

Outsourcing Student Residence Management

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Argument and Structure





Argument

Argument 1:

Outsourcing student residence management in Australia is part of an ecosystem in its early innovation stage.

Argument 2:

Failures in university strategy and execution lead to poor outcomes, not inherent flaws in the outsourcing process

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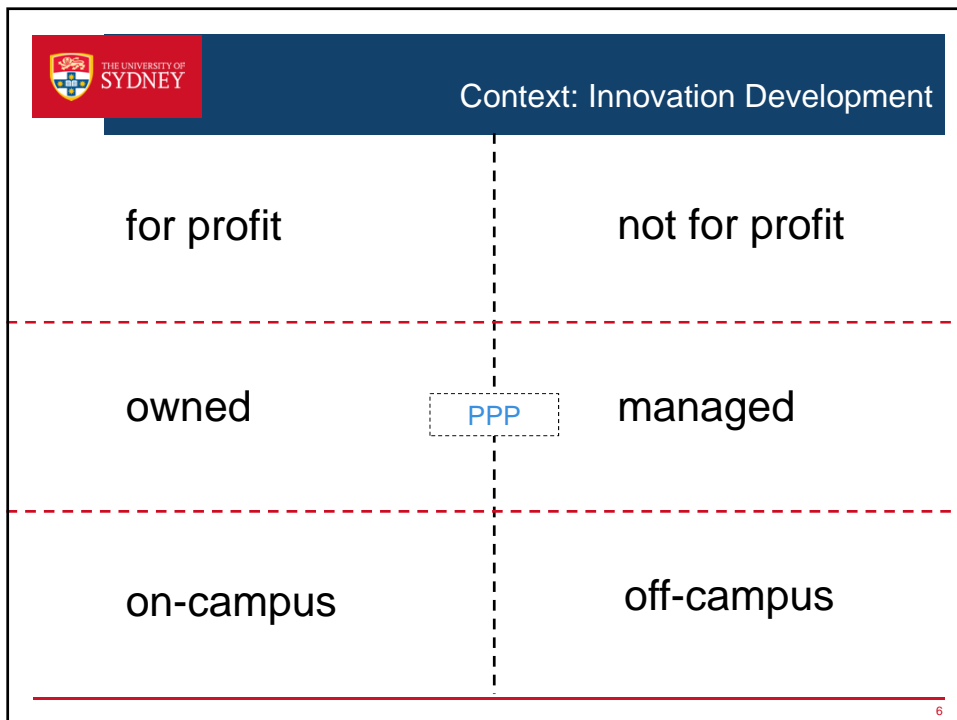
Structure

Context

Strategy

Execution

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Context: Innovation Development

“the Australian student housing market is in the early stages of development. It is considered to be around 10 years behind mature markets in providing high-quality student housing which provides an opportunity for investors to reap the benefits of early entry”

(Jones Lang LaSalle, 2012, p. 4)

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Context: Innovation Development

“For the 1,000,000 university students in Australia, approximately 51,000 beds are currently available, indicating a 5% bed to student ratio (Earp 2010). This ratio is dwarfed by comparable figures from New Zealand (7%), the UK (24%) and the US (42%) (ibid).”

(Parameswaran & Bowers, 2014, p. 58)

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Argument

“The inception of the purpose-built student accommodation market occurred in 1996 when UniLodge launched the first off-campus facility at Broadway, Ultimo in Sydney in 1996, followed by Melbourne in 1997. Initially, student housing assets were built by small-scale developers and marketed to retail investors via strata schemes....These assets have frequently not considered student needs”

(Jones Lang LaSalle, 2012, p. 27)

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Context: Innovation Development

Provider	Entry	Properties	Beds	Develop	Manage
UniLodge	1996	34	9500+	No	Yes
Campus Living Villages*	2006	13	9000+	Yes	Yes
Urbanest**	2010	10	4700+	Yes	Yes
Iglu**	2013	3	1000	Yes	Yes

*Globally CLV has 59 properties and 40,000 beds across AU, NZ, US, UK

**Includes properties in development

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Context: Innovation Theory

Innovation Development

Innovation Decision


Re-Invention

.....innovation generation, rate of adoption, adopter categories, diffusion networks
attributes, consequences, process, organisational evolution, pidgins, creoles.....

