

LOCAL DEVELOPMENT AND PLANNING IN THE 21ST CENTURY: CHALLENGES AND PRIORITIES

KC Leong

*Chairman, Rekarya Consultant Group, Malaysia
EAROPH Honorary President & EAROPH Bulletin Co-Editor*

Introduction

As Malaysia's economic growth picked up speed, urbanisation continued to expand rapidly. By the 1980s, urbanisation was at 34.2%. In the 1991 census, it had reached 50.6%, and now it is estimated at well over 60%. Though many new towns developed by the private developers around Kuala Lumpur and around other State Capitals have mushroomed in the 1990s, these developers were badly hit by the economic slow down in the late 1970s and later in the major economic downturn in the 1980s. With the first mini crisis in the 70s, they were able to survive, albeit just, by reducing their product pricing at the expense of quality. However, by the 1980s, property buyers were becoming more knowledgeable and the market was becoming sophisticated so that many developers found they could no longer use the same tricks to survive and the whole industry nearly fell apart.

This same phenomenal process of urban growth and urban crisis hitting township developments is also experienced by many developing countries in this region. The difference is only a matter of degree. Developers, be them in the public or private sector, need to reexamine their entire development

framework and unless they develop new approaches to their endeavours in urban development, the same will repeat in future urban economic crises.

The region's current economic recession which bottomed out last year (1999) is beginning to recover steadily this year, 2000. The property sector across the region's developing countries was worst hit by the crisis and many large scale developments, large enough to be classified as township developments, were badly affected; many went into receivership. Based on this author's inquiries and observations, these failed developments could be attributed to the following factors, which primarily were found in Malaysia are nevertheless equally applicable to many countries in the region:

- Planning and development were too much under the control of commercial interests.
- Planners and urban designers were nothing more than glorified draftspersons, engaged for the purpose of satisfying and sometimes outsmarting the statutory requirements under various by-laws.
- Over use of gimmicks to camouflage poor quality planning and design.
- Poor financial planning and under capitalisation.
- Insufficient consideration given to social and environmental planning.
- Development planning, implementation and marketing were fragmented.
- Post-sale service delivery was nothing more than lip service.
- Infrastructure provided was the bare minimum to satisfy by-laws.
- Completed infrastructure and buildings were laden with defects.
- Public dissent against poor service delivery from many developments was becoming louder and more visible as neighbourhood organisations and non-governmental organisations became better organised, and the public exposés had devastating effects on the saleability of many mixed-use property development projects.
- Lack of proper consultation between the developers and the local governments and the end-users.

- Over supply of property stock brought about by the property boom of the mid-1990s created a huge buyers' market, which was already sophisticated and demanded quality.

This paper describes how an innovative asset management approach can help a Township Development Plan to develop holistically; how to use a stakeholders' networking map to maximise shareholders' returns while maximising asset values for customers/ property investors; how to integrate asset management and strategic marketing to formulate the final planning and development strategies and to establish the criteria to the planning, design and construction of the Township; and finally, how to use the asset management approach to achieve constant asset value growth for the ultimate property owners and stakeholders of this new development while going through the cycles of booms/ recessions during and after the development stages.

The Multidisciplinary Approach to Formulate the Initial Concept for New Township Development

Genealogically speaking, development conception is a crucial stage of any township development. Both the developer team and the consultant team must have a healthy "DNA" make-up in order to collectively conceive a conceptual master plan. The consultant team must involve a comprehensive range of professional disciplines relevant to human settlement development, over and above that of traditional town planning. In addition, community components of stakeholders must also be involved at this conceptual stage to complete the "DNA" make-up.

The past and still current practice of such large development projects being conceived by the *CEO* and his financial wizards, thus pressuring the planners and urban designers to maximize land-use and increase density for pure commercial gains, is no longer viable. As such practices have increasingly stirred up resentment from both the public and private sectors,

they must be stopped and replaced by multidisciplinary experts in both the developer teams and the consultant teams—in real terms, this is the *Development Team*, for the consultants can only be as good as their clients want them to be. Collectively, these two teams shall at the outset consider first and foremost whether the developer’s desire to embark on such a project is viable in all aspects, from site conditions to regional development conditions, current economic climate to market trends, environmental constraints to social constraints, local physical constraints to changes in the legal framework, and other conditions applicable to the logistics and nature of such a development.

If all the constraints identified could be overcome with careful planning, the developer’s desire could then be achievable. Following this the two teams must re-establish the Developer’ Planning Brief. The new Brief must redefine the developer’s requirements in terms of :

- The mixed-development components of the new township;
- The township’s interfacing with the environs;
- The development phasing; and
- The financial plan.

The Total Asset Management Approach to Assessing Existing Conditions

General Site Conditions

The consultants must collect all the materials pertaining to the site conditions for examination by the whole *development team*. At this stage it is also important for the consultants to identify all the adjoining developments and collect as much information on these developments as possible for interfacing consideration. Such considerations are vital at this stage as the developer must understand all the “whys” and “hows” in achieving a win-

win situation with their competitors, in order to really know how to get the upper hand.

