

Step Two



STANDARDIZING A SMART PURCHASING PROGRAM

“Standardization creates the opportunity for **expense** reduction within your portfolio.”

WHAT IS STANDARDIZATION?

Standardization is a rapidly growing trend within the multi-housing industry. Thousands of properties around the country are seeing the value of standardization because it increases asset value and makes life easier for the property staff! Capitalizing on the advantages of this type of program will increase productivity among your staff and improve resident satisfaction. Standardization is the end result of a process through which the most commonly used parts within a portfolio are analyzed and identified as the most cost effective and functionally proficient parts available to fill your needs. This list of parts is then actively promoted and utilized exclusively throughout the portfolio.



WHAT VALUE DOES STANDARDIZATION ADD?

Overall, standardization creates the opportunity for expense reduction and asset protection within your portfolio. Although individual part pricing may come into play throughout this process, your portfolio truly benefits through improved processes and an increase in time saved.

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WHY STANDARDIZE?

Standardizing on your most commonly ordered items offers many advantages to property operations:



Saves You Time – Standardizing on your top items saves you time by simplifying the ordering process. Rather than looking through the purchasing guides to determine which toilet seat or faucet you need, you can reference your list of standardized items and reduce your order time.



Consistent Quality of Product – You can be assured that the quality of the products you are installing in your portfolio is consistent from property to property.



Firm and Consistent Pricing – By committing to a select number of items, we are better able to leverage our position with our suppliers and secure firm (and sometimes more favorable) pricing.



Less Inventory on Property – Improving the availability of product from our suppliers translates into less inventory items stored on site. You will no longer need to worry about stocking what you need since most items will be available for next day delivery. In addition, you won't have funds tied up in excess inventory.



Increase in Turn Rates – Realizing that your suppliers will have what you need when you need it, you will undoubtedly improve your turn rates since you won't be waiting for deliveries.



Improved Availability of Product – Limiting the number of items used on property allows our suppliers to concentrate more effectively on fewer part numbers. This results in better fill rates and improved availability of product.

DID YOU KNOW?

A property management company of 5,400 units saved \$81,000 per year and 12% reduction in flooring expense by standardizing their floorcovering. The right purchasing partner can provide guidance and can search for ways to reduce expenses, ensure product consistency, and streamline purchasing for needs across your portfolio of properties. [Click here to read a Floorcovering Case Study.](#)

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