

Define and Innovate Business Process Final Project

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Cardinal Group
COMPANIES



Business Context

Mission Statement: " To be the best place to work, in any industry, for Anyone, so we can build engaging communities where residents thrive."

Cardinal Group Company focuses on:

Real Estate Development and Management: Cardinal oversees the development and maintenance of real estate properties.

Student Housing Management: Managing living spaces designed for college and university students.

Residential Property Management : Overseeing various types of residential properties

Construction of Commercial and Student Apartments : Building both commercial and student-oriented apartment complexes.

The Important KPI's for Cardinal Group consists of:

Occupancy Rate

Revenue Growth

Net Operating Income (NOI)

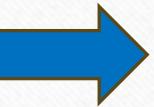
Churn Rate

Customer Satisfaction

Operational Efficiency

The Leasing Process Examined

The Process Starts when the Customer
Contacts Westmar



Customer becomes a
Resident at Westmar

Process Initiation:

- Leasing process starts when a prospective tenant, called the Customer, contacts Westmar.
- Prospects can reach out via phone, email, text, or in person.

Nature of the Service:

- Westmar Lofts, owned by Cardinal Group, annually leases apartments to potential residents.
- The goal is to offer housing to individuals and students.

Process Perspective:

- Internal perspective: Westmar's process starts with the first contact or inquiry.

Expected Outcome:

- 1. Leasing process: Application completion and qualification via five methods.
- 2. Qualified Prospect secures Westmar apartment.

Customer of the Process:

- 1. Customers: Prospective apartment lessees at Westmar.
- 2. Internal customers: Downstream staff involved in process aspects.

Problem-to-be-Solved (PTBS):

- Westmar Lofts Housing solves and addresses: affordability, safety, quality, comfort, community, and social engagement challenges

