Delicacy Management Research on Real Estate Project

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Abstract. After the high-speed development of over twenty years, the traditional extensive management model of real estate enterprises has already come to an end. The Chinese real estate market has also gradually turned from the incremental market into the present stock management. Delicacy management will be an important weapon for the real estate enterprises to save cost and promote profit in the future construction process, so as to promote their market competitiveness. This paper firstly introduces the basic condition of the delicacy management theory, states the application situation of delicacy management in the project management of real estate enterprises, and then analyzes the problems they might confront in the implementation process, and eventually puts forward the optimization strategy.

1. Overview of the delicacy management theory

As shown in the chart below, the traditional extensive management model of real estate enterprises has already come to an end after years of rapid development. At present, the development of the real estate market is full of competition. Delicacy management will be an important way to save cost and promote profit for the real estate enterprises in the future construction process. Delicacy management is a kind of regulated, systematic, digitized and informationalized management model. Delicacy management originated from Japan. It is a new management philosophy. It concentrates on having detailed labor division in the daily management work, so as to reduce cost and save expenditure. As a high-efficient and intensive management mean, delicacy management has the following characteristics: firstly, datamation and accuracy. Delicacy management enables the working links to be more accurate. With datamation and accuracy as the prerequisite, enterprise managers can make reasonable decisions, thus enabling decisions to be more scientific and operable; secondly, improve and perfect the management procedure. Delicacy management has to be permeated to every management detail, thus requiring continuous improvement of relevant procedures and activities; thirdly, emphasize on continuous improvement. Delicacy management can not win instant success. It requires long-term improvement and continuous progress. Figure 1 shows the value-added of Chinese real estate industry in some years. Table 1 shows the value-added and growth rate of Chinese real estate industry in some years.
2. The application situation of delicacy management in the project management of real estate enterprises

Delicacy management brings great benefits to the cost management of the enterprises. Meanwhile, it can optimize the working procedure in management, thus ensuring the quality of the real estate, reducing the cost of the real estate enterprises and increasing their profits in a certain degree. Therefore, the real estate enterprises in our country gradually employ delicacy model in project management. Delicacy management is mainly realized through the following aspects. As show in Figure 2, application ideas of delicacy management in the project management of real estate enterprises.

| Years | 2012 | 2013 | 2014 | 2015 |
|-------|------|------|------|------|
| Value-added | 3689 | 4089 | 4488 | 4662 |
| Growth rate | 9.8% | 9.7% | 6.8% | 6.6% |

2.1. Make clear the job responsibilities

The first thing is to build the organization chart of the enterprise. The organization chart will be established based on the practical condition of the enterprise. The organization chart can be divided meticulously and the personal authority management instruction book can be established as well according to the departments or projects. Afterwards, the responsibilities of different departments or projects will be defined, so as to have detailed descriptions to the responsibilities of various departments or projects, which will be summarized into the instruction manual of job responsibilities, thus avoiding various losses caused by unclear management responsibilities of departments in the future. In the end, the responsibilities of different departments will be subdivided to each position. Not only the job responsibility instruction manual is required, but also the regulations and guidelines of guiding the employees to perform their responsibilities should be established.
2.2. The establishment of enterprise development goals
Enterprises should have periodical targets and plans, analyze the completion conditions in the regulated time, find out factors affecting the target fulfillment and analyze the detailed reasons. Therefore, enterprises have to make clear the responsibility of each department, decompose periodical target into its lower departments and to each employee. Meanwhile, the feedback system from the bottom up will be established, through which, various departments will summarize upwards, so as to master the condition of target implementation. If the target implementation condition is way off target, the target plan will be regulated. Through this means, from enacting target by the superior management authorities to the target implementation of various departments and then feed back the implementation condition to the management level, the enterprise will be managed effectively in the end.

2.3. Reasonable appraisal system
A scientific, reasonable and just appraisal system has to be established to refine the engineering projects of the real estate enterprise. In the assessment process, there must be concrete performance assessment indexes. The leaders’ words are not always the truth. In this way, the fairness and justice can be guaranteed in the appraisal process. Meanwhile, the work activeness of the employees will be mobilized, thus forming a good working atmosphere in the enterprise.

