

**Publication Date: January 16, 2018**  
**YSP Podcast Transcript: Episode 095. David Hampton on how we build smarter communities**

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**Amanda Farmer:** Hi everyone, you're hearing from me straight up this week for 2 reasons: first of all, an apology for the quality of my mic in this episode. It's a little bit echoey, had some system issues at my end. It's absolutely audible it is just not at my usual standard. David Hampton sounds great and whatever that issue was, has certainly been resolved at my end now.

Secondly, you may not have caught the news that this year I will be hosting a YSP live event, the first of its kind. I've mentioned it in the very first episode of this year. Episode 093 which was released a couple of weeks ago and I've encouraged listeners to pre-register for the event. Details are yet to be finalised and announced but it will be around about April 2018 in the Sydney CBD area. An evening seminar style event with myself and some very special guest.

Now, if you want to be the first to know the further details and have access to tickets as soon as they go on sale and before they sell out, head over to [www.yourstrataproperty.com.au/live](http://www.yourstrataproperty.com.au/live) and you can pre-register for that event there. Many of you already have thank you very much and you also have an opportunity once you've registered you will get an email from me which encourages you to let me know what topic or topics you would like covered on the night. What burning questions you'd like me and our special guest to answer for you. So definitely take that opportunity to pre-register for the event [www.yourstrataproperty.com.au/live](http://www.yourstrataproperty.com.au/live).

Now onto my interview with David Hampton.

**Intro:** Welcome to Your Strata Property. The podcast for property owners looking for reliable, accurate, and bite-sized information from an experienced and authoritative source. To access previous episodes and useful strata tips, go to [www.yourstrataproperty.com.au](http://www.yourstrataproperty.com.au).

**Amanda Farmer:** Hello and welcome. I'm Amanda Farmer and this is Your Strata Property. With over 30 years experience in this services' sector, across 5 countries, David Hampton joined Smarter Communities formally Vesture in 2015 after leaving his CEO position at leading strata specialist insurer at CHU.

David has previously held roles from CEC, COO, General Manager to Country Head at several global blue chip companies, where he earned a solid reputation for successfully driving growth and profitability. He believes in harnessing the potential of people, growing capabilities and providing opportunities for people to be their best. An integral component for a growing business striving for excellence.

David holds a Master of Economics and a Bachelor of Business from Macquarie University. Today I am delighted to welcome David Hampton from Smarter Communities. Welcome, David.

**David Hampton:** Thank you, Amanda. You make me sound very old and very clever, which I can vouch for the age, but I can't vouch for being clever. Like most people, I seem to have stumbled into strata by accident. I've been involved I suppose for about 5 or 6 years now in strata.

**Amanda Farmer:** Yes.

**David Hampton:** Love the people, love the industry, love the potential.

**Amanda Farmer:** Yes, good on you and definitely well qualified to be in this sector, helping those who most need it. Now I've mentioned there that, Vesture has evolved into Smarter Communities. I want to kick off our chat today by talking a little bit about that if you can. What was that switch about and what do you say that means for the strata communities that you're serving?

**David Hampton:** Yes. We looked at our branding across the country, and a simple little test. If you walk past our offices and you



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saw our branding, would you be enticed to actually tap on the door? Clearly, we look like lawyers, accountants and other bits and pieces, and I said if we had a shop in a Westfield shopping mall, how many customers do you think would get dropping by? The answer was pretty close to zero.

We also looked at the heritage or the background of strata. It really came out driven by the regulations, company secretary, financial control type aspects, and functions. That's the heritage, that's where we've come from, but if you project into the future, you look at what we do now. Fortunately or unfortunately, the range of issues that we have to deal with is ever increasing, and the depths, the knowledge that's expected of our people to serve customers is increasing.

We looked at that, we looked at our branding and other bits and pieces, and we thought, well, we needed some colour. Let's make it a bit sexy, a little bit, more about the people that live in the building. Like all strata managers, you'll hear them say it quite often, "Our life would be very easy if all we had to do is manage the bricks and mortar." The people aspect is obviously an important part of it.

You look around the world, administrates, the most urbanised country in the face of the planet, we've now got this densification occurring. We're really just catching up. When you go to New York, London you look at the apartments and yes, you try and find free-standing houses. We're very lucky and as I say to our staff quite often, "How would you like to be working on a Ford or a holding plant in Australia?"

It is pretty depressing working for an industry that is not growing, that's not being challenged. We're being challenged every day. We're growing every day and as I said, the lengths and the breadth of knowledge that's required, We're on a smarter journey in our business. We think the industry needs to do this as well, and as I said to my colleagues in the industry and people had said, "The problem with our industry, we have this much work to do and we have these many people." What's our industry response to that?