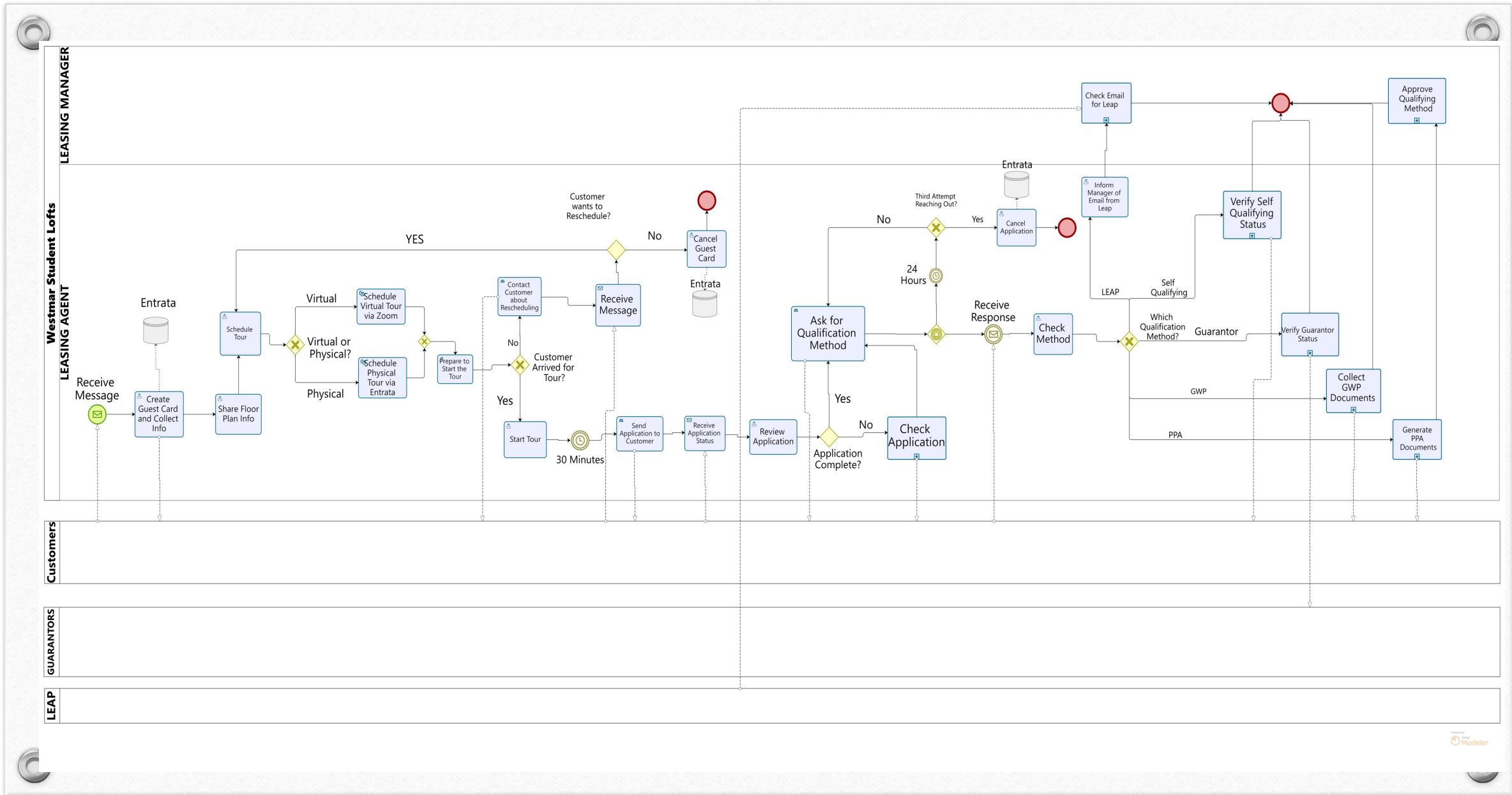
Process & Service Metrics

- Lead Time: Process Metric
 - Lead time measures the application-to-signing time for process efficiency
 - Measured by the duration of how long it takes for the applicant to sign their lease
 - Having a good lead time impacts churn rate, improve occupancy rates, revenue growth, customer satisfaction, and operational efficiency
- Resource Inefficiency: Process Metric
 - Measured by Resource Utilization rates, along with time spent on coordinating between other agents
 - Efficient resource allocation is vital to achieving operational efficiency
- Prospect Engagement: Process Metric
 - Measured by number of follow-ups needed, along with lead response time
 - This metric directly influences customer satisfaction and helps increase the occupancy rate
- Clarity Score: Value Metric
 - Clarity score is measured on a numerical score, typically through surveys
 - Reflects how well a customer can understand the information given
- Lease Signing Time: Process Metric
 - Lease signing time is measured by the average time it takes a customer to sign their lease after approval