3. Existing problems in the delicacy management of real estate projects

3.1. Not guaranteed construction quality of the contractor
The construction mode of most real estate projects in China is the main contract plus some subcontracts of strong professionalization. This mode requires to draw support from the construction party for its resource integration capability to improve the qualification level of the construction unit, so as to guarantee the construction quality. At present, when most enterprises get projects, they will subcontract to smaller construction units. This violates the relevant laws and regulations in China. Moreover, some construction units even have undesirable qualifications, so that the quality is hard to be guaranteed. As a result, the so-called “jerry-built” projects are caused, which exert profound influence to the real estate enterprises. Meanwhile, customers have no safety guarantee as well.

3.2. Improper resource allocation
Nowadays, real estate enterprises always have hundreds of projects, which are usually neck and neck. Single project is easy and simple to real estate enterprises. However, in order to save time and resource, in most conditions, several projects are launched at the same time. For instance, the project managements of some real estate enterprises are not strict in resource usage, thus causing a large amount of wastes. As a result, the costs and expenditures of the real estate projects are increased. Meanwhile, some projects have no resources to be used, thus affecting the construction progress of real estate enterprises. As a result, the real estate enterprises will have great losses. Therefore, the delicacy management mode puts forward higher requirement to the resource allocation by the project management in real estate enterprises.

3.3. Standardized construction is not realized
The real estate development usually covers a large area, and is usually constructed in the open air. No matter it is the building of several projects or the construction of one residence, its covered area is bigger than the production of other industrial products. This is also the reason that most of the buildings for real estate enterprises are in the open air. In this way, the construction is easily to be affected by many natural factors. For example, in rainy seasons or conditions with complicated underground conditions, the construction will become hard, so that the progress will be affected. Moreover, the development levels of different areas are diversified. The constructed buildings and enterprise management modes are not easy to be duplicated. Therefore, when real estate enterprises
are constructing engineering projects, it is hard for them to have flow production and large-scale duplication as the industrial products.

4. Strategies to improve the delicacy management of real estate projects

4.1. Strict quality management system
At present, the construction mode employed by most real estate projects is to combine main contract and subcontract. However, the qualifications of subcontractors usually cannot reach the standard, so that the real estate enterprises in China have high hidden dangers in quality. So, in order to promote the better implementation of the delicacy management mode of the projects of real estate enterprises, the bidding process should follow the regulations of relevant laws and rules strictly. Before construction, it is not only required to check the qualification certificates of real-estate enterprises and building companies, but also conduct strict advanced inspection and in-process supervision to subcontractors. Thus, customers will have confidence to the real estate enterprises, which is also conducive for the real estate enterprises to have better development in the future.

4.2. Deploy resources reasonably
In case the real estate enterprises have hundreds of projects, in order to avoid resource wastage, various real estate enterprises should set up scientific management process and structure, so that the resource deployment can be completed well in the condition of several projects, thus ensuring the real estate enterprises to have full utilization of the resources for their projects and avoiding the postponed construction progress. Furthermore, if the condition allows, government should encourage various real estate enterprises to cooperate mutually, share resources, change the previous cutthroat competition status and walk on a win-win development path.

4.3. Refined quality management
Refined quality control is the basic requirement on the engineering management of real estate enterprises. It is by no means to solve problems afterwards, instead, it refers to prevent problems in advance. When the real estate enterprises launch their projects, the project management organization system will be set in the first. To be specific, the main contractor manages the production of various subcontractors and coordinates the internal and external relationships uniformly. It is responsible for the real estate enterprise. The real estate enterprise is responsible for solving the technical and economic problems of various subcontractors, such as the design diagram, design change, project amount declaration, project fund payment and so on. The subcontracting enterprises carry out procedure quality check and acceptance to the supervising unit while the supervising unit report to the real estate enterprises. In the premise of complete system, various participation units, material and equipment suppliers should be supervised to work and supply products according to the regulations. The project department must conduct serious control to various segments which might affect project quality, thus defending desperately to eradicate the “jerry-built” projects.

In summary, the solution ideas to improve the delicacy management of real estate projects is shown in the chart below.

| the solution ideas to improve the delicacy management |
|-----------------------------------------------------|
| Strict quality management system                    |
| Deploy resources reasonably                         |
| Refined quality management                          |

5. Conclusion
Delicacy management is an advanced management model which must be employed by the real estate enterprises when they develop to the matured stage. It is mainly embodied in system construction,
enterprise process design and application. Moreover, the delicacy management mode of real estate enterprises should be people-oriented. The factor that the managers and subordinates have mutual influence should not be ignored for the system perfection. In a word, real estate enterprises will come across many problems in implementing the delicacy management. Measures should be taken to control and remedy the resistances which might be generated.

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