Site Terrain Conditions

The tendency of following a developer client's standard but shortsighted practice to flatten all land for development under the pressure to maximize density must be avoided at all costs. This of course has been the major culprit for all the physical environmental ills affecting so many neighbourhoods and towns. In this respect, various local statutes related to development and environmental protection under a country's land management enactments must be used to control bad practices that are detrimental to the land and the environment. In fact, a new approach to terrain planning has to be introduced by the consultants for the *client/consultant development team* to consider for the development of essential guidelines.

It is this crucial stage of data collection that will ultimately shape the final land use planning and infrastructure design of the development. The data will in fact influence the development of the township's natural characteristics with regard to its physical quality, the possibility of creating a lake to form part of the stormwater drainage system combined with greywater treatment and landscape design and how best to link up with the existing stream/ river systems.

Road Network Conditions

When a township is not developed in isolation, it is all the more essential to collect all the data on existing road network conditions of the entire region in which the development project is located. Apart from local roads, very often expressway and toll-highways are also on the government's drawing boards. Thus, it is vital to seek the cooperation of those departments involved to obtain the data. This will allow the *development team* to work closely with these departments at the planning stage so that the developer stands a good chance of having the expressways and toll-highways' interchanges

strategically located for better ingress and egress for the new township being planned.

Current Macro and Micro Marketing Environment Conditions

At this stage the consultant team must bring in the developer's team and together gear themselves into an effective *development team* to tackle the macro and micro marketing environment conditions.

The Macro Environment

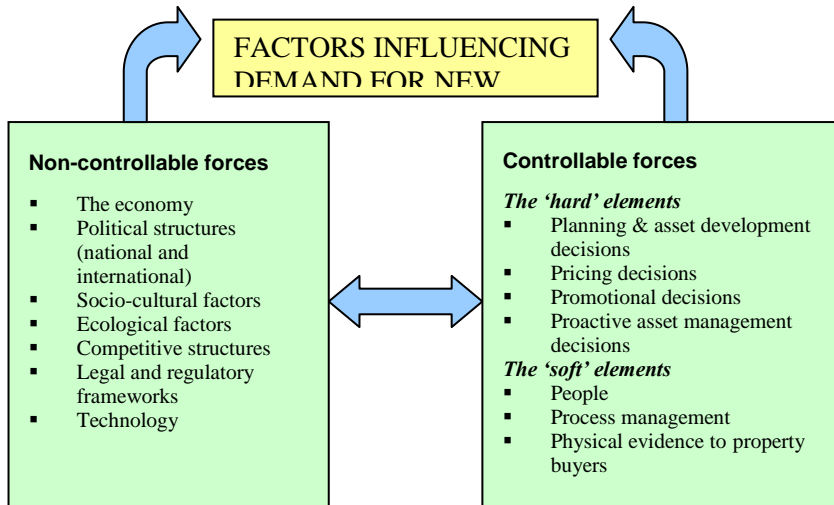
The *Macro Environment* involves a broad set of forces that will affect a developer's acquisition of new assets under a development project. It includes demographic, political, economic, social, cultural, ecological, legal and regulatory, indirect competitors and technological factors. Although these are generally considered as non-controllable, given a developer company's management versatility and capability, some control can be exerted over some of these elements in the medium to long term. However, regarding the social and cultural elements, indirect competitors, technological and ecological factors and to a certain degree the economic element, the multi-disciplinary consultant team should include their own studies and working experiences within the industry on these forces in their formulation of the planning strategy for a development project, as part of the Total Asset Management approach.

The Micro Environment

The *Micro Environment* consists of forces that are much closer to a developer company, the effects of which are felt almost immediately, and therefore are considered to be controllable in practice. This set of forces includes sources of finance, developer's management and sale structures, building contractors and suppliers, direct competitors, the public and the property buyers. The consultant team plays the pivotal role in controlling the

performance of the building contractors and suppliers. Through the technology of *Holistic and Strategic Asset Management*, the consultant team can effectively assist in enhancing the developer's management and sale versatility in a strategic marketing approach. With the same technology, the consultants can also tackle the building contractors and suppliers, direct competitors, the public and the property-buyers factors.

The Development and Marketing Framework



All the above factors must be identified at this stage for tackling at the Planning Stage in order to strengthen a developer's competitive position and their social role and responsibility as marketers. From these factors, the Development and Marketing Framework is established as presented above.

It is assumed that the factors in the left-hand box, though labelled 'uncontrollable factors', will be "controlled" or "managed" to a certain extent by the corporate developer while certain assumed results will be incorporated in the *Planning* and its strategy formulation.

The right-hand box contains the vital elements of the marketing mix dimensions – or what are known as the 7-Ps of the marketing mix. At the outset, these are vital elements of an asset development, such as a new township development project. They also form the marketing strategy to be converted to a series of strategic and tactical moves. These moves are first incorporated in the Planning and Development Strategy Formulation, and subsequently during the stages of development implementation (construction), sale and post-sale asset administration and maintenance; these can continue to be used by the developer together with the consultants to satisfy the property buyers (the developer's valued customers).

