



Technology holds the key to strategic, competitive advantages

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Commercial real estate professionals have a tremendous advantage in technology. The benefits of the latest innovation in real estate management tools are inherent—and within reach of all employees of a real estate organization, from the CEO on down.

With a few years, property management software packages evolved from being tools of convenience into end-to-end, top-to-bottom solutions. They constitute the technology strategy portion of a strategic business plan whose principal elements include greater transparency, more efficient portfolio management, and a higher degree of risk mitigation. A growing number of real estate professionals are recognizing these advantages and embracing these technologies.

Transparency is on the market now. For example, dashboards can improve asset management by offering every real estate practitioner—from property and maintenance managers to top executives—an unprecedented degree of operational visibility. Ready access to real-time reporting, task notification and analytics (including drill-down to underlying data) is dashboards' real calling card. Dashboards tailored to roles give managers and users a real-time, dynamic view of daily tasks; this sheds light on issues that need immediate attention. The most notable of these dashboard views is the executive dashboard, a configurable tool for providing executives a personalized, instant view of portfolio analysis and such key performance indicators as budget, profit-and-loss, and space management. All this adds up to dramatically faster decision-making capability.

Similarly, the development of portals is beginning to catapult real estate owners and managers ahead of their competitors by uniting external stakeholders—prospects, tenants, investors, employees, prospective lessees, and service providers—with the operating information system via a common site. This step drives efficiency into every transaction involved in managing their business. Vendors, owners, tenants—each can have a dedicated portal that provides instant information and interaction with the central operating database, facilitating such benefits as dynamic marketing of available space, online applications and leasing, and online electronic transactions such as invoicing and rent payment. The level of service enabled by portals can provide one of the greatest competitive advantages when used to their fullest extent.

The most advanced software systems feature fully integrated solutions that consolidate portfolio, financial, lease, and other data into one database, giving all network users instant, secure, real-time access. Strategic advantages that such technologies give to real estate professionals include:

* Global portfolio management. Managing a global portfolio through a single, advanced system allows the integration of operating data with portfolio financials by automatically rolling up general ledger data and auto-generating portfolio transactions. Combined with handling multiple sets of accounting rules, VAT/tax rules, language translations, and currency conversions, this capability

allows consolidation of multinational portfolios for both operations and investment managers, while ideally generating greater confidence among investors.

* Risk mitigation. Running all elements of commercial real estate data in one integrated system gives executives visibility into a single source of real-time information while eliminating redundant data-entry and minimizing human error. Such integration also provides real-time management reporting with full drill-down capability—a key factor in risk mitigation. Furthermore, by centralizing and integrating operational data with portfolio financials, REITs and investment advisors can ensure the integrity of their investor reporting.

* Business intelligence. Placing operating and market data in one centralized database eliminates the need for static reporting and data warehousing. The result: accessibility to key performance indicators, portfolio analysis, and the ability to project portfolio scenarios are virtually instant. Factors such as market conditions, revenue and expense, rate-of-return, budget projections, valuation scenarios, and variables can be automated and adjusted by a few keystrokes and clicks of the mouse.

* Cost savings. Enhancing the bottom line is one of the principal motivators for embracing a technology strategy. As just one example, companies are finding they can save 20 to 80 percent on payables processing costs by adopting electronic transactions; approving and delivering thousands of pages' worth of document digitally online avoids the labor, materials costs and time associated with printing and mailing.

* Additional services. As mentioned above, advanced portal solutions permit dynamic exchanges of real-time information and transactions with stakeholders outside your company. Tenants can submit work orders, pay rent, and reconcile common-area charges. Work orders are submitted directly in your operating data, notifying maintenance employees, creating a purchase order, initiating e-procurement for replacement if inventory is down, and generating accounts receivable for bill-back to the tenant—all in an automated process. Likewise, vendors can submit invoices online, initiating the accounts payables approval and payment process right in your software system.

High-performance real estate technology providers are moving to capitalize on the possibilities presented by the current issues facing our industry. Commercial real estate leaders, eager for competitive discriminators and service enhancers, are gearing up to commit the investment costs to implement new technology as a key element of their success. The synergy between the real estate business and the technology supporting it continues to gather momentum in the wake of growth and globalization. The signals are clear: To compete in commercial real estate, you need technology on your side. Integrating the latest real estate applications into your strategic business plan and staying alert to new developments will pay big dividends in a highly competitive marketplace.

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