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op. nr 013134510

ATMO-08, 4.1 AWD Final assignment

13.01.2009 v1

29.01.2009 v2

29.01.2009 v3

10.02.2009 v4

05.03.2009 v5

07.03.2009 v6

Final assignment: Find out what kind of interventions have been conducted in your selected workplace. On the basis of this analysis, formulate a research question for the next intervention to develop this workplace.

The final assignment will require that you collect historical data which can be based on a couple of interviews of key persons and/or annual reports or similar accessible documents. Since the main outcome of this assignment will consist in a research question for initiating the next intervention effort, the given workplace can potentially benefit from the assignment.

Intervention nr 1, 2005

Isännöinti Oy Annankatu office has been formed by merging four property management companies offices:

- A
- Isännöinti Group B office
- C
- D.

A used to be a property management subsidiary of a large, governmentally subsidized housing society A Group, owning 38.000 apartments around Finland. Recently it has been fashionable to outsource in real estate and construction branch, so this is what A Group made, and propably this is the most important explanation of why Isännöinti Oy Annankatu office was put together. On the other hand, Isännöinti Group has been buying small property management companies. In Helsinki capital area the sufficient customer density makes it possible and reasonable to build up teams that surpass the critical mass to create more value than one-man-show could do.

In the initial interviews, one of the property managers pointed out that Isännöinti Oy Annankatu office goes on playing the property management one-man-show: the working method comes from small, entrepreneur-based craft ideology, everyone has his own network of service suppliers, there is a lack of systematic processing of supplier benchmarking data, and the tenants keep calling the property manager even it Isännöinti Oy Annankatu office has - in a tayloristic manner - established a customer contact layer of property secretaries. This all leads to lower than possible performance on real estate strategy work, renovation and repair project quality, and keeps the economies of scale and the power of teamwork unreachable.

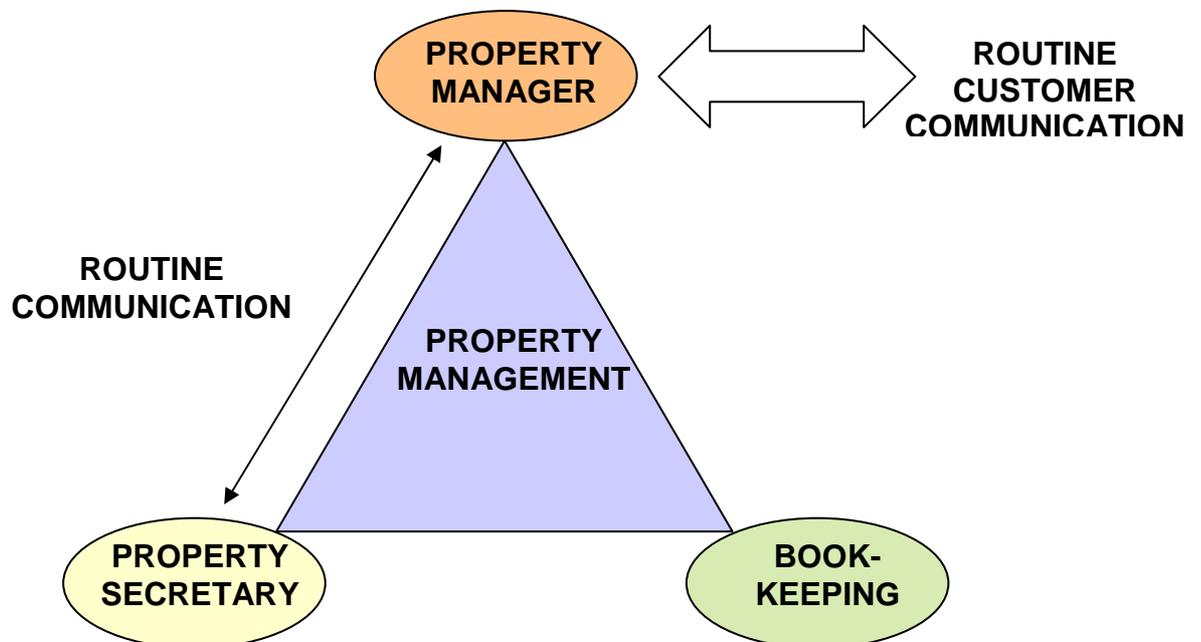


Fig. x. Isännöinti Oy Annankatu office organisation 2005.

