

# **INFORMATION DRIVEN ENTERPRISE**

JD Edwards EnterpriseOne Commercial Real Estate Management



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Provide real-time data access.  
Automate and streamline processes.

## **INFORMATION DRIVEN ENTERPRISE**

Leaders evaluate business processes first—then consider technology and software. They make deep process improvements to cut manual steps, redundant data entry, and multiple interfaces. They focus on competitive advantage and customer service. And they bring these business processes online in real time.

Building a real-time enterprise begins with digitization of business processes for consistent results based on best practices. You connect customers, suppliers, partners, and employees. You integrate across locations, functions, and departments. You break down silos of information to create a single system of record. And when people, processes, and data run in real time, you improve your bottom line.

## Integrating the Entire Real Estate Management Cycle

Managing a successful commercial real estate business depends on more than finding and keeping the right tenants. It requires the ability to meet current tenant needs and attract new ones, track costs, bill accurately, collect payments in a timely manner, and manage vendors. You also need to be able to assess new opportunities for growing your business while cost-effectively managing your existing investments. Designed to increase portfolio performance, Oracle's JD Edwards EnterpriseOne Real Estate Management software enables:

- Web-based collaboration with partners, tenants, employees, and vendors.
- A single point of data entry for all transactions.
- Real-time data access and reporting for your entire portfolio from a single database.
- Automated and streamlined processes.

With the JD Edwards EnterpriseOne Real Estate Management system, you receive a complete, integrated solution that can help you eliminate redundancies, increase back-office efficiency, and reduce operating costs. It is for this reason that some of the largest commercial real estate management companies in the world use Oracle's JD Edwards EnterpriseOne software.

To show the benefits, we've created a scenario featuring a fictional commercial real estate company—Atlantic Management. The story illustrates how this fictitious company uses Oracle's JD Edwards EnterpriseOne applications to manage all aspects of its day-to-day operations.

## The Commercial Real Estate Management Story

### Prospect and Lease Management

Atlantic Management, a large and growing commercial real estate company, has worked hard to deliver the same high level of service to its tenants as it did when it bought its first building 17 years ago. Today, with 95 buildings housing nearly 1,600 tenants, the company is focused on managing properties that attract profitable, long-term tenants. It has achieved this goal in part by building its portfolio around well-maintained class A buildings and taking care to upgrade any new acquisitions to fit this profile.

Recently, Atlantic Management acquired a new building, its fourth located in the Dallas area. Mark Jefferson, Atlantic Management's local leasing agent, has been working hard, signing up new tenants.

The company has advertised the space availability in several local business publications and web listing sites. Mark has already been contacted by a number of brokers interested in the space for their clients. For each call that Mark gets, he starts a new prospect file in Oracle's JD Edwards EnterpriseOne Sales system. Once he enters the pertinent information, the software works with him, first prompting him to qualify his prospect with a credit check and continuing to prompt him through each step of the sales cycle.

As a prospect moves further through the sales process, there is a greater possibility of that prospect becoming a new tenant. The system calculates the probability of a sale closing at each step of the sales cycle and provides this information to the leasing agents and their managers. This information allows management to measure the performance of individual leasing agents as well as project future cash flows.

As his managers can see, Mark is doing a good job. In fact, earlier this month, one of his prospects, Ribauld Computing, informed him of its decision to lease the entire 23rd floor of the Dallas building for its new offices. The details of the lease have already been hammered out, and today he meets with Ribauld Computing to get the company's final signoff on the paperwork.

### **Buildout**

While Mark is working on leasing space, construction is in progress for the Dallas building. When Atlantic Management bought the building, it did so knowing that it would need to be renovated. The building was a good buy because of its price and location, but as a class B property, it needed to be upgraded to meet the company's high standards. Construction has just begun.

Project Manager Kevin Roth uses the JD Edwards EnterpriseOne software to track construction progress, schedule work, create requests for vendor bids, and ensure subcontractor payment, all from his desktop. He can also access the project blueprints and details electronically. With web access, Kevin is able to update the project plan anytime and from any place. And, by using the wireless capabilities, Kevin and members of his crew can conveniently update the project plans, even while at the project site.