We know we need to bring in technology, we know we need to innovate and we just need to get smarter. In our business, anything we're doing now, we just apply very simple test. Is this smarter than the way we have been doing it? Easy to say, hard to do  
Amanda.

**Amanda Farmer:** Yes, I'm sure. Now, I was at an event for Rockend for their Stratus software, and they had a panel. We were discussing that very question of finding people, not just enough people, but the right people to do this very difficult job that is Strata management. You've got to wear many different hats. I liken it to being a project manager. You don't necessarily need to know how, you need to know who, you need to know when you need to know when you need help and the right people to reach out to.

How do you find these people? How do you attract these people to your business? How do you keep them in what is I think an increasingly competitive market? Where we see Strata managers moving from company to company, obviously being made some very attractive offers, they are in demand. How are you attracting them and to use your new brand? How are you being smart about that?

**David Hampton:** Look, it's an interesting question. As I said, the fundamental issue in Strata as it's practice now is the shortage of labour. The cost of labour, people is very high and it's an industry as we know, nobody rings up to have a chat to say thank you to you. It's a, sometimes I get emails from committee members, chair people and so on and so forth. Building a block on the Australian guy, you're open and you want to sort of respond this way. Then, of course, you realize we're dealing with customers here.

I mean, it's not an easy problem to solve and I think that one of the big issues or the immediate consequences of that labor shortages, customer service standards is just going through the floor. I mean people don't have enough knowledge. Look what we do in our business, we hold people and some of them have experience, some of them don't. We'll dump a thousand customers onto them or 2,000. We expect them to be able to swim immediately.

I personally think the way that the role of the Strata managers design, it's almost designed to fail. There's not enough



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specialisation. I mean one of the big issues we have in our business right now and everybody has it, is NBN. We've got 130 Strata managers across the country that know this much of NBN.

**Amanda Farmer:** Yes, a tiny bit.

**David Hampton:** Every day, we expect those people in the frontline to be able to service the information, knowledge requests of our customers. The reality is they can't. We're looking at things like, well, take them off the daily production line some of these things, give them to specialists, service providers, internal or external. Make sure there's connectivity using technology there. One of the things the industry doesn't have and for those of us that worked in other industries, there's no task management or workflow management in strata. The call platforms that we use, the systems, don't have workflow technology.

**Amanda Farmer:** What do you mean by that? What flow management?

**David Hampton:** Well, it's, I used to work in investment management life insurance. A piece of work comes in or a piece of business. It might be a new policy or an adjustment to an address or something. It gets assigned a task number.

**Amanda Farmer:** Right.

**David Hampton:** At any point in time along the production line, you can work at or how many things are packed here, how many things are packed here. As running an operation, you can get an idea of where the logjams are. In strata, our workflow tool pretty consistently across the industry is email.

**Amanda Farmer:** Yes.

**David Hampton:** 85% of our workflow comes through email. Now, I don't know how many emails you get a day, I seem to get about 100, 150. We've got some people that get more than that.

**Amanda Farmer:** Absolutely.

**David Hampton:** They're not necessarily equipped to know how to handle that. I mean some of them just hear the little ding and that's the most recent one, and that's what they'll attack. We don't have good workflow tools. We've got some tools that troll through our emails to understand what's happening and what's not happening, but they're a very blunt type of instruments.

Some of these basic things, we're looking at retooling our business to introduce basic workflow. That leads you to be able to automate and you get people to self-serve.

**Amanda Farmer:** Yes sure.

**David Hampton:** Everything that gets logged is given a task number, it sits somewhere until it's resolved. It sits somewhere in your systems in your tool, so some of these things are pretty important. I think specialisation. We probably have 2 or \$300 million dollars of building defects to any point in time across the country. We don't have a specialist team yet. We have people that, "Oh I'm working on this building here, it's a 6 million dollar claim," the legal fees and their 1.5 million and it finally gets sorted out and settled, but that's in New South Wales. There's someone in Victoria who's, has the same problem, but we don't necessarily get our people to get this.

**Amanda Farmer:** Yes.

**David Hampton:** I think specialisation is important, and if you get, if it's a seamless sort of pass-through of a task to a specialist service provider, then you can look more at the front end of your business to employ customer service people or as I said project managers. At the moment in my business, I think we're too much like call centre operators.