Intervention nr 2, 2006

Isännöinti Group started a company-sponsored Professional Property Manager (ITS®) program in co-operation with Kiinko Real Estate Education.

The interview with the Isännöinti Oy Annankatu office manager and the Southern Region manager revealed a high personnel turnover of 60% per annum. This means high recruitment and

training needs. Many of the entrants come from other careers and (90% in Isännöinti Oy) will pass the government subsidized Further Qualification in Property Management.

Composition of the qualification is described as follows:

The common modules of the qualification are management and administration of housing companies, client relationship management and property life-cycle management. In addition, it is also possible to select the administration of rental housing properties and entrepreneurship modules.

Those who have completed the qualification shall:

- be familiar with the role of their own organisation as a provider and purchaser of services
- be able to function in the management and administration of housing companies
- be able to act in a manner worthy of their clients' trust and in co-operation with other people, understanding their own rights, duties and responsibilities
- comply with laws and regulations
- command decision-making procedures used in housing companies and be able to assume responsibility for implementation of decisions
- be capable of searching for and making use of information required in their work
- know how to attend to duties relating to the financial management of housing companies
- be capable of attending to documentation practices and notification obligations of housing companies
- be capable of handling customer service processes reliably and to a high quality standard
- be able to provide information in a diverse, understandable and credible manner and also function in the second national language and in English
- manage the property life cycle and know how to purchase property maintenance services and attend to routine contractual matters affecting properties in different stages of the property life cycle

- be capable of ensuring the technical maintenance and functionality of the properties they are managing and attend to safety and security at the properties
- be able to monitor property maintenance operations.

The grade is supposed to be achieved by competence tests in authentic working environment, after three years of property management experience. However, the entrants don't necessarily have a job or experience as a property manager. Based on employer comments, the professional skills vary after passing the Further Qualification in Property Management.

They need advanced education to improve their professional skills.

This is delivered as Professional Property Manager (ITS®) program, which consists of

- property administration issues and agreements
- coverdues collection, tenant democracy and labour legislation
- communication, teamworking, negotiation skills and customer service management
- finance, accounting, taxation, financial planning, budgeting and auditing issues
- renewal management and building automation
- energy, environment, risk management and security issues
- apartment renting management and commercial property management.

Intervention nr 3, 2007

Isännöinti Group rolled out web-based Pooki™ service for housing cooperative boards and tenants. The aim is to improve information and thereby decrease the need for routine telephone or face-to-face service transactions. The content centralizes on

- building records
- contact information: property manager, service company, repair technician
- tenant and property manager bulletin boards

- energy and water consumption per quartal (whole cooperative, not individual apartments)
- rents and fees, shared spaces, house order, technical data, user and maintenance instructions.
- There is a separate section for board members, including meeting memoranda etc.

Intervention nr 4, 2008

Isännöinti Group - in tayloristic or mass-customising manner - separated the bookkeeping activity from local property management offices to four national bookkeeping centers.

The benefits are expected to come from peak workload balancing, better resources for customer service and possibility to follow the changing legislation and train people to highest possible performance.

This intervention tries to break the craft heritage of property management: initially, a property management company was mostly a bookkeeping office, with some sophisticated knowledge of rent collection control and building cooperative legislation.

