

# Real Estate Intelligence: How Software is 'Eating' the Real Estate Business

**Mark Sigal**  
Managing Director  
BrightStreet Ventures

**N**etscape founder (and successful VC) Marc Andreessen once observed that software was "eating the world," that technology was moving into industries that once seemed immune from disruption. Gone are newspapers, record stores, bookstores, video stores and Radio Shacks.

Change is in the air. Amazon is swallowing up Main Street. Uber is transforming transportation. Apple and Google are heralding the age of mobile, data-driven computing. Whether you are in Retail, Commercial or Residential Real Estate, an essential truth surrounds you: you are either riding this wave...or getting swept up by it.

This article presents a new approach to real estate portfolio management called Real Estate Intelligence that embraces this new wave. Real Estate Intelligence is built on three cornerstones.

## Visualization Intelligence

Visualization Intelligence is the first cornerstone. The idea that drives Visualization Intelligence is the notion that you can't improve—and you can't manage—what you don't measure.

In very few clicks, the CFO of a shopping center developer can determine if the occupancy costs of a given merchant are materially above comparable merchants, and as a result, determine if there is a risk of default. Or, quickly identify property expense categories that are growing materially faster than the benchmarks for other categories.

Simple idea, but achieving this level of relevant analysis is much harder than it sounds because in most real estate organizations, the consumers of information are non-technical. They're not data scientists; they're property managers, accountants, leasing agents and company executives. Thus, the new approach



is designed with non-technical users in mind.

It combines four elements: A) rich visualization experiences; B) meaningful 'data sets'; C) push button controllability; and D) drill-down capabilities.

These drill-down capabilities allow the user to traverse effortlessly from the dashboard view of pictures and charts—down to the very documents (e.g., leases, invoices and communications flow) that power these different data sets. The term we have for this is Dashboards to Documents.

Needless to say, for such a system to work, it needs to be able to accrue lots of data and lots of documents. This store of data will grow every day, so the data needs to be warehoused.

A data warehouse layer is central to Visualization Intelligence, and also to the two other cornerstones—Reporting Intelligence and Work Flow Intelligence.

## Reporting Intelligence

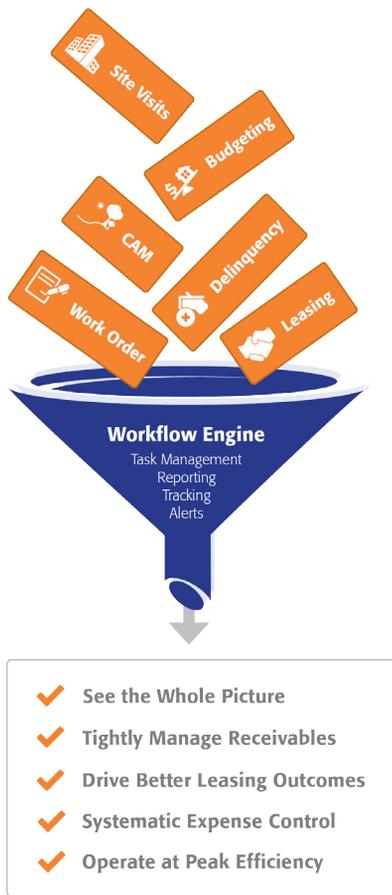
Reporting Intelligence is built to address an ugly truth. In the real estate business, far too much of the daily world still operates in the realm of Excel Hell.

By Excel Hell, I mean that for real estate portfolio owners and operators, too much information is spread across too many custom spreadsheets, running on too many different users' machines. Making matters worse, spreadsheets are continuously being updated, often by software 'macros' that glue together multiple worksheets in a workbook. The same workbook is then shared across all of accounting, making the notion of a 'version', and dealing with 'version control' a perennial human resource drain.

If this sounds a little bit like the automobile factory assembly line, that's because it is. Too many hands have to touch the same numbers over and over, wasting time and attention, and giving rise to all sorts of errors.

Reporting Intelligence flips this model on its head. It envisions a world where core data is properly warehoused, solving the versioning and data integrity issue. Because of this integration, creating new report formats is more template-ized, making changes and updates less surgical in nature.





Work Flow also works well with multi-step, 'staged functions', such as lease negotiation, consummation and abstracting.

Similarly, it excels at 'lifecycle' tasks, such as: 1) budget formation and iteration; 2) CAM expense reconciliation on a quarterly and annual basis (a true scourge of the retail shopping center business); 3) inventory tracking; 4) tenant interviews; and 5) managing the overall tenant, vendor, property and portfolio relationship.

Work Flow delivers a systems-based approach in that it dictates that these activities be instrumented as rules-driven tasks. Once instrumented, these tasks can then be proactively managed. In terms of transparency and security: A) workflows can be tracked; B) users can be throttled based upon role, access level, and applicable property set; and C) steps and paths can be audited both in real time and retroactively.

Best of all, once implemented, the ROI of embracing Real Estate Intelligence is stunning, and nothing falls through the cracks. What is peace of mind worth, anyway?



*Mark Sigal is the Managing Director of BrightStreet Ventures and Chief Product Officer of Datex Property Solutions. He is a five-time entrepreneur, with exits to Apple, IBM and Intel, a deep real estate background, and a track record of consistent success working with global brands such as Disney, Macmillan, Ford, UPS and Cisco.*

This means that the reporting process can be automated. Reports can be enhanced with formatting, pictures and graphs. They can be extended via adjunct data sources, executive summaries and inline comments. Then, the finished product can be exportable to a PDF or Spreadsheet.

In the big picture, let's look at what the first two cornerstones of Real Estate Intelligence have provided us. They've given us a 'dumb simple' dashboard for quickly and easily slicing and dicing through the key performance indicators (KPIs) that drive the business.

Because of the way these KPIs are warehoused, we can deal with data as easily as we can deal with documents. We can read and write data from multiple data sources, including spreadsheets, accounting, payables and property management software.

We can funnel that information into a number of different report types, which can be shaped into recurring Report Books for internal managers, clients and investors.

In short, we can be smarter, and get smarter, about our business.

### Work Flow Intelligence

Work Flow Intelligence is the last piece, and it builds on a heretofore-invisible element known as workflow. Workflows are the business rules behind the many recurring processes of property managers, accountants, executives and leasing agents.

Work Flow Intelligence is about systematizing, and then automating, recurring processes. This includes 'alerts and tracking' activities, such as delinquency tracking, work order tracking, insurance tracking and retail sales tracking.

## ROI Don't Lie...With Datex BI.



### Datex Customers are 40% More Productive.

Datex Business Intelligence gives real estate portfolio owners visual, pushbutton simple access to their core real estate data. By turning insight into action, your people can work smarter, and nothing falls through the cracks.

#### See the Whole Picture – From Dashboard to Documents

- Property Management
- Investor Management
- Financial Reporting
- Leasing + Deal Management
- Accounts Payable Management
- Tenant Performance Management

**datex** PROPERTY SOLUTIONS

Visit us at Realcomm: Booth #1023  
sales@datexdata.com | (818) 707-9135