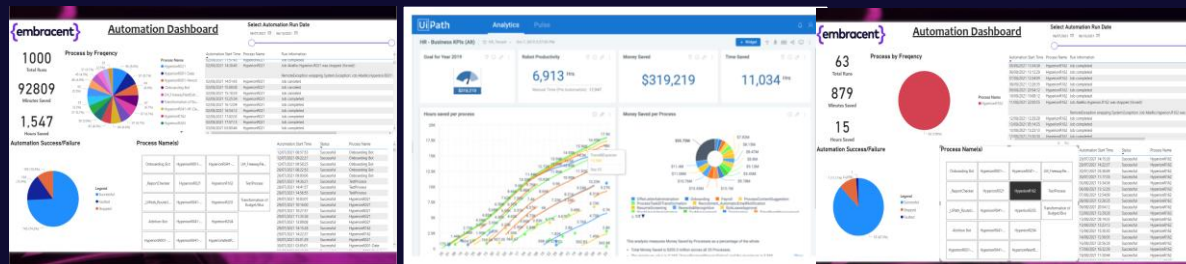
## Process intelligence dashboards

- Tracks performance of core processes/ Business Objectives
- Measures Key metrics (KPIs/SLAs/VOC against set targets over time)
- Informs tactical and strategic reporting/decision making



## Automation analytics dashboards

- Tracks running of automations business wide
- Allows easy analytics of benefits and barriers to success/ data quality issues



## Process identification & prioritisation software

- Your people across the business have access to nominate and assess processes for improvement/automation
- Encourages bottom-up approach and standardises documentation and governance