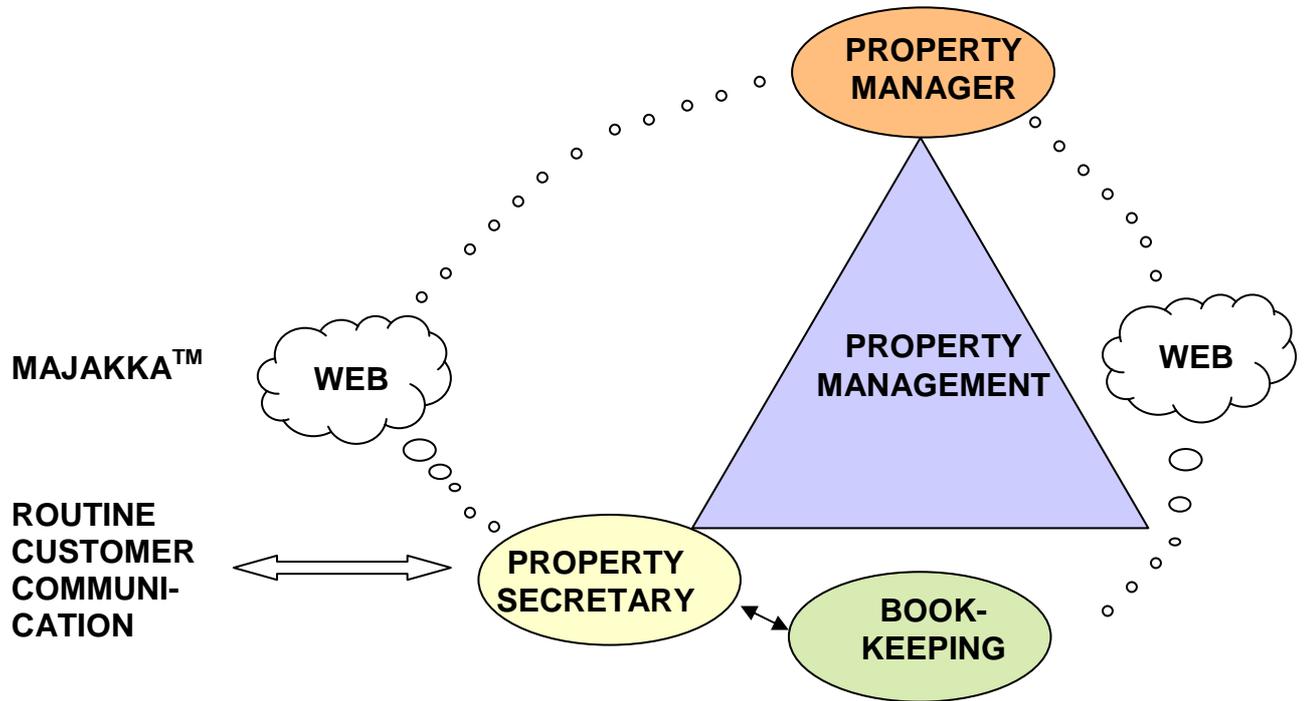


Fig. x. Isännöinti Group organisation 2008.

In the initial interviews, another property manager declared that none of his properties are taken away from Annankatu office bookkeepers, because he feels things get complicated if the almost daily transactions, checkouts and changes have to be carried out over the network, without face-to-face communication possibility. His working profile is distinct from others - he only manages commercial real estate, not housing cooperatives.

Intervention nr 5, 2008

Isännöinti Group started a company-sponsored Senior Property Manager (AIT®) program in co-operation with Kiinko Real Estate Education. This is a program for leading property managers, providing in-depth education on managing property management office.

Intervention nr 6, 2008

Isännöinti Group Southern Finland Region asked Kiinko Real Estate Education to propose a 10-year educational pathway for property management freshmen. The proposal looks like this:

Isännöinnin koulutuslinja

Perehdytys-koulutus 1 päivä	Isännöinnin perusteet Laajuus: 3 luentopäivää Kesto: 3 päivää Hinta: Työkokemus: ei edellytä työkokemusta alalta	Kiinteistösihteerin koulutus- ja tutkinto KISI Laajuus: 13,5 op Kesto: n. 6 kk Hinta: Työkokemus: työkokemus alalta suotavaa	Isännöinnin alustava koulutus sekä ammattitutkinto Laajuus: Tutkinnon perusteet Kesto: n. 1 vuosi Hinta: Työkokemus: työkokemus /työpaikka alalta suotavaa	ITS-koulutus Laajuus: 39 op Kesto: n. 1 vuosi Hinta: Työkokemus: vähintään yhden vuoden työkokemus isännöintitehtävistä	Johtavan ammattisännöitsijän koulutus- ja tutkinto AIT Laajuus: 60 op Kesto: n. 2 vuotta Hinta: Työkokemus: vähintään kahden vuoden työkokemus isännöintitehtävistä				
0-6 kk työssä	opiskelemissa 3 päivää	työssä 1v-2v	opiskelemissa 6 kk	työssä 1 vuosi	opiskelemissa 1 vuosi	työssä 1-2	opiskelemissa 1 vuosi	työssä 1-2v	opiskelemissa 2 vuotta
Työssäolo- ja opiskelujaksot yhteensä n. 10 vuotta									



The degree programs cover various levels and aspects of property manager's work and the first ten years of profession.