Visibility into project costs—no matter how they are incurred—is important to Atlantic Management. Costs are easy to keep on top of with integrated software.

As invoices are received from vendors for the Dallas project and entered into the system, they are automatically allocated to the right building. The same process is followed for work done by employees. As they spend time on the Dallas buildout, they track their hours through the web-based self-service application. Once entered, these hours are automatically translated into cost information that is also booked to the Dallas project. The hours entered are later used for cutting payroll checks, while invoices received from vendors prompt payment. Atlantic Management is able to track costs and pay its bills, all from the same information.

## **Billing**

With Ribauld Computing moving into the Dallas building, Atlantic Management needs to make sure that the new tenant is added to the rent roll and billed each month for all its incurred costs. With an integrated solution in place, much of this process is now automated. The system easily handles recurring charges and common area maintenance (CAM) expense reimbursement. It also automatically adjusts lease information whenever a tenant renews, using built-in consumer price index calculations. More accurate bills make it easier for tenants like Ribauld Computing to reconcile and pay Atlantic Management, speeding invoice payment and improving Atlantic Management's cash flow.

The first step in billing is to abstract the lease information. Because Ribauld Computing was entered into Atlantic Management's system when it was a prospect, there is no need to create a new file. Instead, Mary Soblanski, the lease administrator, keys the abstracted data into the lease master. Once recorded, this information will be used by the system to calculate payments and to invoice Ribauld Computing each month.

Atlantic Management's billing department processes tenant billings at the end of each month, with invoices arriving in tenant mailboxes soon thereafter. Normally, these invoices are automatically set up to bill the tenant for the following month's rent, but because Ribauld Computing did not sign its lease until the 17th, this default won't work. Tenants are only responsible for paying for the number of days since they signed the lease. But rather than calculating the prorated invoice manually, the billing department lets the JD Edwards EnterpriseOne system do the work. Taking into consideration the lease commencement date, the software automatically prorates that month's rent and invoices Ribauld Computing only for that portion of the month. The billing department isn't the only one that benefits from this solution. Atlantic Management's tenants have also responded favorably. By using the web-based functionality, tenants can now access their accounts online. There, they can view their account history and receive electronic copies of current and past billing statements. Tenants like this feature because they can easily and immediately have their account-related questions answered without having to call Atlantic Management for help. The company benefits as well, having experienced a 10 percent drop in billing-related questions since offering the service.

## **Financial Administration**

Meanwhile, the accounts payable department is steadily receiving invoices from all its vendors for the new Dallas building. As the invoices arrive, they are quickly entered into Oracle's JD Edwards EnterpriseOne Accounts Payable for the first and last time. Once entered, this information can be used for a multitude of business processes without having to be reentered.

With Oracle's JD Edwards EnterpriseOne applications, you get adaptable enterprise software that integrates the right mix of features and functions for your business and industry.

For example, Tammy Dupres, the accounts payable clerk, has just received an invoice from Landscaping Unlimited, the landscaping service for all Atlantic Management's Dallas buildings. When Tammy enters the invoice, the system automatically reconciles it with the approved purchase order for Landscaping Unlimited. At this step, Tammy is able to see whether there is a discrepancy between the invoice and the purchase order. Once approved through the workflow process, a check is automatically generated in time to meet the vendor's 30-day payment requirement. This feature prevents Atlantic Management from incurring any fees for late payments. And, because some of her vendors offer favorable terms for early payment, Tammy has set up her system to cut checks to them sooner. All vendor payment rules are defined to maximize cash flow.

Besides triggering payment processes, invoices such as those from the landscaping company are also allocated to each of the company's Dallas buildings. By doing this, Atlantic Management can track costs individually and treat each building as an individual cost center. And because these types of costs are often recovered through the tenants as part of their CAM fees, the company also employs the system's integrated capabilities to ensure full payment. By using the already-entered cost information, along with individual tenant CAM calculations, the system automatically invoices tenants for such costs during its normal rent-roll processing. Thus, the data entered once in the system can be used numerous times, allowing Atlantic Management to maximize its revenue stream while minimizing its back-office operating costs.

