



## CASE STUDY:

### AIMCO (APARTMENT INVESTMENT AND MANAGEMENT COMPANY)

#### Putting Quality Service Philosophy into Practice

Residents began to notice the improvements.

Shortly after, they began to experience them.

When the Apartment Investment and Management Company (AIMCO), one of the nation's largest multi-family community management companies, first began to make significant enhancements to some of their communities, residents were pleased not just with the new clubhouses, landscaping and paint, they were also pleasantly surprised by an unexpected upgrade: An upgrade in service.

#### A COMPLEX EQUATION

It all started when AIMCO took a monumental step. Many of their nearly 1,200 communities in 47 states were in the midst of remodeling interiors and upgrading the grounds, clubhouses and swimming pools. While residents welcomed the improvements, which were more than just the normal painting and repairs, the Operations Leadership team recognized there would soon be a down side, since rates would have to increase to cover the cost of making continuous upgrades. They asked Joe Berry, AIMCO's vice-president of learning and development, to partner with them to secure the rent increases necessary for the communities' improvements.

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"When you put significant money into a community by making upgrades, as an owner you want to increase the rents," explained Berry. "That's when a resident has a right to say, 'If I'm paying more rent, then I want to see more improvements. The experience I have should be better.'"

But how could AIMCO create an experience that would make the rent increases (which in some cases were \$300 to \$700 a month) less of an obstacle for the sales team at each community? Offer free refreshments? Add more lounge chairs by the pools? Install new carpet? According to research, service repeatedly ranked as a top expectation and requirement of

residents living in apartment homes, so the managers decided to match the impressive scale of their improvements with an equally impressive makeover of their service delivery system.

With the mission of excellent service in mind, AIMCO leaders, including two division vice presidents, began to review companies that were recognized as experts in customer service. After the field had been narrowed, Joe Berry was given his assignment. Contact the one group recognized internationally for its knowledge and reputation for outstanding customer service, quality management, and leadership.

He called *Disney Institute*.

#### SUMMIT MEETING

With his colleague, Melanie French, senior vice president of organizational effectiveness, Berry arrived in Orlando to meet with Joanne Recek and Sara Jones from *Disney Institute*. Berry and French attended a *Disney Institute* workshop on Leadership Excellence and Quality Service with the thought of building a similar program for AIMCO. They were impressed with the experience and decided to schedule another meeting with Joanne and Sara to discuss how AIMCO could benefit from sending additional team members to *Disney Institute*.

They timed their next visit to coincide with an AIMCO business meeting taking place in Orlando, Florida, so numerous community managers, regional managers and vice presidents could devote a full day to attending the *Disney Institute* program, "Service, Disney Style" at the Walt Disney World® Resort. Within a week, AIMCO followed up with a second session at the Disneyland® Resort in Anaheim, California. The impact of both programs would set the standard for their relationship with *Disney Institute*.

"Even though the program was not specifically tailored for us, the reaction was so positive that we scheduled a third program for December," recalled Berry.



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The customer service philosophy taught by *Disney Institute* felt right, but to have it impact the entire company, someone else needed to be convinced. Along with several key AIMCO leaders, Jeff Adler, executive vice president of property operations, met with Jones and Recek to gain a better understanding of what *Disney Institute* could truly offer his company.

“Our initial meeting was supposed to last thirty minutes, but it became very involved as (Mr. Adler) asked very detailed, probing questions,” Jones explained. “He trusted Joe and Melanie, but now he needed to trust *Disney Institute*.”

“Gradually, as we explained *Disney Institute*, our programs and how the concepts can be adapted to benefit any corporation, I could see the transition in his mind take place as he began to understand what we were trying to do. But we needed to get everyone’s commitment – not just a head nod. They had to stand up and verbalize their affirmation.”

Adler agreed. He directed that AIMCO would work with *Disney Institute* and combine classes and training to demonstrate the gold standard of customer service to AIMCO associates.

The momentum began to build. A cultural change was starting across the company, and members from each of AIMCO’s four regions were invited to participate in the December program. As 2007 dawned, 250 leaders including regional property managers and their staffs arrived in Orlando. Although participants immersed themselves in the Disney culture and began learning adaptable Disney customer service philosophies, there were still skeptics. Some AIMCO associates secretly questioned the connection between the operation of rental community operations and an “entertainment” company.

But after hearing Dave Venables, general manager of Disney’s Polynesian Resort, speak at the *Disney Institute* workshop they attended, things began to really click.

“There was an immediate connection,” recalled Berry. “When he began speaking, people began to connect the dots. Everyone realized our organizations were not dissimilar.”

