

AIMCO

Customer:

Apartment Investment and Management Company (AIMCO)

Web Site:

www.aimco.com

Customer Size:

7,000+

Country or Region:

USA in 47 States

Industry:

Multifamily Housing

Customer Profile:

AIMCO is the largest multifamily REIT. A Fortune 1000 and S&P 500. Over 230,000 apartment homes under management with about 70,000+ apartment turns / make-readies annually.

Services:

Process Improvement
Scheduling
Turn production
Process constraint elimination
Technical Training
Scheduling
Constraint theory
Bottleneck identification and removal
Capability planning
Analytical tools use
Analytical Tools
Resource constraint/excess predictor
Capability planning
Vendor Selection & Management
Contract services forecasting
Scope specifications
Vendor triage planning

For more information about other

RD³ Sustainable Solutions

success, please visit:

www.RD3inc.com

Apartment Unit Turn (Make Ready) Cycle Times

Situation

Across the thousands of apartment communities the standards of turned varied dramatically from excellent and consistently good to bad and huge variation in the turn cycle times. The average turn cycle time was floating around 19 days.

Actions

This initial action in the first year was to provide a procedure guide and scheduling best practice. This initial step was coupled with training and scheduling analytic tools. The instructor led training (ILT) was provided to the regional directors and key service managers on the basics of 'constraint theory' and statistical variation as it applied to turn management ('production'). The turn scheduling tool used the site's historical information and statistically extrapolated their ability to respond to turn volumes. Support was provided to analyze their production constraints and steps to take to remove those constraints. The second year continued the focus on turn scheduling and vendor coordination. This effort was expanded to unit scopes approach with the turn vendor management.

Results

The first year saw a dramatic reduction in the average turn cycle times from 19 to 10.7 days; a 43% reduction. Based on average daily rental rates this made units available to lease earlier for a sales revenue opportunity of \$8.3 MM. The second year's improvement to turn cycle time was an added reduction in average time to turn from 10.7 days last year to 6.8 days this year; a 37% reduction. The increased sales revenue opportunity was an added \$3.9 MM. An added benefit was a **50% reduction in the turn variation** (standard deviations) making the processes much more predictable.

Achieved an average turn cycle time reduction of 64% and an increased revenue opportunity based on earlier move-ins of \$12.2 MM.