Strategies for Developing Information Systems: Private Sector Perspective

National Executive Forum on Public Property

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Outline

- Bentall Capital LP Background
- Business Themes and Challenges
- IT Strategy and Vision
- Current Projects and Focus
BCLP Background

- **Structure**
  - Partnership
  - BCLP
    - BIM LP
    - BRES LP
    - BRS LP
    - BC US

- **$12 Billion in Assets Managed**
- **75 Million sq. ft. (~7M m²)**
  - 46% Office (~35M sq. ft.)
  - 37% Industrial (~28 sq. ft.)
  - 17% Retail (~13 sq. ft.)
  - Some Residential Asset Management
- **~750 Properties**
- **1200 Employees**
- Canada and US
BCLP Background …

- “Bentall as a fiduciary drives everything”
  - Quote from Senior Investment Management Executive

- Governance is key
  - Independent Board of Directors
  - Sub - Committees
    - Investment Management, Audit, Executive Committees
  - Multiple external Client Audits
  - S5970 Certification (Audits – Controls and Procedures)

BCLP Background

- Strong Leadership
  - Management Partnership, commitment, strong vision, integrity

- Entrepreneurial Zeal

- Rigour of thought in everything we do

- Unswerving client focus
BCLP Background

- Above all we are a service organization
  - “Our Foundation is Service”
  - Internally branded service training program
  - Annual tenant surveys track our success, point out areas for improvement
  - Custom, rules based tenant service help desk system

Business Themes and Challenges

- Real Estate based on documents
  - Size and nature of RE transactions requires paper
  - Must SIGN deals, can’t just do e-mail approvals, etc.
  - Always end up with 4 copies
  - Storage and filing and retrieval of these is critical
  - Disaster recovery is critical
  - Insurance industry tends to be ahead of us
  - For Bentall we have scanned ALL lease documents and are comfortable these are safe and secure
  - Starting to look at other documents for scanning (e.g. Management Agreements, Invoices, etc.)
Themes and Challenges

- Risk Management
  - Insurance, Environmental risk management
  - Conservative, but balanced approach

- Knowledge is in peoples’ heads and is generally kept there as job security
  - Need a method to extract this and easily query it

- IPD and other stats are generally what happened yesterday
  - We need to act before IPD says so
  - This is where experience and local market knowledge and “gut feel” are critical
  - How do we capture this?

Themes and Challenges

- Information Management
  - So much information is available
  - Need information Faster
  - Need to eliminate steps to creating the information
  - Need to eliminate the noise when presenting/reviewing
    - Get to the good stuff right away / don’t present the details
    - Leveraged / un-leveraged returns / Returns after fees are key indicators
    - Seldom need to see cash flow, mortgage stuff, calculations and other presentation details

- Training
  - Need constant training
Themes and Challenges

- **Frustration**
  - High level of frustration in acquisition market
  - We have cash available for investment in RE
  - No reasonably priced supply. What is reasonable?
  - Need to find additional markets

- **Fast Growth**
  - Do we have the right infrastructure and teams in place to handle the current growth?
  - Can we scale?
  - What happens when things slow down?

Themes and Challenges

- **Meeting Client Needs**
  - Multiple clients, each with their own requirements
  - Team approach

- **Full service provider**
  - Act as owner, manager, 3rd party manager, tenant
  - Handle both sides of transactions (payables, receivables)
  - Enormous number of transactions

- **Decentralized to meet regional needs**
  - Right people, in the right places
  - Communication and organizational challenges
  - Lot’s of video conferencing and travel
BCLP IT Vision and Strategy

Core ERP System (JDE)
- Property Management
- General Ledger
- Accounts Payable
- Accounts Receivable
- Job Cost
- Purchase Order
- Advanced Real Estate Forecasting
- HR/Payroll
- Billing

Data Warehouse

Business Intelligence and Reporting

Portal and Document Management
- Tenants
- Clients
- Partners

IT Strategy

- $5M Annual Investment
  - $3M Staffing and Operations
  - $1M Maintenance Projects
  - $1M Discretionary Projects

- 25 IT Staff Members
  - 7 Application Support
  - 18 Technical, Help Desk, Network
  - Outsource project and development work as needed

- Governance is critical
  - IT Steering Committee ensures approved projects must stand on their own merits and provide direct benefits to the organization
IT Strategy

- Very conservative approach to IT investments
- Short projects, phased approach
  - Many small manageable steps
- Focus on continuous long term improvements and vision
- Tight project management

IT Strategy

- Remain nimble and scalable
  - Outsource project activities where possible
  - Conservative investments
- Team approach – Involvement in the business
  - Finance, RES Ops, Regional, Business Unit, Client Teams
  - IT is a member of each team
- Focus on integrated core system (JDE)
  - Choose other best of breed where necessary
  - Well defined, single source data model
- Use Off the shelf products (without customization)
  - Custom build where necessary for strategic products (e.g. Returns)
- Hire smart people!
Challenges

- Performance Management
  - Scalability
  - Handling the load
- Security Management
- Instant, easy access from anywhere
  - Citrix Secure Gateway, Blackberry Server
- Disaster Recovery
  - Pandemic

Current Projects and Focus

- Investment Returns
  - Returns Database
    - Custom Bentall system
    - Allows us to slice, dice, cut, chop the data as needed (region, portfolio, client, etc.)
    - Compares Assets against others
    - Critical to our own and our clients’ success
- Information and Document Management
  - Portal (based on Microsoft Sharepoint Portal)
  - Reporting / BI Tools (based on MS-SQL and Reporting Services)
  - Data Warehouse (MS-SQL)
- Client Portals
  - Slow adoption rate by clients
  - Need to remain proactive and ready
Summary

- It all comes down to having the right people on your team!
  - Strong leadership
  - Engaged team members
  - Well defined vision
  - Lot’s of communication