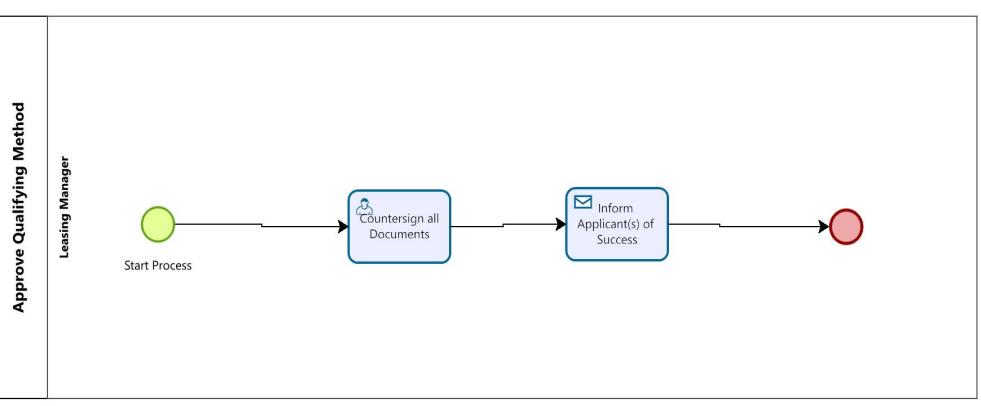
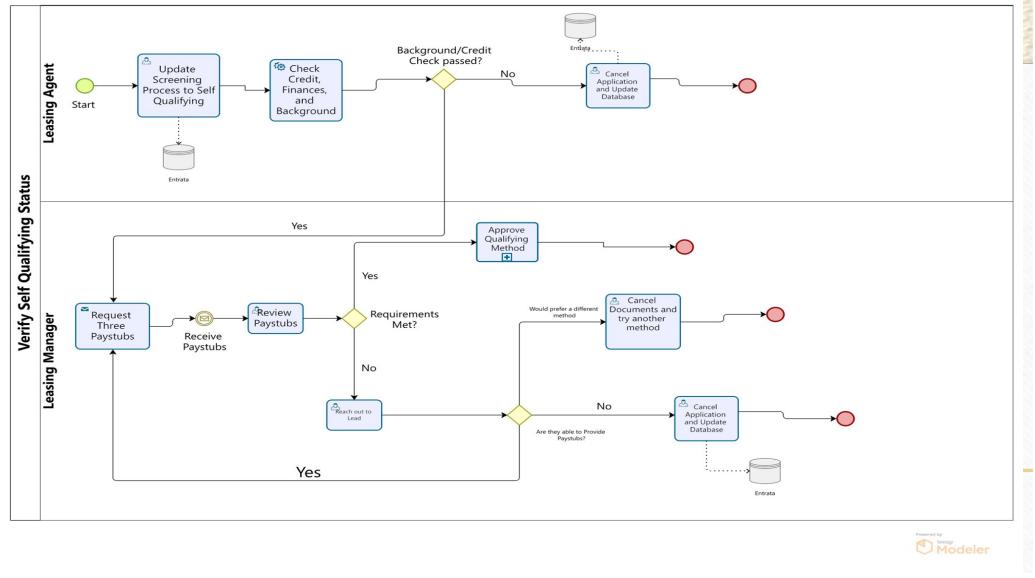
Breakdown of the As-Is Process

- Customer reaches out to Westmar for an Apartment
 - Agent provides Floor Plan info and offers a Tour
- After the Tour, the Agent will send an Application to Customer
 - Agent will follow up as needed to ensure Application Completion
- Once the application is finished, Agent will send a Lease Document
 - Qualification process varies based on customer's chosen method.
- Once the lease is signed, the Manager will countersign the Lease
 - Alternative qualification method required if initial method unsuccessful.