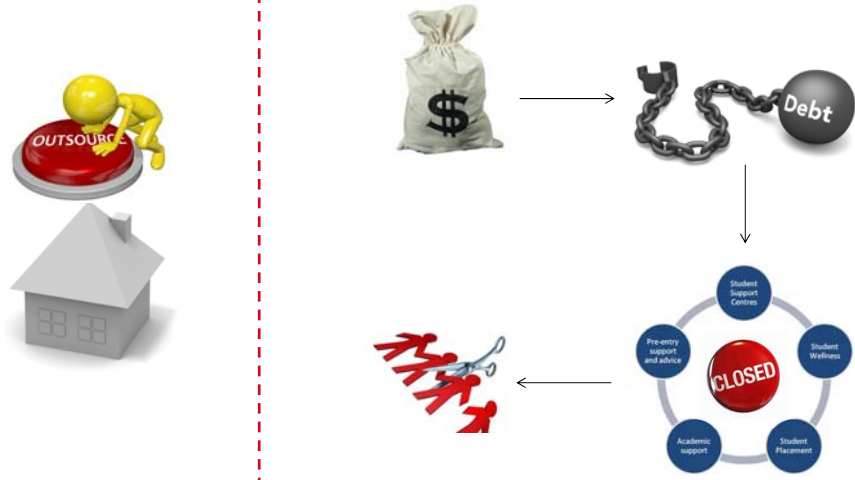
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Strategy




 THE UNIVERSITY OF SYDNEY

Strategy: Innovation Decision



