

## Spree provides sizable savings, efficiencies and reliable service solutions for Suburban Shopping Centre

With growing pressures from communities and governments to further improve the safety and security at public facilities, it has put enormous pressure on shopping centre owners to focus on intelligent solutions that not only service the purpose and function of their facility but also the safety of their shoppers. A mid-sized shopping centre on the outer suburban fringe of Melbourne's suburbs, realised that they needed to make changes and improve the maintenance and up keep of their facility in order to maintain their existing tenants in light of a new shopping centre only 4 kilometres down the road. The exercise involved numerous major and minor tasks, however the key objective was ensuring the tenant satisfaction was raised and to re-establish the facility as the premium shopping centre in the suburban corridor.

This meant that rents needed to be re-negotiated to secure long-term leases combined with further cost-cutting across service and maintenance contracts. The asset management team had been working together for more than 3 months trying to devise contract packages that would save them money and reduce the inefficiencies. They also employed professionals to help them put together the tendering documentation spending almost \$84,000. The asset management team initially looked at a multi contractor approach in order to reduce risk, however they quickly realised that the prices submitted were far from budget. So this was certainly not the solution for the incumbent problems and their objective of asset improvement and 15-25% overall cost savings was far from a reality.

### **Solution:**

When the shopping owners asset management division opened up the contract tendering process to a multi-service approach, Spree was appointed as the successful service providers on the fact that it demonstrated extensive expertise, knowledge, intelligence, capabilities and technology, to enable the contract to be fulfilled in a predictable and seamless manner. Our service strategy effectively identified a congruently integrated service offering through combining our cleaning, multi-skilled, waste management, hygiene, gardening and lighting solutions which could provide a complex services fulfilment program all through one point of contact. Our client required a 2 step integrated facility service system, whereby cleaning, waste management and gardening were implemented in phase 1 and the remainder of the service in phase 2. Our project team conducted comprehensive training on and off sites and developed service operation guides and manuals that enabled us to fulfil the scope of our contract requirements and gave us a blue print of what was required. Our project team also worked closely with asset managers, as part of an on-going initiative by Spree Enterprise whereby further cost-reductions were identified. Overall the cost savings generated were 19% in the first year and 27.5% in the second year. Driving the continuous improvement process we are expected to achieve further efficiencies by upgrading the lighting systems and toilet systems to reduce electricity and water consumption.

Savings were also achieved through feasibility modelling based on a criterion of most important tasks and delivery objectives vs. cost savings and where cost efficiencies were the more prevalent we introduced newly devised service specifications that allowed for the attainment of the total savings available.

At the same time, Spree Enterprise introduced a comprehensive facility supply program that allowed for the new ordering and delivery of supplies through an automated ordering system, along with new procurement and management procedures that have been the key driver for ongoing improvement.

### **Results:**

The Shopping Centre Owners achieved its goals within 3 months of Spree Enterprise officially taking over the contracted services, generating initial savings within their expectations and exceeding their forecasts in the subsequent operating periods. With the help of Spree Enterprise they have maintained their synonymous quality, unparalleled brand recognition and effectively established a premium shopping and generated substantial cost-savings. It was a win/win situation for everyone involved.