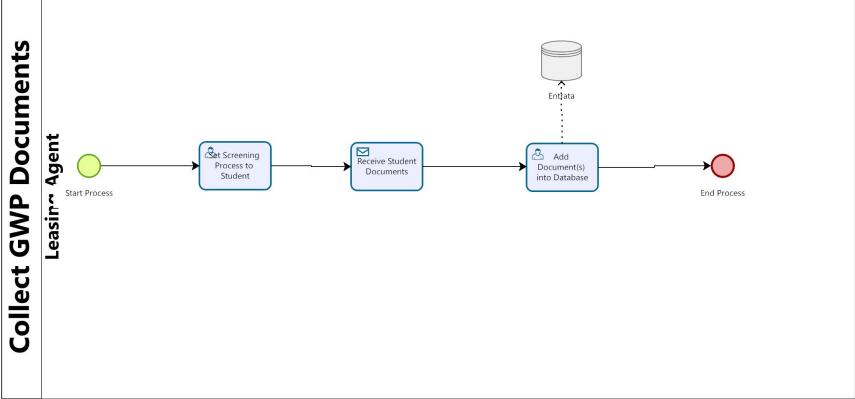
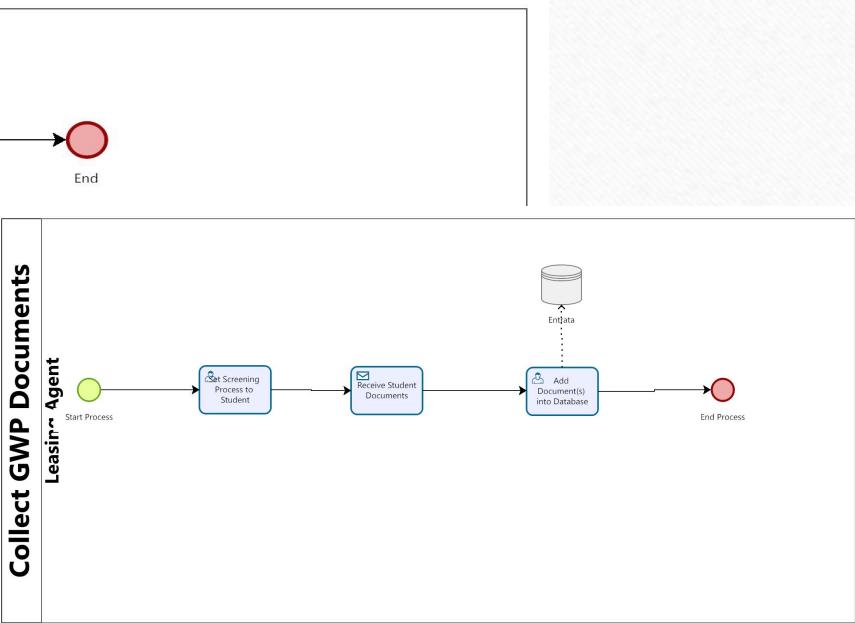
The AS-IS Model of Westmar Student Lofts