Thus, at this Strategic Planning Preparatory Stage, the consultant team shall, within the framework set by the Revised Client's Brief, make adaptive decisions which should anticipate the development outcomes more efficiently and effectively than the developer's competitors. The consultant team shall endeavour to enhance the satisfaction of the developer's customers and society's well being through Strategic Planning and Asset Management.

The 7Ps of Marketing Mix

In formulating the Planning Strategies and the Development Planning, the consultant team shall incorporate their assessment of the 7Ps of the marketing mix under both the 'hard' and 'soft' elements. These are briefly introduced as follows:

Planning and Development Decisions

Essentially, these are product decisions, and in this case, they pertain to the new assets of a proposed township development. The consultant team shall take the following elements into their Planning and Development Strategies:

Asset attributes: Basically, these are planning and design attributes such as types, styles, qualities, etc., which are to be decided jointly between the consultants and the developer, that will help attain the Development Goal.]

Asset benefits: These are intrinsic values stemming from the performance of the new township's infrastructure and buildings and their overall image and which will contribute to the 'bundle of goodies' to satisfy the property-buyers (not sale gimmicks like a free air-conditioner and a refrigerator to every purchaser). After the Conceptual Masterplan has been accepted by the developer, both the developer and the consultants must work closely to ensure such an intrinsic quality develops.

The asset support services: These are provided over and above the asset itself. They will include the developer's pre-sale services, delivery, installation, and after-sales support.

As a township development is often projected to span a timeframe of 20 years or more, the consultant team shall also incorporate their experiences and expertise in *Asset Life Cycle Management* into the formulation of their Planning and Development Strategies. This is to ensure that assets implemented and sold at the early phases do not prematurely age and drop in value while later phases are being launched for sale.

Similarly, since the assets will be developed and delivered at progressive stages over a long span of time, valued product brand names are important as quality assurance of the assets. This should be incorporated in the Developer Company's Strategic Management Plan.

Pricing Decisions

With properly executed Planning and Development Strategies, it is desirable for a reputable developer to be a *price maker* rather than a *price taker*. In the period of economic recovery, it is even more important for a developer to control the prices charged and give a lead to be followed by others in the market. This will give strong competitive advantage to the developer as the industry moves towards a boom period in the economic cycle. The developer must work closely with their management teams and the project consultants with regard to the nature, structure and intensity of competition, the stages of various asset life cycles reached, the property buyers' response patterns and the cost structures.

Promotional Decisions

Even at this Preparatory Planning Stage, the consultant team must intelligently anticipate the developer's promotional strategy. As a result, the Planning and Development Strategies which evolve will be highly supportive of the developer's ultimate promotional activities. The consultant team will assume that the developer will accept the four principal dimensions of promotions mix as follows:

- Advertising.
- Personal selling.
- Publicity.
- Sales promotion.

Over and above the latest techniques of promotional strategy, it is imperative for the developer to focus on the new assets' societal benefits stemming from the Development Plan. The developer should work closely with the consultants in inculcating a culture to satisfy the needs of urban sustainability and the enhancement of the quality of life that a well-planned township can bring. Through such a process, the property buyers will eventually help to strengthen the developer's communication-related objective of :

- Improving the company and development image;
- Helping in repositioning;
- Raising levels of awareness; and
- Changing perceptions.

Proactive Asset Maintenance Decisions

Since large scale housing development projects, especially township developments, entail a long development and sale time-span, management and maintenance of infrastructure and built building assets becomes a set of very important post-sale services. The slightest negligence in this area of management can ruin the entire development project. Thus, the developer together with their Servicing Department must work closely with their project consultants with careful attention to:

- Collection and management of asset information.
- Financing of maintenance inventories.
- Public Relations.
- Ordering function.
- Professional maintenance execution and delivery.
- Risk sharing management and work execution control.
- Feedback system to improve designs and construction.

The 'Soft' Elements of the Marketing Mix

The next 3Ps are all directly related to a developer's own corporate performance and they are:

- People.
- Process management.
- Physical evidence.

The *people* dimension is concerned with the types and skills of a developer's management staff, their ability in getting all the tasks done efficiently and effectively. In particular, it involves the way they interact with the property buyers, their contractors and suppliers, and the Consultants. It is becoming obvious in the building industry that the project consultants must be retained for total professional services within the framework of *Holistic and Strategic Asset Management* of all assets. This is imperative if the developer is to attain real customer satisfaction.

The *process management* dimension is concerned with the ways in which property buyers are dealt with from initial Sales & Purchase Agreement signing right through to the sales follow-up and the post-sale services delivery. Without efficient and effective management a development project with a long time-span, which will inevitably encounter a few cycles of economic downturns, is doomed to failure.

The *physical evidence* dimension is concerned with the surroundings in which the other elements of the marketing mix are delivered and the sorts of messages and images they send to the potential property buyers.

Strategic Township Development Planning

The consultant team and the developer team must be fully aware of all the factors identified at the Preparatory Planning Stage within the marketing dimension and incorporate them in the formulation of the Strategic Planning in this next Stage of a township development project. The salient points are briefly presented here:

Impact of Current Economic Conditions and Market Pressures

Principally, the consultant team and the developer's team must jointly examine the current economic conditions, boom or recession, and the degree of over-supply in the various segments of the property market. For a township development with a long time-span, the *client/ consultant development team* must develop strategies for both the buyers' market and the sellers' market, as both are cyclical within a long development time-span. All these must be incorporated in the formulation of the Planning and Management Strategies.