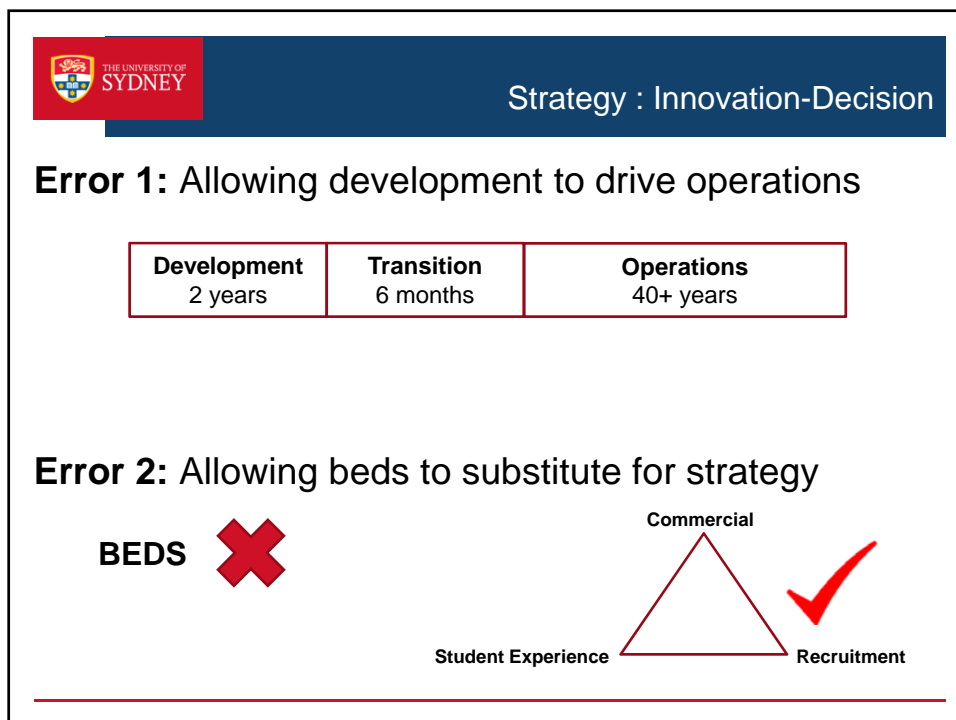
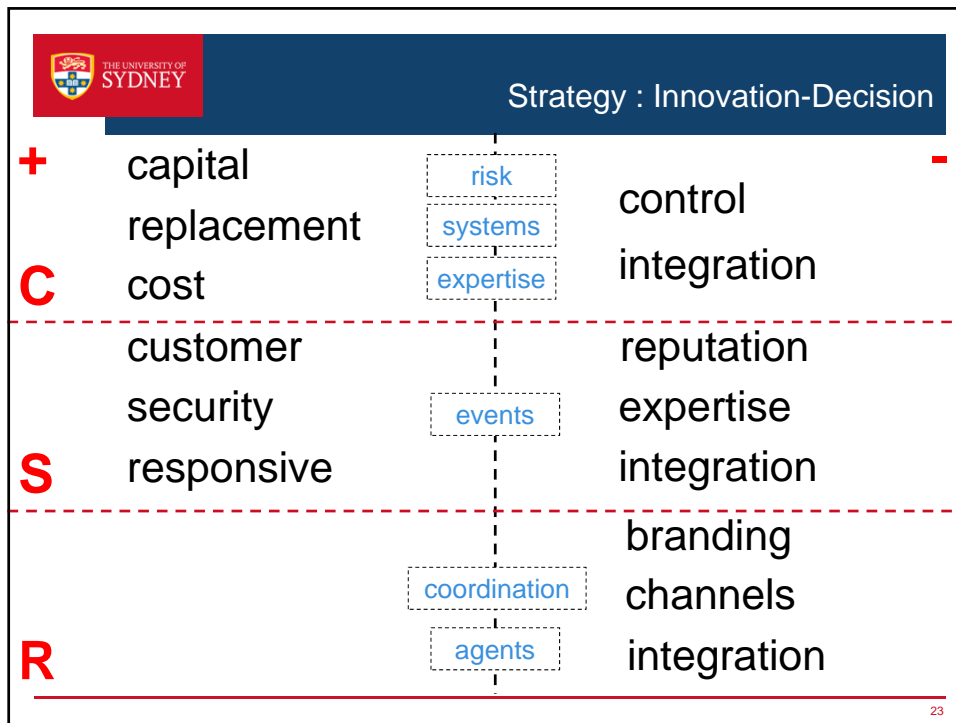
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 THE UNIVERSITY OF SYDNEY