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Here's a problem, we're being reactive, what do we need to do? The industry, I hate to admit, doesn't cover itself in glory. Simple things like the management service agreements that we use and these are an SCA approved and so forth. I look at some of them, the pricing combinations and I'm not sure whether to laugh or cry. I have our people, in Victoria we use, the standard SCA agreements. It's got 4 pages of pricing algorithms.

Our business development people say everything goes swimmingly well when we sign up a new building until we give the committee the contracts. Then we get 20 million questions. As I said, as an industry, we've allowed these tools and we've used them to create a lot of uncertainty. There's a scarcity of knowledge anyway in our industry with our customers and even with our staff.

But we've got to solve that problem. We've got to get down to, I mean I just look at the journey the banks have been on and how clever Australian banks. They're not really banks anymore, they're just service propositions, but I do all my own processing with my online bank. I can do investment management foreign currency. I think I pay about \$100, \$150 a year fees, but the bank never has to do anything.

**Amanda Farmer:** No.

**David Hampton:** I think I only call the bank maybe once a year, but they're constantly upgrading the tool for me, and you know what, they've never had to give me any customer education. Their app is pretty intuitive and I can work it out myself. This is the path that we want to go in this.

**Amanda Farmer:** Yes. I think you're right that strata is growing up or at least is certainly time to grow up and to recognise that we do have this exponential change happening in our sector. We've got to think about how we work with that. I think you've hit the nail on the head when you come back to customer service, that's good customer service and good high touch personal relationships are things that I agree will never be outsourced.

The management of, as you say, the bricks and mortar and the day to day and the processing and all the things that we can liken to our banks, those things can be sent offshore. Can be outsourced, the owner is able to log their request for a trade, pay their levies online, check in on their status or their books records, all of that stuff. I believe strata managers, the role will change, but they won't be the managers of records and the managers of tasks but they will be the managers of people.

I think you're on the right track trying to focus on that with your team, to make them excellent, people excellent strata managers as people, because that's going to be the point of difference. That they'll be able to provide as the industry grows up.

**David Hampton:** Yes. Well, Amanda, you know the reality is, the market's been growing by 10% per annum for the last sort of 5 or 10 years. This is a trend that's not going to turn around and we know that once should build these large buildings. They don't get demolished because there's too many of them.

It's an issue that's here to stay. We've been scaring the world, looking for technology tools that help disparate groups and committees and things, make decisions.

One of the things that we came up with, which is a little bit tangential but in the Netherlands, they have an application that helps you do a divorce settlement.

**Amanda Farmer:** Yes.

**David Hampton:** Some of us have been through divorces. The financial settlements always the hard part. The courts in the Netherlands now say, "Before we'll issue you with the decrees of divorce annulment, marriage annulment, you have to demonstrate you've been through this app." I presume it's that interview thought thing, but we haven't found that magic tool yet. We haven't given up on it because we know, if we can get smarter decisions made quickly, they're fair and reasonable, they're



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transparent, we can then get on with the implementation of those things.

Get the service providers in, get the money paid, get lots of transparency there, self-serve, people can see what we're doing with their money. It gets down to the dynamics of how do we make decisions? You've got to provide better information, better quality, more timely information.

Once again, we don't cover ourselves in glory. Sometimes I see on the printers add, here are reports this think that are going into owners committees. I started off as a bin counter, I go through them, I get very confused and I say, "What's the message we're giving to these people? Why don't we produce dashboards, very simplified things that just focus on the exceptions?"

There's a lot of things that we're trying to do in our business, and I'm sure the industry is trying to do it. You've got some new software platforms that are in the process of being developed, and we're all sitting here waiting with bated breath for all these things to happen. I mean you made the point, what makes a smart community?

The first thing is, do people care? All right, and it's very old-fashioned and it gets back to trust. I'm the boy from the bush originally. I still go out to get things done in the country because I know the service providers. Here in Sydney, if I say, "Here's my car," or I take it to the local mechanic, I say, "Start at the front, start at the back," I could get a bill for \$5,000. If I do it in the country, it's probably a few hundred dollars.

**Amanda Farmer:** How do you as strata managers build that trust?

**David Hampton:** There's no silver bullet, but as I said, it's part of our journey. We need to provide more relevant information. Even self-service, letting people put things, numbers and things in themselves, that actually helps build trust, because people think, "Oh, I've put these numbers or this information and now there's some analysis that says I need to do this." That helps build that **trust**, because see we'll all have been involved in this whole thing. The machine's telling me, I need to do X, Y, Z.

In financial services, this was done many years ago. Get people to put their own numbers in, break the handle, like an investment.