The Challenge of being a *Quality of Life Enhancer* and a *Property Price Setter*

The *development team* must look closely at the quality of all adjoining developments implemented and under planning and to assess:

- Their quality of planning with regard to the natural environmental and physical asset development;

- Their social-value planning for neighbourhood development in relation to “quality of life” for all the inhabitants;
- Their “value-for-money” quality asset planning and development to various types of property investors, especially the home-owners; and
- Their quality of urban-core planning and development and whether it is attractive enough to become a broad-base catchment point to attract the business community from other areas and not just within the development project area.

Here, the *development team* must take cognisance of the marketing planning maxim that:

“Customers do not buy products, they buy the benefits that the product or service deliver.”

Thus, the Planning and Development Strategies call for creative vision and wise foresight to be inculcated into the developer’s development philosophy and strategies. Based on these, the consultants shall assist the developer to develop a sound and pragmatic Development Goal.

The Development Strategies

Although planning can never “guarantee” development success, an efficient and effective strategic planning process—which involves close dealing with a whole spectrum of environmental factors and the development players—should increase the chances of success. In this regard, the consultant teams’ strategic planning process should assist the developer to identify their development goals more explicitly, and also to identify and evaluate the anticipated courses of action that might lead to these goals being achieved.

In joining with the developer to work towards the Development Goal, it is imperative for the consultant team to define the strategies to be incorporated in the development’s holistic Planning Process. Paradoxically, an economic downturn or slowdown is often the ideal generator for creative thinking and innovative approaches to urban development. During boom times, corporate people including their supporting technical staff and external consultants

tend to be complacent, adopting the attitude “why bother to change when things are going well”. But in today’s global market and highly competitive business climate—and the building industry is no exception—change is the basic ingredient for business growth and sure-winner strategy against competitors. As Prof. C. K. Prahalad¹⁾, the renowned international corporate strategist and business guru, tells us: “in business portfolios, products and technologies have changed over the last 20, 30, 40 years. Change is inevitable to maintain continuity.” He emphasizes that “if continuity is of value in society, then change is a prerequisite—if you don’t change you die.” Thus change we must in planning a new urban development while preparing to catch the next property boom and the boom after that. And this “change” must be reflected in a string of innovative strategies as outlined in the following:

The Developer’s Customers—the Ultimate but Invisible Clients of the Consultants

Basically, a developer under shareholders’ pressure will habitually fall back on commercial decisions within a corporate policy in dealing with any major development project. Having convinced the developer to expand the consultant team to include sociologists, social psychologists, environmental engineers, socio-economists and other relevant experts and put them under a consultancy framework of Total Asset Management, the team must push further to emphasize the often neglected corporate policy on “*customer satisfaction*” in the development strategy for a township project.

In any housing development projects, let alone township developments, developers seldom include their corporate perceptions of *market* environment nor their *customers’ buying factors* in the “Client’s Brief”. Thus, in the new approach, the consultant team must derive their own factors on such issues to support their planning process. A township developer has two kinds of

¹⁾ Dr. C. K. Prahalad is the Professor of Corporate Strategy and International Business at the University of Michigan’s Graduate School of Business Administration.

customers: property investors and owner occupiers – the latter may be shop-owner-operators or factory-owner-operators or home-owners. The consultant team must draw up a list of customers' preferences with regard to the following:

Building Property Products: what kinds would give *value for money* to business entrepreneurs and homemakers including property speculators in such a locality?

New Homes: what kind of home, set in what kind of neighbourhood would support a desirable *quality of life*, thus making it better than other developments in the region?

Neighbourhood Environment: what kind would be considered user friendly and safe and as promoting cohesive community development, which in turn would create an optimal kind of civil society?

Transport Network: what kind of quality network would allow easy access to all amenities, using appropriate technologies that are environmentally safe, user-friendly, cost effective and not automobile dependent?

A Township: what is an appropriate type of infrastructure that would be cost-effective and operationally efficient as well as environmentally friendly and what kind of urban development would be socially, economically and environmentally sustainable?

Urban-Core Business District: what would be commercially viable and efficient for the business community and environmentally friendly to the consumers/ local inhabitants – young and old – who want the urban centre to be safe and friendly and who would enjoy visiting it repeatedly for shopping, professional services, amusement and civic activities.

Having developed the above list, the *client/ consultant development team* could then approach the local authority and the local government for consultation and support, especially showing how the developer could make the proposed development a *Model Township* that would satisfy the local government's policy on the UN's Local Agenda 21.

This then becomes the developer's *marketing strategy* which has evolved from a development strategy.

The Planning Criteria

Having collected all the relevant data and identified the development needs and the customers' (property purchasers') needs, these then must be incorporated in the establishment of the Planning Criteria in order that an effective Land-Use Plan for the New Township can be drawn up thereafter.

