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All the Right Moves

BSC Hall of Fame Inductee

WRRRI is putting all the pieces together



Perhaps the single most important concept a business needs to grasp to be successful in the fast moving world of today is the link between strategy and process. With ever-increasing pressure on process performance, it is critical for any forward-thinking organization to make process improvement an integral part of its strategic process. One company that has recognized this and made great strides in putting the pieces together is Weichert Relocation Resources, Inc, (WRRRI).

WRRRI is one of the world's largest relocation and assignment management companies. As such, they contract with companies that have mobile employees and ensure that everything about the relocation process goes as smoothly as possible. They have been extremely successful along the way.

WRRRI has two main customer groups: the clients are the companies that purchase the relocation service, and the transferees are the employees actually involved in the relocations. According to 2007 client service evaluations, WRRRI achieved a 98% rate of client satisfaction, which was an all time high. In addition, approximately 85% of the clients declared that they are "Raving Fans" of WRRRI, which is the highest possible level of service satisfaction. The company also rated very highly with the transferees, having had a 97% favorable rating and 75% of employees declaring themselves Raving Fans of the company.

Strategic Thinking

How have they done it? It all starts with a long-term vision by the management team. WRRRI has the advantage of having had the same ownership since its inception, so they don't have to deal with the constant distractions and changes of direction that many other organizations have to face. The management team has identified a solid strategy and measures its effectiveness via the balanced scorecard, or BSC. As CEO / President Aram Minnetian says, "In the three years since we adopted the Balanced Scorecard to measure, manage and drive exceptional performance across all channels of our organization, we have achieved remarkable results, particularly in the areas of client and customer satisfaction."

The WRRRI scorecard is integrated throughout the organization, and its structure is a bit different than the traditional BSC model. A traditional BSC has objectives and measures broken down into four categories: financial, customer, process, and learning & growth. The WRRRI card, on the other hand, has five perspectives: financial, partners, innovation, global, and one company. The partners section is analogous to the customer section of the traditional card, and includes measures for satisfaction and Raving Fans from different geographic areas. The innovation section

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Navigating Your Organization's Future

All the Right Moves

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focuses on moving customers to electronic / more efficient transactions, and the remaining perspectives track key internal metrics in the same way that the remaining traditional perspectives do. One twist to the WRRRI scorecard approach is that employees that drive excellent results in any of the key metric areas are recognized by name and by office on the company-wide BSC. CEO / President Minnetian himself sends out a quarterly memo to all employees which contains the scorecard results and commending the excellent performances.

Connection of Strategy and Process

The perspectives noted above together with the scorecard measures make it clear what processes need to be created / improved / reengineered to give WRRRI the best chance to get where they need to be. For example, one of the key goals for the company is to sell the existing homes of employees as quickly as possible. Key metrics for this goal include disposition costs, days on market, and sales dollars. In an attempt to drive these measures in the proper direction, WRRRI has improved their processes by requiring brokers to complete proprietary forms that support their suggested home list price and suggested sales price values. The forms also request specific marketing recommendations and sales strategy modifications based on buyer feedback and local market changes. Obviously, this goes way beyond "listing the house" and hoping for the best.

Other examples of process / internal changes set up to drive strategic results include:

Real Estate Services: WRRRI has expanded their in-house subject matter expertise by creating a best-in-class real estate services team.

Broker Network Expansion: WRRRI improved / strengthened the accreditation process requirements for brokers to ensure proficiency with proactive home marketing strategies, and developed detailed performance metrics for all members of the network.

Appraisal / Valuation Process: The company has overhauled these processes and doubled the staff of certified review appraisers, directing the focus to forecasting the anticipated sales price of each employee home.

Product Option Expansion: WRRRI has added a Guaranteed Buyout and Buyer Value options to their portfolio in addition to their other market tested strategies in an attempt to reduce unsold inventory and maximize sale value.

The cumulative result of the above initiatives has been nothing short of outstanding, with a 37% increase in the selling of unsold properties over the previous year. This occurred despite extremely unfavorable market conditions that included rampant foreclosures and unprecedented fierce competition.

The moral of the story is that it is great to try to improve processes, but to maximize the probability of success and impact of results the improvement efforts need to be focused on strategic areas. This will ensure that management supports improvement efforts because the connection between improved processes and achieving intended business results will be abundantly clear.

So... What's Next?

WRRRI is not a company that rests on its laurels. They are committed to delivering what they refer to as "Next Practices", which is defined as the next generation of their industry's most efficient and innovative relocation and assignment management solutions. Some of the "Next Practices" solutions in the works include:

Client Scorecards: As an extension of the Balanced Scorecard concept, WRRRI is defining criteria for client and partnership success and the measures that going along with it.

Portfolio Management Worksite: This initiative will enable WRRRI to meticulously review every appraisal online, evaluate how every employee property stacks up against competing properties, and develop strategies to maximize employee sales.

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Seamless Global Payroll: WRRRI is introducing an automated global payroll system that will allow clients to instantly access, analyze, and run reports on any aspect of global assignment-related compensation.

Household Goods Shipment Options: As part of an effort to make the moving process simpler, WRRRI is launching a proprietary small shipment solution process that utilizes specially-designed containers that are water- and weather- tight and can be delivered by mainstream carriers such as UPS. This solution will provide customers with more firm delivery dates and lower claims costs, making it easier for them to plan and budget.

The important issues to note from all the initiatives noted above are that they

- 1) All involve the creation or improvement of key WRRRI processes
- 2) All have been developed with the realization of the company vision / achievement of the strategic objectives in mind, and
- 3) All are tied directly to specific measurements on the company scorecard, which makes it a simple matter to evaluate their relative success.

This is definitely a formula for success as well as a great illustration of what can be achieved when the process and strategy pieces are put together.

Conclusion

Never one to relax, president / CEO Minnetian is on the hunt for benchmarking data in order to see how WRRRI process improvement efforts measure up against those from other industries. In 2008, WRRRI's ability to deliver business results by linking strategy and process earned it induction into the Palladium Group's Balanced Scorecard Hall of Fame™.

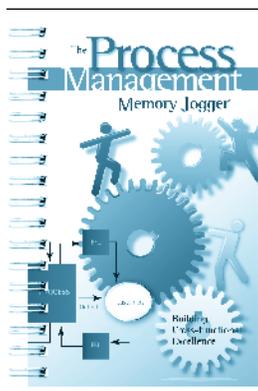
To use their terms, you could say WRRRI is a definitely a company that is "moving" in the right direction! 



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