GROWTHPOINT PROPERTIES

IDU takes reporting at Growthpoint Properties to the next level.

THE BUSINESS CHALLENGE

Growthpoint Properties has taken its financial and property management reporting to a higher level with the implementation and extended use of financial budgeting and reporting software idu-Concept, smoothing processes and equipping management with more time to manage portfolios.

In 2004 whilst still Investec Property Management the company sought a solution that would lift the standard of the report writing capabilities of the property management software it was using. The structure of the system's database was based on old architecture, making information difficult to access and slow to retrieve. Managers needed to produce faster, more professional-looking reports that were standardised, well referenced and consistently comprehensive.

ABOUT GROWTHPOINT

A leading retail, commercial and industrial property management and development company. Growthpoint owns and manages a diversified portfolio of 445 properties in South Africa, 57 properties in Australia through its 66.0% holding of Growthpoint Properties Australia (GOZ) and has a 50% interest in the properties of the V&A Waterfront, Cape Town.

Growthpoint also owns 60 properties in Poland and Romania, valued at EUR2.8billion, through its 29.8% stake in London Stock Exchange (AIM) – listed Globalworth Real Estate Investments (GWI). The groups combined property assets are valued at R126.2billion of which 30.3% by book value, are located offshore.

"At the time Growthpoint Property was not looking for a finance budgeting solution but a reporting mechanism for property management. The adaptability of idu-Concept to suit a range of specific requirements within industry sectors, combining web-based online enquiry functionality with an extensive range of custom developed reports, made it the perfect solution to fit the requirement," says James Smith, CIO of IDU.

GROWTHPOINT IMPLEMENTS IDU

The financial reporting module of idu-Concept was implemented at Growthpoint Properties in March 2005 and played a strategic role in a five-month overhaul of the company's reporting process.

"idu-Concept was rolled out as part of a new reporting process introduced at Growthpoint Properties to significantly improve the level and quality of reporting. The true power of the solution was only able to come to the fore in September, once we achieved buy-in from the users," says Alec Davis, Chief Information Officer of Growthpoint Properties.

"With so much change thrust upon the users simultaneously, there was reluctance to adapt. The change we required was twofold: we called for dramatic improvement in the quality and output of reporting and in the depth of understanding behind the data. It required much hard work to change the approach and perception of the users however the ease of use offered by the idu-Concept interface did facilitate this and, once we achieved their buy-in, idu-Concept was able to show its true power."

The solution has been adapted to work with a combination of conventional financial data like performance on a month/year to date and forecasts for the rest of the year as well as data relating specifically to property management, such as vacancies, lease expiries and renewals, states of progress of lease completions, debtor information and document tracking reports.

The system has now grown to 220 users. "idu-Concept has provided a single point of access for our users and has clearly improved the level of professionalism of our reports.

While previously our reports were inconsistent between regions, with different items in different fields, they are now fully standardised with one look and feel, which makes the transfer of data between reports far easier and more efficient.

"As a result month-end is considerably easier to manage. All the manual handling of data using clumsy time-consuming methods like cutting and pasting to extract information from Excel and adjust between incompatible formats has been eliminated," says Davis.

After the initial rollout had settled Growthpoint further enhanced the solution in at least two aspects to accommodate its future business plans. Davis says the initial reports designed will feature in the company's Portfolio Pack, a subset of a global fund that focuses specifically on commercial or industrial properties. The reports provide essential information required by property and portfolio managers on a daily basis. Phase 2 will see the Portfolio Pack being complemented by the Fund Pack, which will provide the same type of information but at a higher portfolio management level.

In addition idu-Concept's reporting role in the company was enhanced further with the Sectoral Approach. Davis explains that through the capabilities enabled by idu-Concept, Growthpoint Property was able to enhance analysis across the three sectors – commercial, industrial and retail – in which the company operates, to include details like vacancy analysis, lease expiry profiles and other data.

TENANT BUDGETING FROM IDU

A couple of years after the initial success Growthpoint embarked on a joint project with IDU to extend their budgeting down to a building and tenant level. This project involved some additional development work on behalf of IDU leveraging the powerful Revenue Modules of the Suite. These Modules catered for budgeting and reporting at a customer/product level. This was adapted to tenant/building level and a number of features added to cater for lease expiries and renewals, broker and collection commissions, tenant installation amortisations, spreading of costs such as electrical, security, common areas etc.

The resulting system has delivered an immensely powerful toolset which has lowered budget to a tenant level and provided an immense amount of insight to our business delivered to building managers and aggregated to portfolio managers with full drill down capacities.

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ABOUT IDU

IDU delivers top of class packaged budgeting, forecasting, performance management and reporting tools to simplify financial management. Our flagship product, idu-Concept, provides easy, effective budgeting and financial reporting for medium-sized to large businesses. idu-Concept integrates easily with ERP software, but unlike more cumbersome offerings, idu-Concept can be implemented quickly, requires little or no ongoing consulting fees and reduces budgeting cycles from months to weeks.