A Planning Criterion must be carefully drawn up on each of the following planning requirements, incorporating all the points of consideration on the natural conditions of the site and the environs, the local planning statutes, the government's Structure Plan and Local Infrastructure Plans and the consultant's findings with respect to socio-economic and environmental conditions that are vital to the enhancement of the project's development value:

- Site Development;
- Maximum Accessibility;
- Drainage and Water Supply;
- Neighbourhood and Quality of Life;
- Urban Core Business District and Environmental Quality;
- Industrial Park (if applicable) and Environmental Quality;
- Public Facilities and Amenities and Community Development.

This phase of the Asset Planning work is extremely important as it sets the guidelines on all design aspects for subsequent Land-Use Planning, Infrastructure and Building Designs and Cost Planning. However, the scope of this presentation does not allow the author to go into the details of *Criteria* planning.

Holistic and Strategic Asset Management Focusing on Strategic Marketing Approach

In order to ensure the attainment of a developer's desired *Development Goal* of maximum returns from investment, balanced with optimal societal benefits, the consultants must focus on Strategic Planning as outlined above.

However, conventional technology in the discipline of Planning, vis-à-vis Town-Planning *per se*, will not be adequate to achieve the desired results with respect to the Development Goal. A modern Township Development for the 21st Century that will satisfy social, economic and environmental demands requires a holistic multidisciplinary approach, which uses goal-oriented and problem-solving strategies across a wide spectrum of urban issues and societal well being.

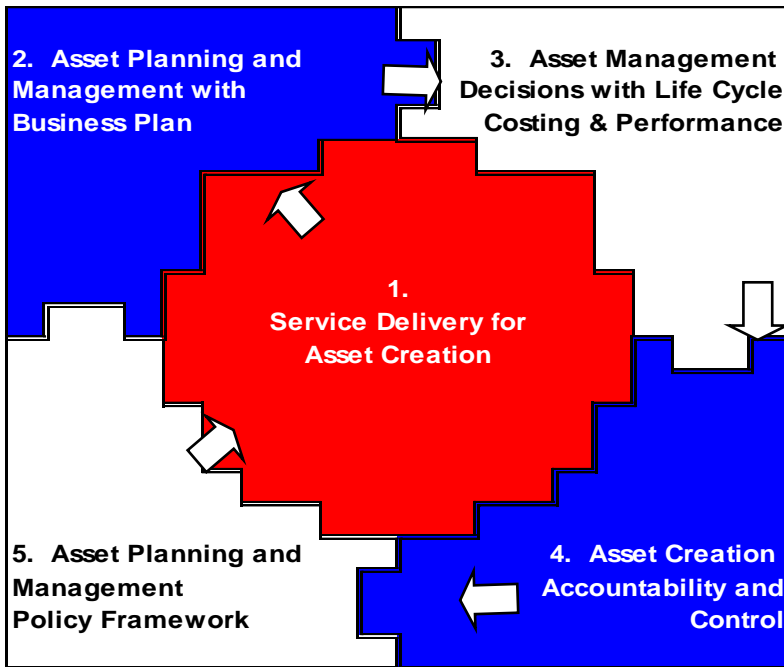
We therefore need "Total and Strategic Asset Management".

Briefly, Total and Strategic Asset Management (TSAM) is a new Planning and Management tool that has been accepted globally for Physical Asset Development. Because such a development has complex dimensions subject to changes under the principal Forces of Political, Economic, Social and Technological (PEST), total asset management within the PEST framework must be multidisciplinary, employing the combined skills and experiences of a large group of experts to solve and manage the inter-connected complex tasks involved in the long life-span of a township development.

There are five principles of Strategic Asset Management with Service Delivery for Asset Acquisition as the Key Principle. The five principles are listed as follows:

- Service Delivery for Asset Acquisition
- Asset Planning and Management with Business Plans
- Asset Management Decisions with Life Cycle Costing and performance
- Asset Creation Accountability and Control
- Asset Management Policy Framework

All five principles are interrelated and interact with each other as shown in the following diagram.



Principles of Asset Management for Township Development

Service Delivery for Asset Creation

The main objective and purpose of asset creation is for service delivery. In the private sector, although building assets are created for sale, property buyers, especially homemakers acquiring building assets, also demand efficient and effective service delivery. Thus, Strategic Asset Management is a planning and management system to ensure physical assets are created for service delivery.

Asset Planning and Management with Business Plan

In the case of a township development, Asset Management must be integrated with business plans, financial plans, marketing strategy, and information systems. All these must be synthesized to form a Development Goal to guide the development as well as the marketing process. There must be continuing feed back of performance in order to optimise the development process at any one stage or phase.

Asset Management with Life Cycle Costing and Performance

Township development can have as many as ten to twenty development phases or packages, each involving its own life cycle. In most cases, since it is realistic to assume a time-span of about twenty to twenty-five years, these development phases or packages can go through more than one economic (boom-recession) cycle. Thus, not only must life cycle costing be checked against projected profits as a continuing process of Asset Planning and Management, but life cycle performance must also be taken into account against risks. There must also be continuous revision in planning, design, implementation, control, sales, post-sale service delivery, and customer relations at all stages of sale and marketing.

