

An efficient and customer-focused organization

Pré Wonen: A Netherlands' social housing association



As the Dutch association responsible for housing more than 13,000 households in the Haarlem region, Pré Wonen manages and develops more than 15,800 homes and other types of property to provide affordable and suitable housing for low-income families and those living with disabilities. However, having faced financial, economic and regulatory pressures, Pré Wonen recognized that it would need to enhance its operational efficiency while simultaneously improving service delivery if it hoped to maintain its ability to carry out its mandate.

A turbulent market environment

Much like other developed world housing markets in the post-financial crisis era, the operating environment for Dutch housing associations has changed significantly since 2008. Supervising bodies have imposed ever-more stringent conditions on the financing of real estate, income from asset sales has fallen due to a stagnant market, tax rates and regulatory compliance costs have risen and client expectations have heightened.

The organization had already taken steps to respond to the changing environment. Following the onset of the financial crisis, Pré Wonen took active measures to improve their cost efficiency by cutting unnecessary administrative costs, reducing property maintenance costs and streamlining the administrative process. While the organization had made significant progress in enhancing efficiency, it was the introduction of a new landlord tax by the Netherlands government that led to the realization that new measures would be needed for the organization to remain sustainable.

Centralizing services to drive efficiency and satisfaction

Early on in the process, Pré Wonen's Board and management team came to the conclusion that the centralization of support and administrative services would be inevitable. While the closure of local offices would be necessary, the organization's leadership was adamant that customers and users would experience no loss of service quality and that a 'local focus' would be a guiding principle of any business model transformation.

In addition, leadership hoped the reorganization would help create more accessible client services, a flexible and efficient organization, clear separation of responsibilities, and a more commercial approach to operations.

Recognizing that the change program would require deep experience in project management, organizational design and change management, the leadership of Pré Wonen selected KPMG in the Netherlands as their advisory and implementation partner.

Creating a sustainable operating model

Leveraging their deep experience working with social housing associations, the KPMG team was able to quickly roll up their sleeves alongside the organization's managers and employees to design a new centralized structure. Based on the firm's experience leading similar change projects in the human and social services sector, the team ensured that their design included all

of the elements necessary to enhance the efficiency and sustainability of the new model including new processes, governance models, organizational structures, job descriptions and capability requirements.

Recognizing that service quality could be improved in tandem with operational efficiency, the KPMG team also worked closely with Pré Wonen's customer-facing employees to select a suite of service approaches that would meet the needs of the organization's clients while utilizing the new centralized model. Self-service web applications, internet portals and online registration options were combined with targeted in-person client meetings to help ensure that no loss of service quality was experienced through the transition period and beyond.

With the new model in hand, the KPMG team then drew on their extensive change management and project management capabilities to oversee the implementation of the project, working closely with organizational leadership to help ensure that budgets were being

properly managed, timelines were being met and service-level objectives were being achieved.

The foundations of success

Today, Pré Wonen boasts a new centralized structure that balances providing customized services that suit their clients' unique needs against the efficiencies that come from delivering a standardized service through a centralized system. Moreover, as a result of the reorganization, Pré Wonen has already saved more than EUR3 million in operating costs.

Two key strategies helped drive the project's success: taking a practical approach to the transformation by opting for shorter reorganization periods and providing managers with clear frameworks for the practical details of the new organization.

In addition, the team's focus on communicating clearly with employees and involving them in the process also contributed to the success. For example, by working with the employees and unions, the team was able to identify a number of employees who volunteered to take a severance package, thereby reducing the overall negative impact on the employee base.

"Both our employees and our clients feel that the process has been handled with care. That is a good result," said Bob van Zijll, Chairman of the Board, Pré Wonen.

“Moving to a centralized model was a huge decision for us. It is very important to us that our organization remain firmly rooted in the community, so preserving a local focus has been one of our guiding principles,” said Bob van Zijll, Chairman of the Board, Pré Wonen. “KPMG quickly demonstrated that they really understood our guiding principles and that – throughout the process – they would keep these principles top of mind to allow them to influence every aspect of this reorganization.”

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