The target learning style of these programs is activating instruction as defined by Kirsi Lonka. Diagnosing and activating - examining participant's prevailing conceptions - start in the application phase. Candidates have to self-assess their skills, describe their working environment and start planning their competence assessment portfolio, i.e. how they are going to present their skills in authentic working environment.

Anchored instruction takes place thanks to real-life themes that come from Realia Group management or Isännöinti Group office manager. The competence tests and assessment should be carried out at work, preferably during and as part of a development project.

The formal vocational instruction and education probably catalyses inquiry and a faster learning curve than mere master-apprentice model, where many facts and routines are "inherited" and taken as granted.

What I expect to see in this research site is a mix of vocational degree oriented learning for newcomers and legitimate peripheral participation for experienced people, where learning is a side effect of real participation. It is to be seen how Isännöinti Group people see their learning at work to support the intentional, class room driven institute education - or the opposite, the institute education to support their learning at work.

The interview and interventions data tells Isännöinti Oy Annankatu office doesn't have a culture of teamwork or tools for systematic co-configuration. Every property manager has his own experience base in his head, and they run their supplier network independently, without sharing experiences, gathering performance or quality data or benchmarking.

Next intervention nr 7, 2008-2009

Isännöinti Group Southern Finland Region joined the TYKE initiative to anticipate learning challenges in real estate and construction branch in Finland in co-operation with Kiinko Real Estate Education, Suomen Kiinteistöliitto, Suomen Isännöintiliitto, MJK-instituutti, Matinkylän Huolto Oy and YIT Kiinteistötekniikka Oy. The TYKE initiative is partially funded by Ministry of Education.

The TYKE research takes three paths. The first one is a network survey "The most important factors in real estate and construction branch during next 10 years" (Kuusinen ja Lähdeniemi 2008). The survey was sent to 7.138 actors, and 1.174 answers were received, 321 of which answered systematically to all questions. The result was 1.670 views of the future.

The most important factors were

1. environmental awareness and energy efficiency (22,9% of answers)
2. customer's individual needs, high quality demand (21,3%)
3. economy, ownership, financing (20,4%)
4. ageing (16,1%)
5. increasing competence and skills demand (15,9%) .