### Field Service

As Atlantic Management has grown, so too has its volume of service requests. Last year alone, the company received nearly 23,000 requests from tenants for help with everything from burnt-out light bulbs to faulty air conditioning units. With so many requests coming from so many customers, Atlantic Management relies extensively on the JD Edwards EnterpriseOne system for support of the entire service process.

The process starts with the request from the tenant. The company uses a small call center to handle incoming requests, but since implementing its web-based self-service application, it has reduced the number of service calls by more than 40 percent. Many tenants, it seems, prefer entering their service requests online.

Once the request is made—either entered online by the tenant or by an Atlantic Management phone representative—the information flows to the service management system. Each service request made enters a planning queue and is checked by a planner for level of urgency. The system also checks to see whether the request is billable to the tenant. If it is, cost information is sent to the accounts receivable system for billing once the service is completed.

Director of Facilities Dawn Engles has estimated that since implementing the JD Edwards EnterpriseOne system, the company has saved nearly 12 percent of its annual maintenance budget through increased efficiencies and improved billing practices for service calls. She also likes how the system handles preventative maintenance.

With 95 buildings in Atlantic Management's portfolio and more added each year, Dawn knows how important it is for the company to maintain each building to maximize property longevity, attract new tenants, and keep existing tenants. By using the preventative maintenance functionality, this process has become completely automated. The system tracks established maintenance schedules, reminds facility engineers of federal or local compliance inspections, and triggers service calls for the replacement and refurbishment of facility property. This property includes decorative items such as carpets and common area furnishings, as well as mission-critical items such as chillers or HVAC equipment. All of these tasks are done automatically, allowing Dawn's team to keep Atlantic Management's buildings in tip-top shape.

Optimized for real estate management companies, Oracle's JD Edwards EnterpriseOne Real Estate Analytics offers Atlantic Management the ideal way to stay on top of portfolio performance. Each corporate employee has access to the analytics software via a portal on his or her desktop. For many employees, it's their most important application. It allows them to monitor areas that are of most concern to them by using key performance indicators (KPIs). The KPIs are easy to set up and are automatically linked to centrally located data stores that provide real-time company information.

For Vice President of Sales Mike Renwick, the analytics software is his main avenue for tracking his sales team's performance. He has created a KPI that shows the leasing pipeline for each region. By clicking the indicator, he can drill down into reports that show sales data for each building and each leasing agent. His KPIs also use colors to show relative performance—green for excellent, yellow for average, and red for poor. This feature allows him to see at a glance potential problem areas that require quick action.

### **Forecasting and Budgeting**

For Atlantic Management, as with most other real estate management companies, budgeting is a long, arduous process that depends on accurate forecasts and up-to-date information. With the JD Edwards EnterpriseOne system now in place, this process has been greatly simplified. In the past, Atlantic Management relied on complex Microsoft Excel spreadsheets for its budgeting, into which it would have to import data or enter it manually. Now, actual, real-time property financials collected throughout the company's day-to-day operations flow into its forecasting and budgeting applications for easy use. Atlantic Management uses this data to forecast key factors such as operating expenses, occupancy rates, and sales. The company can also use the software to help make more informed assumptions about such factors as lease renewals, growth rates, and unit reabsorption, enabling more realistic forecasts. It can create multiple forecasts and save each one, along with its assumptions, for later reference.

Once the forecasts are finalized, budgeting begins. Integrated with the forecasting function, the budgeting application uses the information already in the system to help the budgeting team do their work. There is no need to reenter numbers or new assumptions. By using this software, budgeting is easier than ever before. And, when a final budget is approved, it is integrated with the general ledger for real-time comparison with actual expenses incurred. It can be updated as needed, or individual line items can be locked down to ensure data integrity.

With such complete data and tools at his team's disposal, Controller Stuart Singh knows his group is able to build accurate budgets and more precisely measure the value of each property in the company's portfolio.

By employing real estate rules already built into Oracle's JD Edwards EnterpriseOne forecasting application, Stuart's team uses actual property data to create forecasts of future cash flows to determine each building's net present value for current property valuation. Stuart is able to use this information both to help make divestiture recommendations and to attract new investors.