Strategy : Innovation Decision

- › “A chief housing officer....who reports through the business branch.....more difficult for him to receive funding for residence hall programming than it is for him to receive funding for renovations and repairs” (Fotis, 2013, p. 35)
- › “university managers have turned away from the subsidised accommodation traditional in university colleges in favour of profit making housing partnerships without regard for the needs of poorer students and/or the transfer of housing responsibilities to the private rental market and to the students themselves” (Marginson et. al., 2010, pp. 172-173)

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Strategy : Innovation-Decision

Error 3: Assuming incompatibility between C & S

- › “a 10% saving in utilities (internet, gas, water, electricity, laundry) or personnel costs, or a \$2 increase in rent per week, can double student experience programming budgets” (Usyd)
- › “a 1% saving in development costs frees up \$100,000 per year” (Usyd)
- › “No statistically significant difference exists between the student satisfaction scores of outsourced residential life programs compared to traditional residential life programs” (Manley, 2011, p. 64)



Strategy : Innovation-Decision

Error 4: Allowing opinion to displace evidence/expertise

30% less pay

52 week contract



sleight of hand

faculty not property

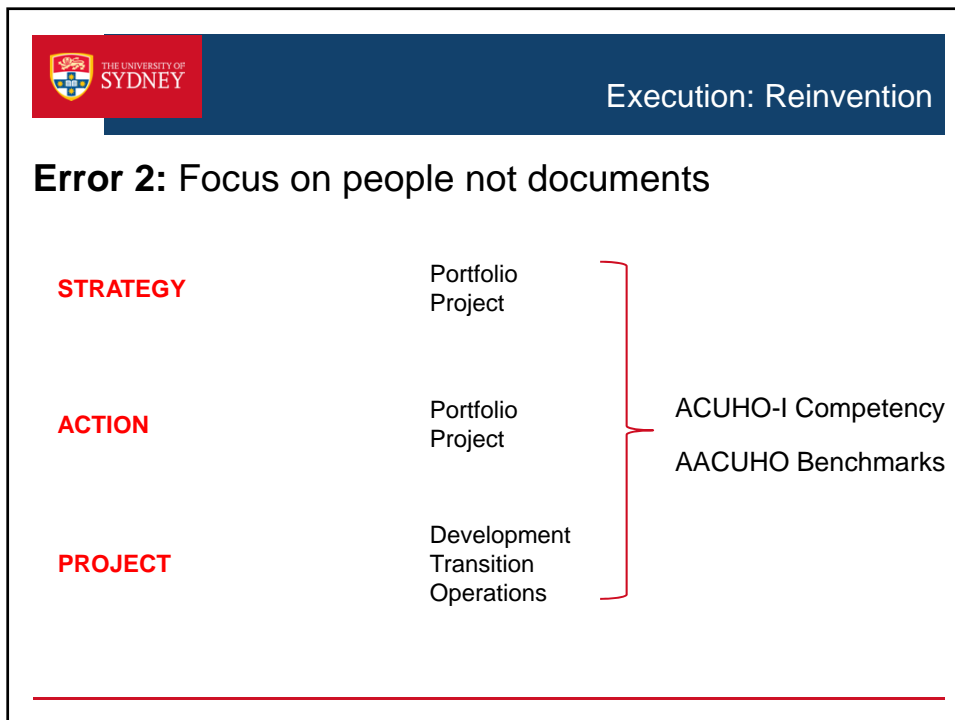
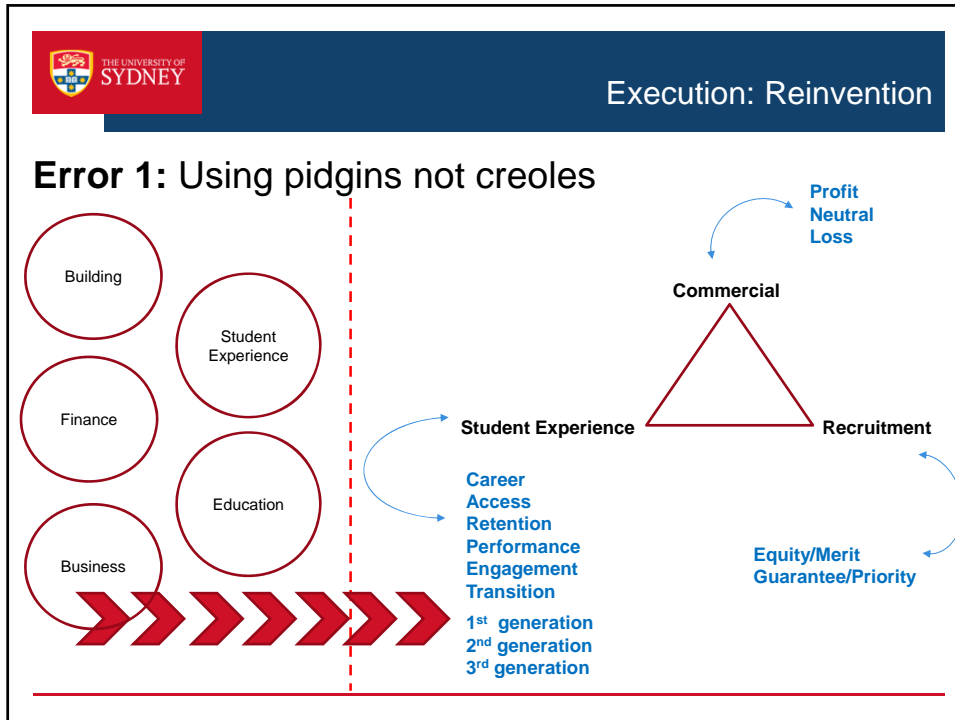
Execution




Execution : Reinvention

“outsourcing, particularly applied to student housing, has a number of benefits to offer the higher education community, but creating those partnerships in a functional manner is a complex procedure fraught with both technical issues and issues of personality.”