“We both have guests, and we have places where people stay. Our service teams deal with plumbing, heating and electrical issues,” Berry elaborated. “Each of us has grounds, facilities and staff members who work with guests to match their needs and interests and find a place that suits them. That’s when our regional managers realized ‘I can take what I experience here and apply it to the community I manage.’”

Recek understood the need to have every participant see the connection and realize the importance of his or her role.

“Whether you manage a rental community, sell insurance, or provide entertainment, the process is no different,” she said. “The assets are your employees and what level of service they deliver. AIMCO, like every company, needs to differentiate itself from its competitors, and the way to do that is with people.”

Jones recalled witnessing another breakthrough moment.

“We already knew that Joe and Melanie were passionate and serious about this. They believed in the opportunity and embraced all the options we gave them. It demonstrated to those attending the program that they were valued.”

“Then, in the middle of the program, Jeff Adler, the head of property operations, gave his buy-in. He stood up and shared his innermost thoughts and passion about service. He explained that although he didn’t understand how to reach the next level of service, he had people on the team who did. That was a watershed moment – the moment when he implicitly invested in *Disney Institute* programming.”

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### CHANGE THAT MATTERS

From then on, it became apparent that Disney’s time-tested business practices would have positive effects at all AIMCO communities. After conducting site visits, Jones and Recek created a needs assessment to examine the company’s next step.

“At Disney, our philosophy is that no matter which Disney resort, theme park or cruise ship you visit, all Cast Members (employees) are on the same page,” said Jones. “In AIMCO’s case, your

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property may welcome celebrities or be home to residents on government assistance, but the philosophy still remains the same: Make everyone feel special. Give them moments that matter.”

So, with the assistance of *Disney Institute*, AIMCO created “Moments That Matter.” This comprehensive approach introduced a four-point strategy that focused on the importance of details in creating positive moments; used exercises to develop communication skills that would benefit current and future residents; taught strategies for defusing negative situations; and presented methods for delivering news that some residents may not want to hear.

Designed to carry AIMCO’s message to the front lines and beyond, part of the program was a customized two-day session in customer service and leadership that could reach every community and instruct associates in values the company wanted to convey. Leaders wanted to reinforce their own message, as well.

“As we began to understand the different components of customer service,” Berry commented, “we wanted to pass this information to our service reps and sales people and technicians who couldn’t attend the programs in Orlando and Anaheim.”

To demonstrate her reliance on front line associates, a regional vice president at one early morning class served breakfast and poured juice. While executives cheered, service techs, leasing consultants and associates entered the communities through balloon arches. This positive reinforcement was followed by brainstorming sessions where teams would discuss ways to turn every interaction with a resident into a moment that matters.

“We tried to stress that it’s a team effort,” said Berry. “It’s not just up to the service techs or sales staff. It’s a collective team effort from the site manager to the newest person on the team to make this a positive experience for our residents.”

Proven results can be found on the company intranet Web site, where residents can communicate feedback – good or bad – in response to a situation. Of the hundreds upon hundreds of

positive postings, Berry noted, the majority of them come from communities that have already adopted the “Moments That Matter” program.

AIMCO also adapted simple, yet effective Disney traditions such as providing associates with lanyards and pins to recognize their efforts at providing quality service. Not only did these tokens of recognition symbolize the shared philosophy between AIMCO and the lessons of *Disney Institute*, but they also created an emotional connection among AIMCO’s leaders and frontline associates.

### THE HOME STRETCH

Since that first “Service, Disney Style” session, more than a thousand AIMCO leaders and managers have experienced *Disney Institute* programs, and thousands of associates across the country are taking part in the “Moments That Matter” initiative.

As AIMCO continues its quest for excellence, the organization has learned that a cultural shift in an organization’s philosophy isn’t an overnight task. It will take a considerable amount of effort and hard work to achieve the desired company-wide changes they desire – but the team definitely has a head start.

“The Walt Disney Company has worked for fifty years to get to this point,” Berry noted. “It has gone through the good and bad to

get to where they have this thing down pat. Yet, *Disney Institute* won’t tell you what to do.

You have to determine what you want, and then figure out how to navigate to get to where you need to be with your business.”

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“Every self-help book tells you to pattern yourself on those who are successful, and that’s why you go to *Disney Institute*. They can help you shave decades off your learning curve.”

Berry paused, then added, “We’ve always been focused on our residents. But our approach really wasn’t formalized until we teamed up with *Disney Institute*. The relationship helped us springboard a theme that will now be woven throughout everything we do and embraced by every team member at AIMCO.”