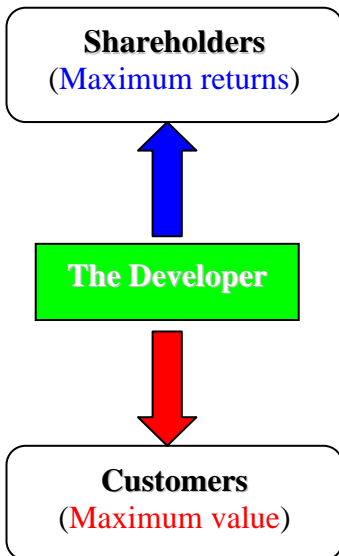
Asset Creation Accountability and Control

Township development on a commercial basis to satisfy all the stakeholders and the property buyers involves a complex network of working parties over a long span of time. All processes of asset planning and development as well as marketing, sale and post-sale service delivery must be efficiently and effectively controlled. Accountability and feedback requirements for control must be clearly determined and communicated to all parties to ensure control is effectively carried out throughout the development time-span.

Asset Planning and Management Policy Framework

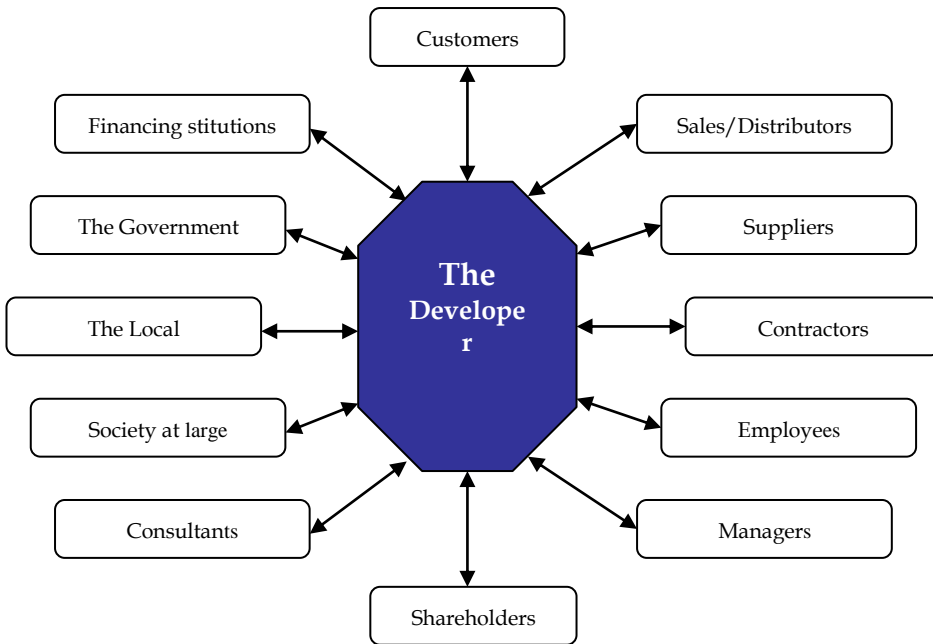
Asset Planning and Management for township development should be based on best practice in the industry. As they involve complex multi-disciplinary expertise, the developer must seek the best Asset Management technology available in establishing his policy framework. While integrating Strategic Asset Management with the latest technology in Marketing Strategy, the Developer must establish a series of checklists to ensure the entire development process throughout the time-span is adhering to the Development and Marketing Goals, making adjustments on all fronts as they proceed until the whole township is developed and the whole population settles in to be “happy ever after”.

Strategic Asset Management and the Role of the Developer



For any major township development, coordination, monitoring, administration, financial management, development management, sales management and after-sale-service delivery involve a complex management process. In this regard, developers should seriously consider making use of Strategic Asset Management systems tools to assist them in dealing with these procedures. In the private sector, large scale Asset Development requires the developer to strike a balance between two *opposing* forces, namely the company's *Shareholders* and the *Customers* (asset purchasers). The basic needs of these two major entities can be illustrated by the relational model as shown on the sidebar.

While profit is of fundamental importance, a dynamic developer will not focus exclusively on profitability as the company realises that the only way a developer makes a good profit is by satisfying its customers! However, in today's technology of Strategic Asset Management combined with Strategic Marketing, it goes even beyond the customers involving a larger perspective.



A Township Developer's Stakeholder Map

The Importance of Interaction with Stakeholders

The prudent developer also realises the need to adopt a strategic perspective to Asset Management with Strategic Marketing approach. Unlike a manufacturer which may use its own *in-house* R & D department, production plants, etc., a property developer must have *external* consultants, building contractors and suppliers to carry out planning, design, engineering,

property assets production and post-sale services delivery – these are professionally carried out by consultants, builders and suppliers. For large-scale township development, involving many phases/ packages over a long time-span, the developer must satisfy a host of “*stakeholders*” apart from shareholders and customers. The Diagram below illustrates the importance of all the stakeholders involved in a development project:

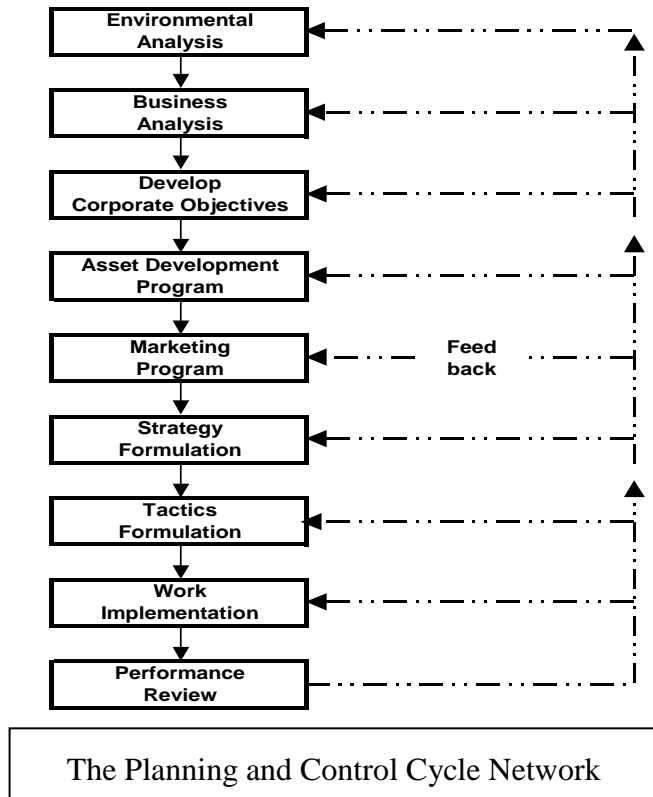
The degree of success or failure will depend on how well the developer inter-relates with all of these stakeholders. A developer may be able to operate its management process efficiently, however, it is only when a developer is able to interact with all the stakeholders effectively that its Asset Management and Strategic Marketing will perform effectively. This scenario becomes even more necessary in times of economic recession or when the level of competitive activity becomes intense. A developer adopting this kind of holistic perspective to carry out its strategic planning and management will stand to prosper in the building industry, especially when the company is dealing with a township development over a long time-span.

Strategic Planning and Management Systems must be Goal Driven

The Developer must work closely with the consultants to ensure all strategic planning and management systems are *goal-driven*. The marketing planning process must be guided by objectives. Unless this is done effectively, the organisational structure and operation will lack focus and cohesion. Thus, it is imperative for the developer to ensure his planning and management is established to achieve specific purposes, including:

- Co-ordinating resources and directing them to the attainment of goals.
- Directing all management tasks and performance auditing to maintain control.
- Checking all environmental forces against the achievement of Development Goals.
- Establishing Contingency Plans for unexpected problems.

Thus, a “retainer” relationship with the consultant team should be established to assist the developer in the Planning and Control Cycle, which is shown in the following framework:



SWOT Analysis

It is important for the developer to define clearly the areas and issues to be evaluated by SWOT Analysis. Care must be taken to assess the Development Process's strengths and weaknesses as perceived by the developer's customers and competitors. It is equally important to view strengths and weaknesses in relative terms and not as "absolutes". They must be checked against the developer's resources, corporate culture, expectations of its stakeholders, and the strategies the company has adopted. Results of SWOT Analysis can change when surrounding factors have changed throughout the development time-span. When this happens, all the planning and management strategies must also be changed. Thus, it is vitally important for the developer to work closely with the customers and stakeholders. Additionally, the developer must develop a relationship marketing strategy focusing on customer-retention and building customer loyalty. This is imperative when dealing with township development over a long time-span.

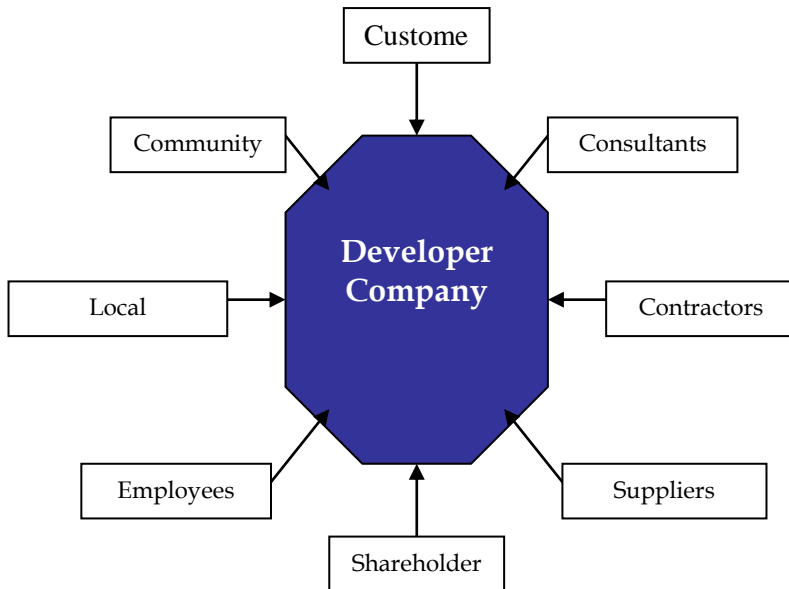
Promotional Strategy

In township development, the developer must consider his promotional strategy in relation to the *Development Goal*. He must extend beyond the normal promotional activities of advertising, personal selling, publicity and sales promotion to include public awareness programs about societal benefits in environmental quality and social quality in relation to the enhancement of the "quality of life".