**Amanda Farmer:** As long, I suppose as long as it works and it produces the results and it meets the expectation, then you're going to build trust, you're going to build loyalty. If you extend that to strata management, if the service that you're providing is solving a problem, regardless of the way it's provided, the platform that you provide it on. It's identified the problem, it's solving the problem and it's reliable, then you're going to be building that trust. Yes.

**David Hampton:** I think keeping the promise, that's the important thing. I think once again, I think we get about 6,000 emails a day in our absence.

**Amanda Farmer:** I'm sure.

**David Hampton:** We send out about 4,000, but it's interesting. Our customers expect us to **reply** on the same day or sometimes within 20 minutes. Now, when was the last time you contacted Telstra?

**Amanda Farmer:** I tried to avoid it.

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**David Hampton:** Yes. Well, it's either a very lengthy interaction or I found in the last maybe 12 overriding months, my best conversations with Telstra has been with a bot, like a robot. I actually didn't know it was a robot. I remember saying, "Oh gee, this is very helpful."

One of the things we don't do with our customers, they don't like this when you say, "Look, your email's important. Thank you for this. We will respond within 5 days." It drives them crazy, but if we actually deliver their promises, I mean if someone said to me, "This will be ready in 5 days," and you know what, they delivered on it, I'm not fussed about that. Where the promise is, "Yes, we'll get back to you straight away," and then after a couple days you're ringing back, you're ringing back, that's where we get frustrated.

In Australia, as we said the onset, the cost of people is very high. At 70%, 75% of our cost in our business and you know we don't do anything offshore. We do everything onshore and so on and so forth, but we've got to work out ways that we can work smarter. But it's interesting the way of the future is probably voice activated. I mean I've got a Google home in my home.

**Amanda Farmer:** Yes, cool.

**David Hampton:** We've got some Google homes here and little robots in the office that are walking around, listening to people.

**Amanda Farmer:** Nice.

**David Hampton:** We want to eventually I suppose, I mean Google's taking a big bit because at the moment people want to type and see something on the screen, the Google home and Amazon's got similar propositions. It's, we'll talk to a machine and then listen. At home with my Google home, I've linked it into my diary, so when I'm having breakfast I say, "Hey Google, tell me about my day."

**Amanda Farmer:** I like it

**David Hampton:** It says, "Well, you've got a meeting at 10 o'clock." I don't have a secretary anymore, I used to have a secretary always doing travel itineraries and inquiries. I sort of think that Google and these tools will end up. I mean I can book a flight with Google.

**Amanda Farmer:** Yes, sure.

**David Hampton:** I can book a restaurant, other bits and pieces. It could be the power of the voice in the ear. It might make a comeback, because might save our thumbs that type of thing.

**Amanda Farmer:** Yes, for sure. I mean I certainly, when I'm on the move and have maybe a coffee in one hand and a 4-year-old in the other, I'm certainly dictating to my phone wherever I can. It is a really powerful tool. I like to imagine how that might convert into our sector. Do we see general meetings, strata meetings that we've got a little Google bot that's sitting on the table and listening to the meeting and perhaps jumping in when it needs to, with answers, with advice and guidance?

**David Hampton:** Or they can be really smart Alex too, they're good people to have around trivia at nights at Google.

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**Amanda Farmer:** Okay.

**David Hampton:** You see, we looked at things like a couple years ago, how do we get service delivery into a building? Wouldn't be nice if you could put an iPad in the foyer and no one would steal it? Now in Australia, the problem is people steal things and we've actually seen industrial strength screens.

With the Google now, maybe you just put it in the ceiling, and people come down and say, "Look, I live in Apartment 35, a pipe's just burst. Can you please fix it?"

**Amanda Farmer:** Love it.

**David Hampton:** Those sort of things and I think the other thing too is as I said, we've got a lot of people in our industry working really hard. We've got a lot of people who don't work very hard, they delete emails and other bits and pieces. What I like about the industry, it's been seen as very boring and very laborious, but I think there's the challenge and there's the opportunity.

Now to hover into the next century, get customers doing things themselves, and the whole education and trust. We've done a lot of work on what's the ideal customer experience in strata? We always come back to, the best customer experience is when you never hear from your strata manager and you never hear from your customers, because things are humming away. This is what the banks have achieved with their apps and their platforms.

We don't complain to the banks anymore. I mean I can't remember the last time I was angry with the bank. I remember 15, 20 years ago, I think, "Oh they've made a mess with this." But now, if there's an error in sending money to someone's account, it's I made the error. Who am I going to get angry with? I think some of these things are quite clever.