(Samuels, 2008, p. 101)





Execution: Reinvention

STRATEGY

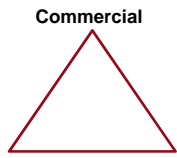
1. Portfolio Business Case

2. Project Business Case

3. Delegations

4. Document Control


Commercial



Student Experience Recruitment

ACTION

.....	Procedures	Student Experience	Allocation
Accounts	Best Practice	Management Reports	Systems Integration
Starrez	Tender Panel	Rent Review	Urban Masterplan
Head Office	Marketing	Policies




Execution: Reinvention

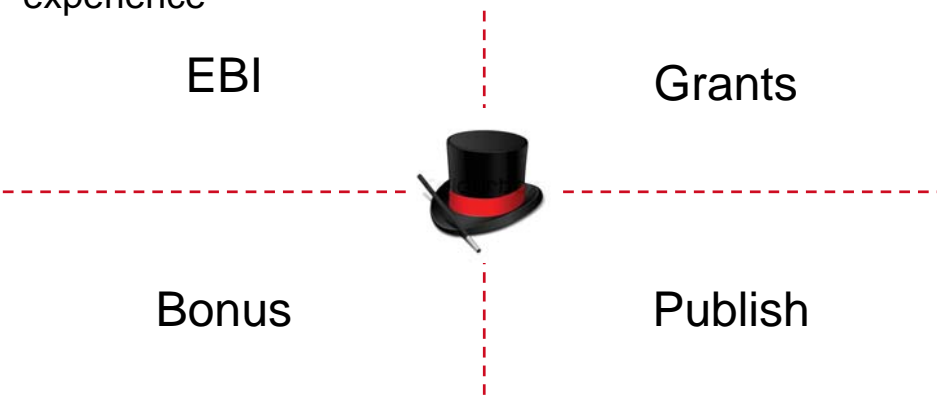
PROJECT (Transition + Operations)

5. Operator Agreement	Portfolio	<u>Pre-Execution</u>
6. Annexures (scope, KPIs, pre-opening etc.)	Portfolio	
7. Schedules (fees, risk, etc.)	Project	


8. Operational Plan	Project	<u>Post-Execution</u>
9. Budget	Project	
10. Life Cycle Costing Plan	Project	

 Strategy : Innovation-Decision

Error 3: Incentivising commercial not student experience



The diagram features a central black top hat with a red band. Four dashed red lines extend from the hat to the corners of the slide, dividing it into four quadrants. The top-left quadrant is labeled 'EBI', the top-right 'Grants', the bottom-left 'Bonus', and the bottom-right 'Publish'.

 EBI Student Experience Survey

Resident Assessment

Survey Features

- Demographics
- Scaled Questions
- Factors

Learning Outcomes

- Learning: Personal Interactions
- Learning: Faculty/Staff Interactions
- Learning: Diversity and Social Justice
- Learning: Intrapersonal Development
- Learning: Life Skills
- Learning: Risk Behaviors
- Learning: Stewardship
- Learning: LLC Connections and Support (BRANCHED)

Satisfaction


- Satisfaction: Hall/Apt Student Staff
- Satisfaction: Hall/Apt Programming
- Satisfaction: Room/Floor Environment
- Satisfaction: Facilities
- Satisfaction: Services Provided
- Satisfaction: Room Assignment or Change Process
- Satisfaction: Safety and Security
- Satisfaction: Roommates
- Satisfaction: Dining Services
- Satisfaction: College/University

Integration /Retention

- On-Campus Living Improved Integration to College
- On-Campus Living Enhanced Retention and Graduation

Overall Evaluation

- Resident Satisfaction
- Learning Experience
- Total Residence Experience

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Summary



Summary

- › Part 1: Context *Innovation Development*
 1. Labels
 2. International Landscape
 3. Australian Landscape

- › Part 2: Strategy *Innovation Decision*
 1. Outsourcing Concerns
 2. Pros and Cons
 3. Error 1: Allowing development to drive operations
 4. Error 2: Allowing beds to substitute for strategy
 5. Error 3: Assuming incompatibility between C & S
 6. Error 4: Allowing opinion to displace evidence/expertise

- › Part 3: Execution *Reinvention*
 1. Error 1: Using pidgins not creoles
 2. Error 2: Focus on people not documents
 3. Error 3: Incentivising commercial not student experience



Argument

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Value



Time to value