Holding a public forum is an effective way to use the consultants to inform potential property buyers and the general public about planning and management technologies, and how Asset Management creates *urban sustainability* and enhances the *quality of life*. Such a "soft selling" program can go a long way in winning community support. However, the developer must take the lead, as it is difficult for the consultants to reach out directly to the public, in spite of good professional intentions.

Measures of Success as a Tomorrow's Developer Company

A developer must never fall into the trap of using the wrong measures of success based on self-assessment, especially in the case of township development. It is now accepted that to be *Tomorrow's Developer Company*, success can only be reached and sustained by meeting the criteria of the basic stakeholder groups:



In the case of a Township Project developed over a long time-span, the success of its initial phases does not predict total success from the development. Stringent assessment and adjustment must be continuously applied and barriers to change must be identified and overcome until the whole settlement of the targeted population has been properly established as a viable society. Perhaps we should note the warning of the Royal Society for

the Encouragement of Arts, Manufacture and Commerce to UK companies of the four basic barriers to change:

- Continuing adversarial approach to supplier relationship. (In the case of township development, this should include the Contractors and the Consultants.)
- Complacency and ignorance of world standards
70% thought they were achieved.
Actually only 2.3% were world class.
- Over-reliance on financial measures.
- Misunderstanding of company directors' duties. (This should apply also to the supporting firms of Contractors, Suppliers and Consultants.)

Drawing Up The Master Concept Plan Proposal

Using the above findings and a framework of Holistic Asset Management with Marketing Strategy, the Total Asset Management Strategists' consulting team, including the Planners, Architects, Civil and Structural Engineers, Cost Planners, Environmental Engineers and other Urban Designers, can now proceed to the physical planning and design phase.

From preliminary planning and design studies to the preparation of the final Master Concept Plan, the plans must be evaluated by the whole *client/consultant development team* to revise the planning with checks and balances. As the preliminary land-use plan and infrastructure master plans are evolved and checked against cost planning, these plans must be checked with all the stakeholders with 2 to 3 consultative meetings before moving into final planning.

The *development team* must include the full consultant team, which apart from the normal physical planning and urban designers must also include economists, sociologists, community development experts, transport and road network experts, marketing strategists and others to suit the type of township project. In addition, the *development team* must also involve the developer's

management team which must include heads of development management, finance, sales and marketing, operation, maintenance services, etc. in order to be able to do the checks and balances with the full consultant team.

As the Final Master Concept Plan is evolving, based on the land-use plan and the infrastructure concept plans derived, the cost planners must establish a comprehensive Financial Plan indicating the estimated costs and projected profit. As the Concept Plan is being revised by the *development team*, the cost planners must revise the financial plans accordingly for counter-checking by the *development team*. In the process, the team must also decide on the Development Phasing Programme based on past performance of the building industry in the country, in particular the region where the project is located. Finally, the *development team* must adjust this programme in accordance with the current socio-economic and political factors and their projections to cover the development time frame of the project.

In this phase of the planning work, it is vitally important to carry out cost inflation/ pricing adjustments to the Financial Plan to suit the market conditions. In the case of Malaysia, during the last three decades the building industry experienced two distinct “boom and recession” cycles. It was observed in this *case study* that the average combined cost inflation and property price increase effects amounted to an overall inflation rate of 30%. This inflation effect also applied to land sales. Thus, as a development is being implemented in phases, cost and pricing must be regularly adjusted to the market conditions. If a development project can maintain its status by offering assets which are value for money and the kind of social benefits that the property buyers can enjoy, there is no reason why the developer cannot become a leader in pricing within the industry.

Once a Conceptual Master Plan has been approved by the developer, a Development Framework should be formulated to guide the financial analysis process to support the Strategic Development Planning and following Management and Marketing. At this stage, risks analysis and financial testing could then be carried out regularly through out the development phases to check the financial and business management of the development.

Conclusion

In the case of Malaysia, such a holistic approach works well within the *Malaysia Incorporated Concept* that has been put into high gear by the Prime Minister. It also fits in well with the *Partnership in Development Programme* promoted by UNDP in recent years as it involves all the basic stakeholders of the project:

- Shareholders
- Customers
- Community
- Local government
- Developer's employees
- Multidisciplinary team of Consultants
- Contractors
- Suppliers

In addition, such an approach is set to become a model development to meet, not only the requirements of "Local Agenda 21", but also The Urban Good-Governance Initiative (TUGI) currently being actively implemented across the Asia and Pacific Region. Its Strategic Planning and Development Processes is in line with fundamental and total quality management requirements of ISO 9000 and it could propel the developer of this project into a leading position in the local building industry, subsequently allowing the developer to quantum-leap into an international player.

Finally, with the introduction of this holistic development planning process, it is envisioned that a quality of life enhancement through township service delivery with total asset management bias will emerge to lead the industry into the 21st Century in this EAROPH region.