**Amanda Farmer:** Yes for sure, and I think on that topic of trust and particularly of understanding what it is that you guys are doing as strata managers, I think the fact that, that you're here talking to me on this platform and all of our listeners are having that access to be able to understand who you are, when you're managing these large companies and what you experience every day. You're a real person. You get it. You understand the problems on the ground and maybe 5, 10, probably less years ago, they wouldn't have had that opportunity.

Just being able to listen to you and you tell it your way, I think is really valuable.

**David Hampton:** I mean the problem with technology is we can't really envision what it's going to do, but I just look around the strata landscape. There's so many more buildings, there's going to be so many defects. Even when the property bubble burst, I think it'll probably be led by strata, because of oversupply.

Things like, well, what's a waterproofing membrane? I mean all these other things and I said, our guys said, "Who's going to come through with a mop and bucket and fix all these stuff up?" We've got to position ourselves to do that. We've got to be seen as fix it people. We've got to be transparent. We've got to get specialisation in. I mean you're a lawyer.

When someone buys an apartment, they don't really know what they're buying, do they?

**Amanda Farmer:** No. Even when you tell them, they don't know.



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**David Hampton:** Well, it's funny. When you start talking about air space, they think you're some Dr. Who Nut or something. It's like the tortoise. I remember when I was at CHU, we had some businesses of other parts of the world, and we looked at writing a policy for South America. We looked at it and I said, "I wouldn't write any policies down there, because nobody knows who owns what," and it's a pretty simple test.

If that wall falls over, who fixes it? Now, we're very lucky we've got very clear definitions of common property and stuff. A lot of people don't understand it, but in South America the answer was, who here has the most money.

**Amanda Farmer:** Oh I'm sure, yes.

**David Hampton:** Nobody really could give me clear answers on who owns what. We collaborate, we've looked at businesses in the States, in China, in Germany. I mean everybody's got the same sort of issues, how do you get communities to work together? How do you get them to make smart decisions? Trust always comes up, is when you ask someone overseas who's running a business, you say, "What's your number one issue?" Is trust, and that comes with money I think, that's part of ...

**Amanda Farmer:** Sure, yes. That you're managing their money, yes. Now we, unfortunately, are running out of time David. I'm really enjoying this very wide-ranging conversation with you, but I don't want to miss out on asking you the book question. What books have had the greatest impact on you and why?

**David Hampton:** Look, I still have nightmares about David Copperfield, because I didn't do the 6 essays over the school holiday. When I was a younger man, but I actually, I don't read all that much to be honest with you. For leisure, but things that I've read, I mean biographies. Particularly autobiographies of people who've just been pretty ordinary people, who've done extraordinary things.

As I said, I'm pretty boring in some ways like that, but I just admire people who have achieved so much despite the odds. We all know what it's like. Success has many fathers, failure has none type of thing. I can't, I've read Winston Churchill, some of the, these sort of things and other bits and pieces. I can't say any one thing stands out, but I like people who have achieved things despite the odds.

**Amanda Farmer:** Yes, they're fabulous stories to read, very motivating and to inspire us to reach those heights in our own lives as well. I think biographies are always a really good place to start.

**David Hampton:** Yes, absolutely.

**Amanda Farmer:** All right, now, how do our listeners find out more about you David? Anything you'd like to add before we wrap up?

**David Hampton:** No, I mean we think the space is exciting. Most of us at our business bounce of, I mean sometimes we make a mess of things, we get that. We've got a clear journey we've embarked on. We know we need to invest in it. If you want to find out more about us, Smarter Communities.com.au. I'm not sure whether my phone number's there, but I always, I'm a boy from the bush from a family of talkers.

**Amanda Farmer:** Really? I wouldn't have guessed.

**David Hampton:** I can talk the legs off an iron part.

**Amanda Farmer:** Well it's lovely to chat with you today, and I'm sure our listeners have enjoyed what you've had to offer. I'm sure we'll have you back, because getting stuck into these topics in each of these issues that we've talked about in a bit more depth. I'd really like to do, so I hope you'll have that opportunity for us down the track.



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**David Hampton:** No problem. Okay, thanks, Amanda.

**Amanda Farmer:** Thanks so much David.

**David Hampton:** Have a nice day.

**Amanda Farmer:** You too.

**David Hampton:** Bye, bye.

**Outro:** Thank you for listening to Your Strata Property, the podcast, which consistently delivers to property owners reliable and accurate information about their Strata property. You can access all the information below this episode by the show notes at [www.yourstrataproperty.com.au](http://www.yourstrataproperty.com.au). You can also ask questions in the comments section, which Amanda will answer in her upcoming episodes. How can Amanda help you today?