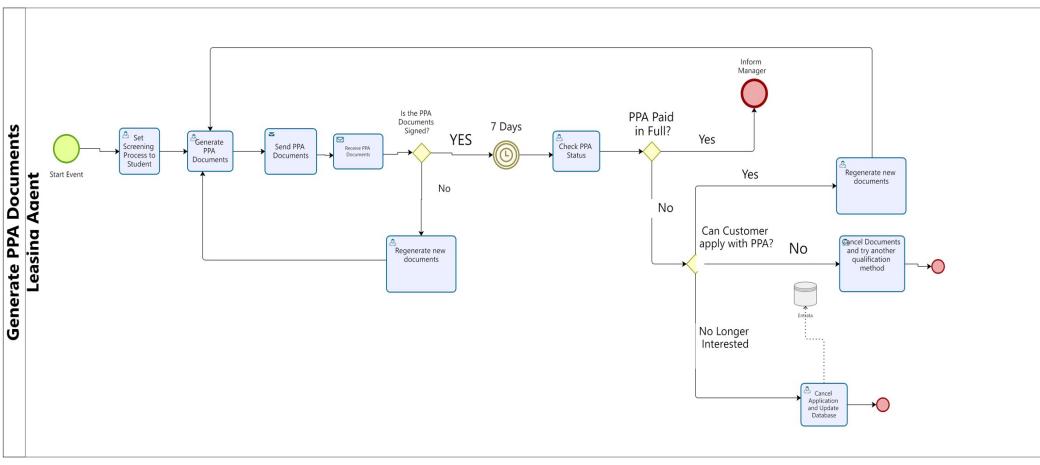
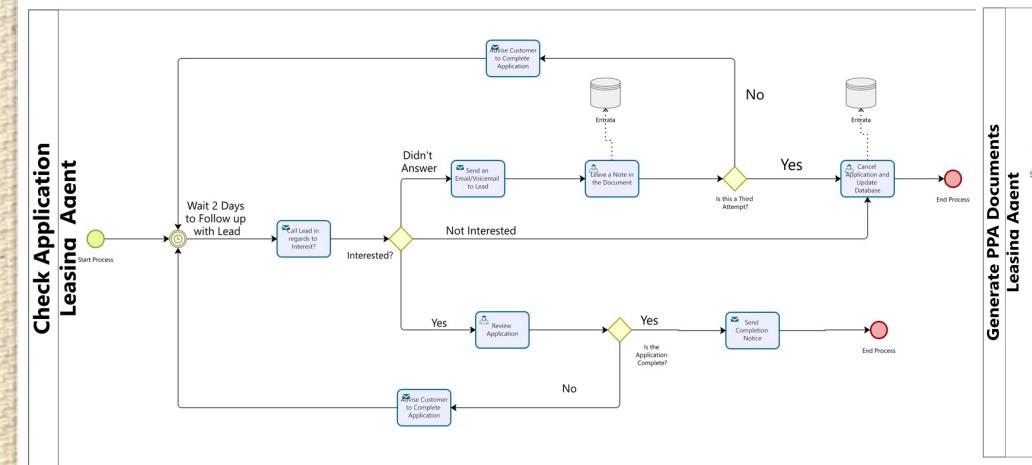
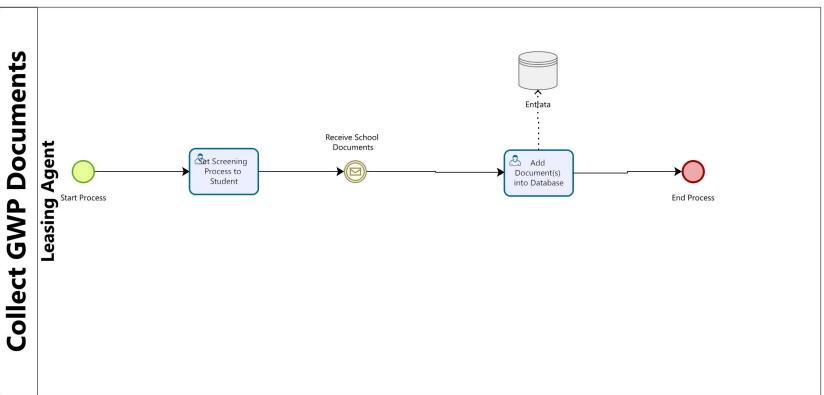
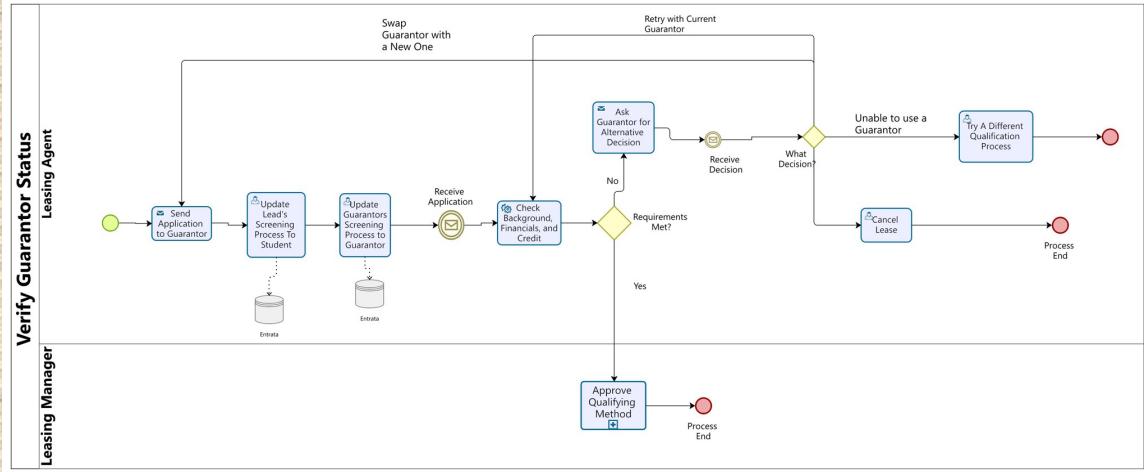