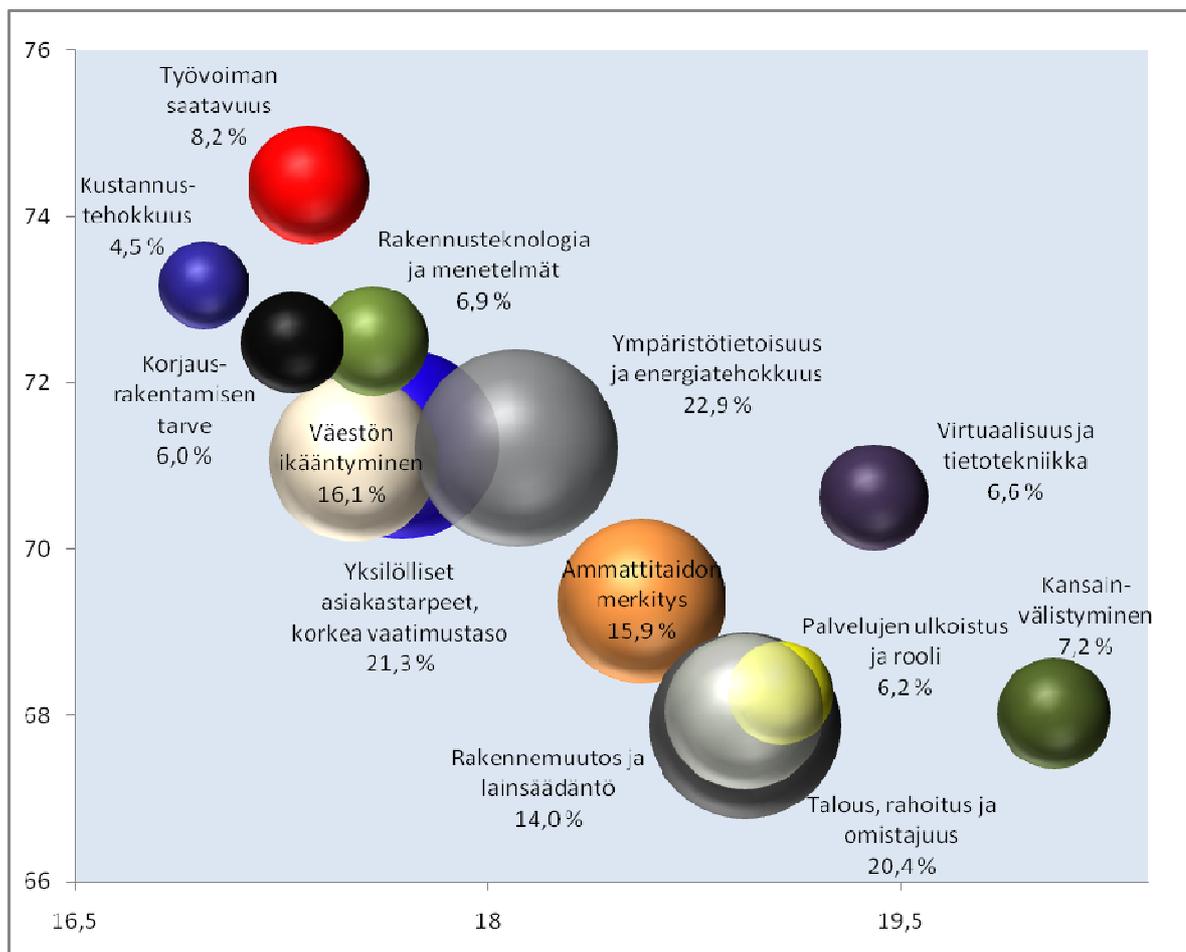


Figure x. "The most important factors in real estate and construction branch during next 10 years?" Share of the answers (%), importance (vertical axis, 0-100) and standard deviation (horizontal axis). (Kuusinen and Lähdeniemi 2008.)

The next intervention plan emerges from the initial interviews and following two developmental work research sessions. The notion of "energy efficiency" has appeared only three times, and only during the initial interviews:

1. Property secretary in initial interview: "We must obey the law... we have to get the energy certificates done".
2. Service manager in initial interview: "There are some minor changes in the legislation. Next year we have to do the energy certificates."
3. Property manager in initial interview: "We made a company-wide agreement on outsourcing the energy certificates. Property secretary delivers the basic data. Two months work for the whole building stock. The certificate doesn't give much if it is not done by a specialist".

This is contradictory to Kuusinen and Lähdeniemi (2008) web survey: 23% of answers told environmental awareness and energy efficiency to be among the most important factors in real estate and construction branch during next 10 years.

Clearly this reflects a gap between espoused theory of real estate branch intentions to participate to climate challenge and property managers' theories-in-use. The property manager's focus is keeping the one man show going on, with all those board and annual meetings and try to maintain the building value and comfort. Time management and organisation fail to guarantee adequate effort on strategic issues, the property manager feels uncertain and threatened and keeps the environmental and energy efficiency issue out of sight and out of customers' minds.

The next intervention might focus around

- enforcing the routine communication shift to Pooki and property secretaries, thus freeing time for improved building cooperative strategy, board and annual meeting preparations
- facilitate Isännöinti Oy Annankatu office property managers to invent new methods of sharing, building knowledge and benchmarking data on each PM's individual networks of renewal and repair contractors and service suppliers - co-configuration
- facilitate them to find out that energy efficiency improvement gives better payback than any other field of building operation and maintenance
- ... and that energy efficiency improvement could provide additional business opportunity for them.