



Hsin Chong Real Estate Management Ltd

新昌地產管理有限公司

Hsin Chong Real Estate Management Ltd (HCREM), a subsidiary of Hsin Chong Group, was established in 1978 to provide comprehensive property management services. Since 1997, HCREM has grown to become a renowned and active leader in the industry after implementation of Total Quality Management (TQM).

HCREM is now one of the largest property management companies in Hong Kong with over 2,000 employees, managing 108 properties with 110,000 residential units and over 2.7 million sq. ft commercial and industrial area spanning the territory.

The mission of the company is to provide customer-oriented total quality services which exceed customer expectations and its vision is "To be the Best Property Management Company that achieves Total Customer Satisfaction and establishes Trust with Business Partners and Clients".

Leadership

HCREM's Quality Steering Committee (QSC), comprising the General Manager (GM) and senior executives, is responsible for the overall company strategic planning and review. Senior top management adopts the Balanced Scorecard approach to establish quantitative goals, and all middle managers work out their own objectives and action plans according to the company's yearly objectives.

The company's yearly objectives are devised based on the five-year Corporate Plan and various management statistics such as customer satisfaction surveys, staff satisfaction survey, business results, financial data and complaint analysis. Estate Managers will then set their own yearly objectives and estate year plan matching with the company's yearly objectives.

HCREM has revitalized its leadership system after receiving feedback from the Examiners of the 1999 HKMA Quality Award. It has adopted a new Integrated Functional Management Structure, by dividing the company into three core functions i.e. Management Operation, Business Development and Corporate Resources, to ensure team work in all areas of management operation.

Unlike the previous top-down leadership structure, the new system requires all senior executives and department heads

to perform not only their own unique functions, but work together as a team to achieve the company's goals and objectives.

Strategic Planning

Strategic Planning is a crucial process for HCREM to develop and maintain a viable fit between the company's vision, mission, core values, objectives, skills, resources and the changing market opportunities. Through the Business Strategy Development & Planning Workshop, the General Manager and all managers work out the five-year Corporate Plan and yearly objectives as well as redefine the company's business direction.

HCREM formulates strategy with reference to external and internal environment analysis. For internal environment analysis, HCREM evaluates the company's strengths and weaknesses periodically by reviewing the company's human resources capabilities, operational capabilities and suppliers and partners capabilities.

Apart from organizational capabilities, HCREM also assesses the company's business system by identifying the value chain of the business system. "Value Chain Analysis" is adopted to reflect cost implication on service delivery from the marketing stage to the end users.

The Balanced Scorecard Approach and Key Performance Indicators (KPIs) were introduced to establish and monitor achievement of the company goals. The managers have to set their own goals in the Scorecard and KPIs on different areas of management operation to measure managers' performance and goals achievement.

Customer and Market Focus

With an aim to offer the "Best Value for Money" service to different customers, HCREM has segmented customers into three major categories, namely, residential buildings, industrial and office buildings, and commercial buildings and shopping centres.

It is important to understand customer needs and deliver services to meet their expectations. In this respect, HCREM has a well-established survey system for collecting customer opinions to formulate service strategies to fulfill the changing customer requirements and aspirations.

An Initial Management Service Survey is conducted for new intake projects to understand customers' requirements and expectations on service standards. An Annual Management Service Survey aims to review the customer satisfaction level on the overall service performance. While an After Service Survey is conducted throughout the year to obtain customer suggestions on post-delivery service.

Apart from the survey system, HCREM provides many communication channels such as e-mail, suggestion form, monthly meetings with resident associations to enable customers to provide feedback on their personal needs and opinions. Through these channels, all customer comments and opinions being gathered are analyzed for designing tailor-made services to fulfill customer needs.

Information and Analysis

HCREM has a centralized data information centre designated to pool together data resources on organizational performance. The information is not only useful for continuous improvement, but is also a valuable reference to the company in setting its corporate goals. The information is accessible to staff via the company's Intranet and the Docushare System. With the aid of information technology, the company can accurately and effectively analyze performance data and ensure the analysis aligns with the corporate action plans.

As almost all performance surveys such as service satisfaction surveys and performance appraisals by customers are conducted periodically, the collected information enables HCREM to grasp a clear picture of company's strengths and weaknesses. To facilitate analysis, the effectiveness of the selection of the information and data is regularly evaluated in the QSC meetings and the weekly Executive meetings.

Human Resource Focus

HCREM's Human Resources Management Philosophy is that the company believes the quality and commitment of its staff is the single most important factor in sustaining its leadership position in the market. With this management

philosophy, HCREM has developed the following six Human Resources Management Guidelines:

- To Identify Talented Employees;
- To Attract Quality Employees;
- To Fully Utilize Employees, Capabilities;
- To Reward Talented Employees;
- To Develop Employees to Their Fullest Potential;
- To Retain Talented Employees.

HCREM values its staff as the single most important asset and has devised a comprehensive Human Resource Management Plan, an effective performance-based reward and recognition system to reward good performers and intensive training programmes for staff development.

Based on this well-defined Human Resource philosophy, management is dedicated to build a mission-committed, high skilled and dynamic workforce through effective people management. In this connection, "Every Manager a HR Manager" is accepted as the main theme. It requires all managers to perform duties of the HR manager as well as their daily routine duties.

The company believes that an effective Performance Evaluation System is essential to ensure quality service. HCREM places high priority in developing an effective evaluation system. A "two-way" Performance Appraisal System was set up in 2000 to replace the traditional one-way assessment system. The new system provides an effective communication channel for staff to give their views on the performance appraisal.

Process Management

HCREM believes that service delivery has to be attuned to customer needs. The key aspects of the company's management process include the company's vision, communication with customers, benchmarking, quality circles and review mechanisms.

The company has more than 45 Quality Circles (QC) which are formed by front line staff from each estate and facilitated by the senior managers. As the front line staff know clearly the needs of customers through day-to-day direct contact, the QC proposals provide valuable and constructive suggestions to enhance the management service. Implementation of the QC is therefore an effective means to further enhance service quality and promote the culture of continuous improvement in management operation at all levels.

For achieving continuous improvement in the management and operation system, a Business Process Management Committee has been set up to conduct Business Process Improvement (BPI) since 1997. After a three-year BPI exercise, HCREM has started to conduct Business Process Re-engineering (BPR) to the core business process of the company. The company has started two BPR projects to two core business processes, namely, the "Management Proposal Bidding Process" and the "Repair and Maintenance Tendering Process".

Business Results

With top management commitment and total involvement from its staff, HCREM has achieved very encouraging results on TQM implementation. HCREM has a remarkable growth in its management portfolio. The total number of properties managed increased from 48 in 1997 to 98 in 2000 and the total managed residential units increased from 38,000 units in 1997 to 101,276 units in 2000 respectively. While the customer satisfaction level has also increased from 73.87% in 1997 to 99% in 2000.

Throughout the four-year TQM quality journey, HCREM has received remarkable external recognition such as the Best Property Management Company for seven consecutive years from 1994 - 2000, the HKPC Productivity Award for Services in 1998 and 1999, the 1999 HKMA Quality Award - Certificate of Merit, the Best Practice in Customer Service 2000 and Good People Management Award 2000.

Conclusion

In the 21st Century, HCREM needs to achieve world-class capability, in order to achieve continuous growth with the ever-escalating customer expectation and keen competition from competitors.

To maintain its leading position and to achieve sustainable business growth despite all the challenges ahead, HCREM will strive to upgrade its service quality and continue to enhance the quality system of the company.