Check Email for Leap



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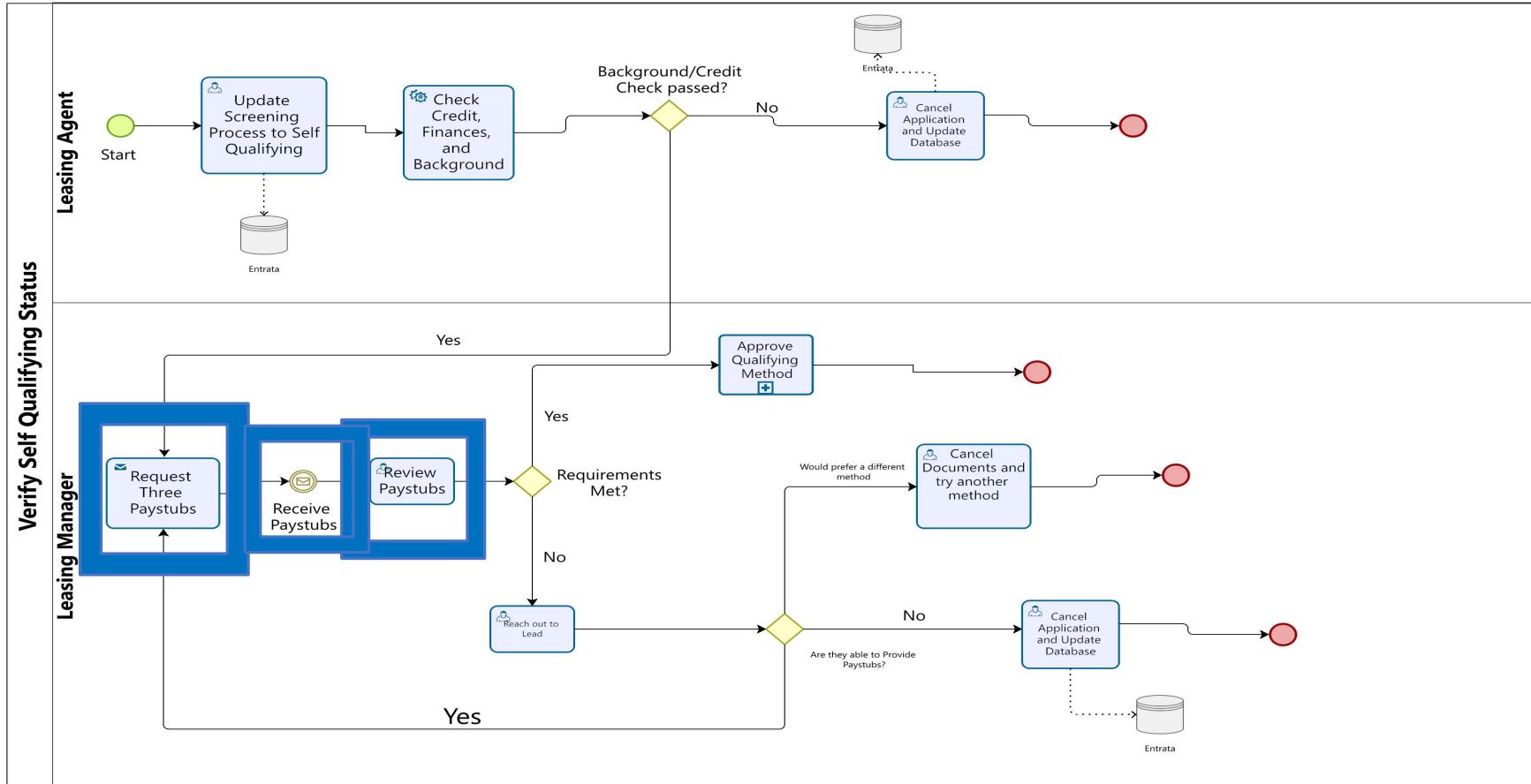




