From Metrics to Momentum:

Scorecarding Practices That Drive Performance

Contents

Introduction

Multifamily operators value scorecards as performance assessment tools that help them track key property and portfolio metrics. The holistic view — assembled from internal data, financial reports and customer benchmarks — generated by scorecards aids in data-driven decision making and long-term strategy development. Scorecards can be invaluable in identifying operational gaps and aligning day-to-day functions with organizational objectives, however, pitfalls in the scorecarding process often transform scorecards into a misleading picture of performance.

Understanding which metrics to measure and how to weigh KPIs, avoiding results-only data and subjective scoring and explaining the "how" behind scoring are all essential to produce accurate scorecards. Missing the mark on the inputs can lead to scorecard distrust or even incentivize unproductive behavior. However, when compiled correctly, scorecards aren't merely reporting tools; they are influential behavior systems that shape performance rather than simply describing it.

The Evolution: From Spreadsheets to Scalable Scorecarding

Scorecarding was a corporate buzzword in the 90s, when it gained popularity as a method for measuring associates through a 360-degree vantage. While the original intent endures, the outdated process involving extensive manual data uploads, inconsistent metrics and disparate scorecards has been supplanted by integrated data analytics systems. Performance metrics from various multifamily systems and departments are harvested and reconciled to establish a foundational source of truth to feed scorecards.

As data correlations have become more evident, operators are also gradually moving away from scorecards consisting exclusively of performance-vs-budget measurements and including more specific and controllable indicators that boost associate motivation and better influence behaviors.

Today, actionable performance data is the foundation for agile business decisions in multifamily, as well as a measuring stick for the efficacy of property level practices. Data-driven scorecards help operators translate strategy into repeatable execution.

Scorecards based on consistent, impartial data help operators to foster the data-driven accountability that so many organizations now prioritize. That consistency allows them to scale their scorecarding process with confidence across markets, regions and portfolios.

Maintain a Balance of Scorecard Indicators

Historically, multifamily executives preferred to place increased weight on results-based indicators that measure performance against the budget. Such indicators do still paint a valuable financial picture, yet operators have come to understand the many variables that go into financial performance that cloud the equation. Market conditions, budgets inherited from the previous manager or a lease-up across the street all impact performance and skew scorecard results. Other results indicators, like occupancy, are also derived from several different factors. The difficulty with overloading scorecards with results indicators is that they are based on the big picture and don't offer associates an immediate path to improvement. It may take a manager 30 days to impact occupancy, while a low occupancy rating on a scorecard causes immediate frustration.

Scorecarding begins to provide a more accurate assessment when operators include more performance indicators, not merely results indicators. Performance indicators include metrics like service request response times, make-ready turnaround times, secret shop scores and customer service ratings. A performance indicator is one where it's obvious who owns it and what action fixes it, providing clear accountability and allowing for faster course correction. Associates are better motivated by performance metrics because they feel like they actually have direct control.

While too many results indicators on a scorecard can be demotivating, using too many performance indicators ignores the financial reality. Operators need both; they are interconnected. Improved performance metrics contribute to improved financial results, and together dictate the bottom line.

Build Scorecards by Role

Different roles at multifamily properties carry different responsibilities and should be reflected in scorecard construction. Measuring leasing associates by the same standards as ra manager won't accurately illustrate job performance

because the demands placed on their positions aren't identical, even if they share an overarching objective.

Manager scorecards should cover broader topics and feature increased results indicators to reflect their overall accountability for property performance. Scorecards for assistant manager and leasing agent should align tightly to their job descriptions and day-to-day responsibilities like follow-up rates and lease conversions.

Scorecards for service teams should include performance indicators like response times, task completion rates and resident satisfaction. Service supervisor scorecards should feature broader metrics like preventive maintenance and property compliance.

By tailoring scorecards to individual roles, and including 8-10 strategic indicators per role, operators glean a more explicit account of each associate's job performance and associates better understand how they are being assessed. Transparency matters when scoring impacts pay.

Construct Scorecards to Prevent Unintended Consequences

Exercise caution when incentivizing behaviors. Any scorecard measurement has a potential downside. Scorecards must be intentional, with complementary metrics that prevent unintended consequences.

For example, a scorecard that weighs service request completion times could encourage maintenance technicians to rush through jobs to improve their scores, sacrificing repair quality along the way. By including a complementary measure related to service satisfaction surveys, operators can offset performance indicators and balance the scorecard.

Scorecards are delicate. When operators toss everything into the mix without thinking it through, they upset the balance. Weighing each metric precisely, establishing thresholds for each measurement and ensuring each indicator complements the others is essential. Intentionality matters.

Scorecard Readiness Checklist

✓ Gain executive buy-in

✓ Designated an executive sponsor

✓ Form a scorecard steering committee

✓ Build a scorecard training plan

✓ Determine timeline and iteration cadence

✓ Define roles within the organization

✓ Tailor and define behaviors by role

✓ Establish fair targets, thresholds and benchmarks

✓ Create transparent scoring calculations

✓ Ensure an appropriate balance of results indicators and performance indicators

✓ Include complementary indicators to avoid incentivizing detrimental behavior

✓ Determine scorecard impact on bonuses and compensation

✓ Develop plan and timeline to revisit scorecard efficacy

About the Authors

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About Reba

Real Estate Business Analytics (REBA) is the data foundation for multifamily housing. REBA creates an analytical ecosystem, seamlessly connecting your transactional systems of record into a single source of truth. This platform connects departments and properties, fostering cross-functional collaboration driving engagement and unity around common goals. REBA transforms disconnected data into a powerful foundation that helps multifamily teams find answers quicker, act with confidence and accelerate portfolio performance.