

Executive Summary

The purpose of this case study was to explore how change in leadership, their management styles and restructuring decisions supported by robust business planning, budgeting and growth strategies that are implemented through revamped information technology and innovative sales and marketing initiatives have resulted in a turnaround and rapid growth of Dubai Properties Group (“DPG”).

DPG continued to expand its business with double digit growth during the property bubble in Dubai until it underwent significant liquidity issues and challenges resulting from the financial down turn that significantly impacted the real estate market in Dubai towards end of year 2008. Real estate market rebound in 2010 showing positive momentum. DPG was unable to take advantage due to continued focus on legacy liability settlements and significant liquidity issues. During 2012, DPG appointed McKinsey, a leading consultant to evaluate the operating model and provide recommendations to overcome this situation. Based on the recommendations, DPG management decided on restructuring the Company to a decentralized model and delegate the authority by creating focused verticals namely Dubai Properties Development (Build to Sell Business), Dubai Properties Asset Management (Build to Lease Business) and Ejadah Asset Management (integrated Facilities Management and Man Guarding). New structure implemented with effect from January 2013, was the DPG’s turning point towards regaining its growth prospects.

The leadership has played a significant role in leading the business during the recession phase and subsequent growth phase of its life. During the downturn and in survival, leaders have followed an autocratic management style in order to set the tone and focus on reducing liabilities, managing liquidity and survive in the business. When the market opens up and shown growth potentials (post restructuring), leadership has been changed and vertical CEOs have been appointed and they have followed a participative leadership style. Importantly, people-centered management style followed by these leaders were the key drivers in achieving year on year growth, post restructuring the Company.

Restructuring and change in leadership have resulted in more structured and focused business model at DPG. A key change in the business model is the introduction of a robust business planning and budgeting process and growth target setting framework that has aided the Company to understand the market, identify market gaps and translate them into opportunities. Performance management at the entity level as well as at employee level has

been instrumental in achieving the set targets. Balanced Scorecard has been used by DPG to set, measure and monitor multi-dimensional organizational level objectives/targets for DPG and its verticals while structured Performance Management Systems (PMS) have been used by DPG to set and employee objectives, measure results, take corrective actions in timely manner and incentivize the employees through performance based merits.

Growth phase of DPG has taken a different path with the revolution caused by Information Technology initiatives with the appointment of new Chief Information Officer (CIO). IT automation initiatives have been initiated in DPG based on a detailed gap analysis carried out in 2014 with a primary focus on how to enhance the customers' experience through process enhancements and application of advanced technology to satisfy customers and gain competitive advantage against competitors. Accordingly, DPG Board approved 3 year IT Project Implementation Road Map and project implemented beginning 2015 with numerous automation initiatives including digital marketing, customer portals, Big Data analysis and automation of leads conversion processes that are the emerging market trends that have aided DPG to gain an edge against its competitors.

Sales and marketing strategies of DPG have been successfully blended with IT initiatives and enhanced DPG's growth strategies to turn their business around and to capitalize growth potentials. The case illustrated that DPG segmented its customers and assign each verticals to target and serve such segmented customers with unique value proposition. This way verticals are more closure to the customers, understand customer needs and deliver best solutions that satisfy their demand. Once, market is segmented, DPG defined the marketing mix for each segment in the market at vertical level and focused on optimizing the product offerings and implemented the most appropriate marketing strategies. With the aid of IT, DPG has made a significant progress in moving towards digital media initiatives and continued to keep a balance with the conventional marketing strategies, having understood the level of market maturity, which still demand some conventional approaches.

The rebound of the real estate market in Dubai creating the momentum and demand post financial crisis and positive sentiment created with EXPO 2020 announcement supported in boosting up the real estate market. Together with these, continuous government spending on infrastructure around the city, smart initiatives, enhancing tourism sector, supported the sustainability of the growth of DPG. With these positive momentums, DPG continues its journey in delivering "exceptional life style experiences for the future".