

REVELWOOD CASE STUDY

Colonial Properties Expedites Financial Reporting Process with IBM Cognos TM1 and Revelwood Report Manager

OVERVIEW

Country: United States
 Industry: Real Estate

CUSTOMER PROFILE

Colonial Properties Trust is a multi-family real estate investment trust (REIT) that owns or manages 36,481 apartment units, 16.5 million square feet of office space and 9.1 million square feet of retail shopping space located in key Sunbelt states from Virginia to Nevada.

CHALLENGE

The number of active properties increased to the point where producing reports by property became overwhelming. Debt schedules, weighted average shares outstanding and dividend payments, as well as property-related data, all existed in individual files that were not easily accessible to the reporting team.

SOLUTION

Colonial hired Revelwood to design and implement a driver-based budgeting, planning and reporting system on the IBM Cognos TM1 platform using its proprietary software, Revelwood Report Manager. The system provides a centralized data repository and automatically produces SEC and monthly reports with required data.

BENEFITS

- Allows one person to generate reports in one day that used to take several people a full week to do
- Improves the accuracy of reports
- Enables report views by geography and management hierarchies
- Generates templates for the standardization of reports
- Creates and runs complex reports that offer dynamic expansion, zero suppression, drill down, intelligent formatting and other capabilities

“With less time spent gathering information, we’re now able to look for trends and analyze very easily and quickly, positively impacting the performance of our business.”

Mike Briscoe
 Vice President, Information Management
 Colonial Properties Trust

Challenge

Colonial Properties Trust, a multi-family real estate investment trust (REIT) based in Birmingham, Alabama, used several dozen Excel spreadsheets as part of its menagerie of tools for creating financial reports. With data scattered in multiple, disparate sources, Colonial’s finance team had a tough time gathering data to assemble financial reports. Everything was done manually, making reporting laborious and potentially error-prone.

“Most of what I call the ‘vanilla ice cream’ reports—the balance sheets, income sheets, those kinds of things—could be done easily with the setup we had,” said Mike Briscoe, Colonial’s vice president of information management. “But as the company grew larger, reporting became much more difficult, especially when we needed more detail behind the numbers in the reports.”

Soon, the number of active properties increased to the point where producing reports by property became daunting. Debt schedules, weighted average shares outstanding and dividend payments, as well as property-related data such as original purchase price, all existed in individual files that were not accessible to the reporting team that needed to use that information.

Other monthly management reports, as well as SEC reports, required information to be displayed in specific ways that did not exist in Colonial’s source systems naturally. For example, Colonial needs to split properties between same-store and non-same-store. Also, properties tagged as either discontinued operations or 1031 exchange activity were evaluated and grouped according to each property’s status as of a point in time. It was a manual, time-intensive process to classify each property as to its status at each point in time, and it was taking longer and longer each month to produce monthly packages as the number of properties increased. “It was painfully apparent we needed a better tool that would enable us to report and analyze our financial results in a timelier manner,” said Briscoe.

Solution

After evaluating several vendors, Colonial selected Revelwood, a provider of business performance management solutions, to design and implement a driver-based budgeting, planning and reporting system on the IBM Cognos TM1 platform—a multi-dimensional OLAP database known for its data gathering and integration capabilities. The system provides a centralized repository for users to input information, such as debt schedules, equity information and property purchase price

“The Revelwood team was very adept at picking up on our business and our requirements. We relied on them not just to give us what we wanted, but to figure out what we really needed as a REIT,” said Briscoe, who compares TM1 to “a supersized pivot table on steroids.”

About Revelwood

Revelwood is an IBM Advanced Business Partner offering products, implementation services, training and support that bring ease, speed and flexibility to budgeting, planning, reporting and analytics.

With more than 15 years of IBM Cognos TM1 experience, Revelwood is recognized among the most reputable performance management solution providers in the U.S. today. Combining IBM Cognos TM1 software with best practices and pre-configured, out-of-the-box applications like Revelwood’s BPM Suite™, Revelwood helps companies accelerate the building and deployment of performance management solutions to help businesses strategize, plan, execute and take corrective action—at all levels across the organization, on a continual basis, in real time.

About IBM Cognos TM1

IBM Cognos TM1 software provides a real-time approach to consolidating, viewing and editing enormous volumes of multi-dimensional data. Using a patented, 64-bit, in-memory multidimensional OLAP server, IBM Cognos TM1 has received some of the industry’s highest ratings for helping organizations drive better business decisions with faster implementation times and lower IT costs.

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data that can be immediately shared with others to create forecasts and reports. The system also provides for time-based groupings of properties to automatically produce SEC and monthly reports with required data.

Benefits

The design of the new system began in late 2006 and was completed six months later. Colonial gives credit to Revelwood for designing the type of system that met its unique needs as a REIT. “The Revelwood team was very adept at picking up on our business and our requirements,” said Briscoe. “We relied on them not just to give us what we wanted, but to figure out what we really needed as a REIT. Now, the reporting process takes far less time, regardless of how many properties we own, and reports are more accurate because they are not manually created. We have the ability to instantly see results either at 100% of the property impact or Colonial’s piece of the pie when the property is a joint venture. We can also view our results by geography and management hierarchies. All these aspects of reporting were manual processes prior to TM1.”

While TM1 has allowed users to set up templates for standardization of reports, it is Revelwood’s proprietary software, Revelwood Report Manager™, that enables TM1 application managers at Colonial to develop rich, dynamic reports and data entry templates without requiring extensive customization and VBA coding. Colonial’s end-users can create and run complex reports that offer dynamic expansion, zero suppression, drill-down, intelligent formatting and many other capabilities through a comprehensive, easy-to-use point and click interface. This saves them time, simplifies the reporting experience and introduces a new level of interactivity to the Excel/TM1 reporting environment.

While Briscoe compares TM1 to “a supersized pivot table on steroids” that can grab massive amounts of information and allow users to very quickly summarize, categorize and manipulate the data in different ways, he says it’s the Revelwood Report Manager component that makes the package work effectively for them.

“With the type of work we do, we seem to be constantly adding new entities,” he said. “We buy three additional apartment complexes this month and sell off three models or we may have two new shopping centers that are going from a development stage to a lease up stage, so the makeup of what we have to report on is constantly changing. In Excel you can do that, but every time you make a change you have to go in and manually insert new rows or delete items from particular groupings, and it’s very easy to make mistakes.

“But with Revelwood Report Manager, we set up various property groups and it automatically does all that shifting for you. I’ve got 26 different income statements I have to run on different groupings of our assets, and I can set up what’s called a ‘loop,’ where all I have to do is change the budget format that I want to use and set up what the current period is, and in 20 minutes all the reports are in. Not only will it run them, but I can set up a dynamic path for each so that it will send the printed file to a particular folder on our hard drive and group all of the income statements in predefined folders in order to generate a book for meetings. This allows me to generate reports in one day that used to take several people a full week.”

This also expedites the creation of other reports. One report, for example, which requires information on Colonial-owned real estate properties from various sources once took two to three days to complete. Today, it is produced in less than five minutes. Revelwood Report Manager also allows Briscoe and others throughout the organization to generate reports at various levels of detail, drilling down whenever they need to get more specific information.