### **Maximizing Portfolio Value**

In the end, every successful real estate management company has many roles to play—savvy investor, responsible landlord, aggressive sales leader, cost-efficient accountant. Each role requires a supporting system that maximizes efficiencies while minimizing costs. These reasons are why successful companies like yours are turning to us for the help they need both now and in the years to come.

### **Integrated Software and Services**

With Oracle's JD Edwards EnterpriseOne Commercial Real Estate Management, you get adaptable enterprise software that integrates the right mix of features and functions for your business and industry. You benefit with knowledgeable implementation support from our full-service consulting and education organizations. And you receive superior integration to legacy or specialized point solutions, along with the ability to collaborate with your partners and customers.

### **Adaptable, Open Software Architecture**

We understand that enterprise software purchases are not undertaken lightly. Information technologies automate the processes that comprise the backbone of your business. As such, these technologies must align with your current strategic goals and adapt to your future requirements. That's why our software is built the way it is. Our unique architecture allows you to make the necessary adjustments as your business needs evolve.

### **Services that Add Value**

When you think of a software solution, more comes to mind than operating systems and databases. There are also the processes of training users, converting data, improving outdated processes, tailoring your environment for the best possible fit, and finding knowledgeable support.

We can offer you with a full range of services tailored to your specific business needs. Our Global Services team is here to help you:

- Implement your solution quickly and effectively.
- Get your employees up to speed with in-depth, job-specific training.
- Provide self-service and live support when you need it.
- Maintain and grow the value of your technology asset.

With our adaptable software and high-quality, flexible services, you can see shorter time to benefit and superior cost of ownership.

### **Long-Term Partnership**

You are challenged to implement and support software in the most cost-effective way. The solution is to find a partner who has the integrated software and services you need and will stick with you to ensure that your technology investment is an asset that grows in value over time.

We are that partner. We will work with you for mutual success over the long term. Our ultimate goal is to help make your business grow stronger.

Oracle is committed to ensuring customer success and satisfaction by building quality products and delivering cost-effective, results-oriented service and support based on the unique organizational needs of our customers.

## **Oracle Global Services Committed to Your Success**

Oracle Global Services for JD Edwards EnterpriseOne Global Services provides worldwide, best-in-class services to help customers get maximum value from their software.

### **Oracle Consulting for JD Edwards EnterpriseOne**

Oracle Consulting can help you implement, optimize, and upgrade Oracle's JD Edwards EnterpriseOne products to improve business performance. Consulting services accelerate time-to-value, maximize functionality, and reduce project timelines and costs. Implementations are tailored to specific business needs. Through a single-vendor relationship, customers gain deeper access to resources and get more value out of their software.

### **Oracle University**

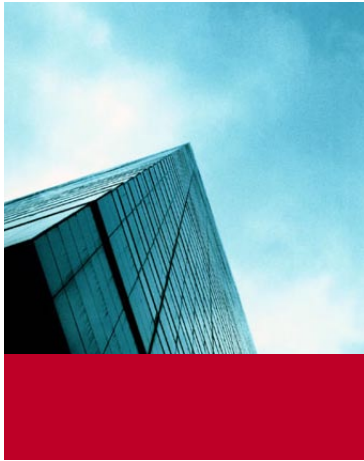
Executives, project managers, and end users benefit from role-based training that results in increased productivity, reduced risk, and lower support costs. Training delivered where, when, and how your organization needs it increases your overall return on investment. Products and services include project team training classes, end user training classes, the end-user training kit, and course development and delivery services.

### **PeopleSoft Hosting**

Hosting services provided by PeopleSoft Hosting let you focus on your core business while realizing a superior return on your investment. You get a complete solution that ensures single-vendor accountability and provides world-class service.

### **Oracle Support Services for JD Edwards EnterpriseOne**

Oracle Support Services never stop working to ensure that your issues are resolved and that you receive the greatest return on investment from your JD Edwards EnterpriseOne systems via the latest technologies, new product features, and industry best practices. You have access to the most comprehensive product and technical problem-solving expertise 24x7, with the real-time support you need for your real-time enterprise. Your business never stops moving forward. Neither do we.



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