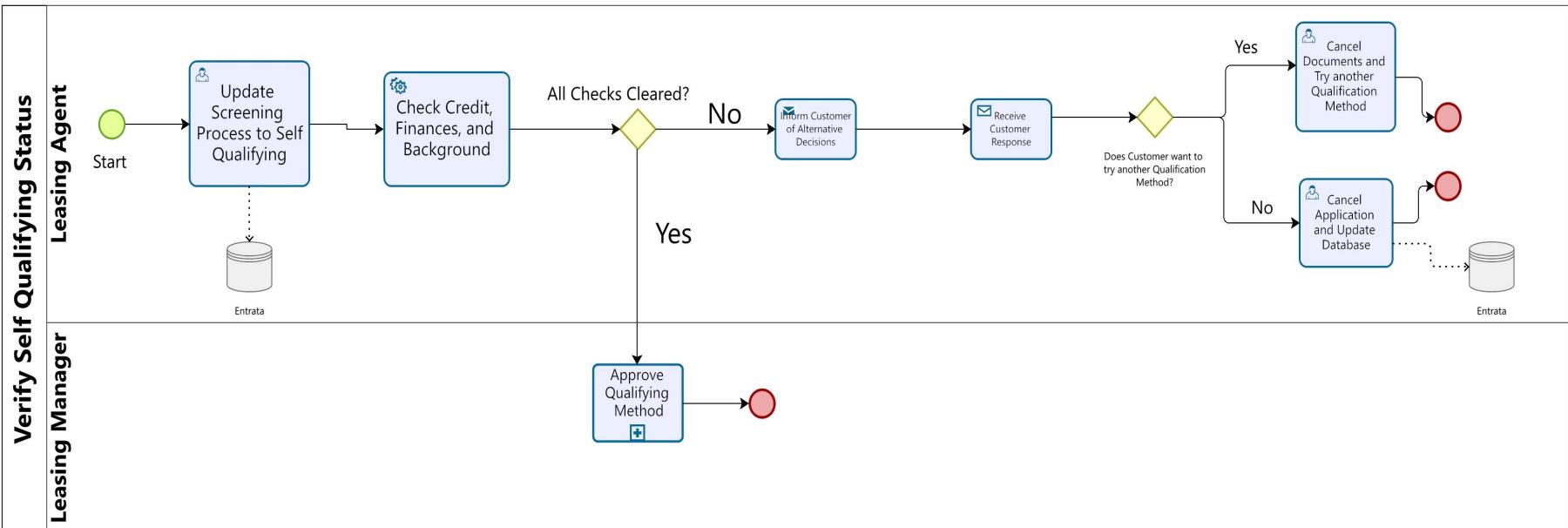
Critique of As-Is Process

- One key critique that we have identified throughout the As-Is Process is using the Manager to manually check paystubs during the Self Qualifying Subprocess.
 1. Entrata has an automatic checker for Customers and Guarantors.
 2. The tool checks their Credit Score, Personal Background, and Estimated Finance.
 3. Requesting paystubs increases customer involvement, leading to excessive exposure.
 4. This can cause distrust and delay the application process, thus losing a potential Customer.
 5. The Guarantor Sub Process relies on this tool and doesn't require Paystubs.
 6. No paystubs needed, speeding up customer's Qualification Process

Suggested Improvement of the AS-IS Process



The TO-BE Model of Westmar Student Lofts



Implementation Obstacles

Variability in Report Standards

- Skipping paystub requests may lead to incomplete financial assessments, posing a higher risk for property managers

Limitations in Scope

- Addressing distrust essential to avoid customer hesitation and application delays due to increased scrutiny and applicant hesitancy

Accountability and Liability

- Unresolved financial errors due to lack of accountability and communication, causing time-consuming disputes and prolonged leasing processes
- In summary, reversing the impacts of removing the need to verify the paystubs could potentially result in higher risk in
 - Tenant selection
 - Decreased customer trust
 - Slower application processes
 - Increased operational complexities.