Accenture Credit Services

Engineering high performance for commercial real estate asset management
Asset values along with economic and market volatility remain the primary concerns for many investors around the globe. Pressure on valuations along with commercial real estate (CRE) market uncertainty is making proactive asset management more critical than ever.

Globally, investors believe that we are in the early stages of an upswing. In the U.S., the CRE market appears to be on a slow and uneven road to recovery. Investors are once again expressing some confidence. Eight of ten U.S. real estate investors’ surveyed plan to expand their portfolios—a sentiment echoed around the globe.\(^1\) During this cycle, asset management will play a primary role in how well investors can grow and sustain profitability.

\(^{1}\)2011 Colliers International Global Investor Sentiment Survey
Commercial real estate asset management as a value creator

Access to timely and accurate asset performance and market information is a key component to world class asset management.

Successful investors embrace core asset management strategies which enable them to make better investment decisions, free up critical staff, and operate more efficiently—beyond what process automation alone can provide. For example, many CRE companies are beginning to explore outsourcing the collection of property and asset information from third-party property managers and joint venture partners in order to enhance data quality, forecasting and investor reporting. Access to higher quality asset data and improved forecasting capabilities can result in increased savings for investors. Accenture believes investors can achieve savings in excess of 25 percent of their current costs while greatly boosting overall investment returns.

Providing asset managers with high-quality data can be difficult and costly. It requires CRE companies to streamline and standardize their property and portfolio management operations. Many have hundreds of properties with financial and operational data that originate from numerous property managers or joint venture partners both inside and outside the U.S. This complexity makes it challenging to have a single view of complete, timely, and accurate information, and even more difficult to make informed investment decisions.

Understanding financial performance and evolving market conditions in order to improve forecasting and investment decisions is paramount to achieving results.

Accenture understands these challenges and brings the know-how to help investors and owners meet them successfully and cost effectively.

Access to timely and accurate asset performance and market information is a key component to world class asset management.
Accenture Credit Services: Engineering fast, accurate, efficient management of commercial real estate assets

Accenture has extensive CRE experience, helping many of the top investors, owners, and operators improve the way they manage costs and improve returns. Through its acquisition of Zenta, one of the leading providers of outsourced commercial real estate financial services, Accenture serves more than 65 institutional real estate companies, including three of the world’s top four banks, eight of the top 20 REITs, and five of the ten largest real estate owners and investors.

Accenture Credit Services offers a wide range of services—from process reengineering and analytics to systems integration, business process outsourcing (BPO), and more—to assist CRE companies in building a world-class asset management function. Accenture’s core services for CRE portfolio and asset management include:

**Finance and Accounting**
Offering a team of certified accountants and MBAs with significant experience in GAAP and IFRS accounting principles who provide fund accounting, portfolio accounting, property accounting, and investor reporting across all of the major accounting platforms, including MRI, Yardi, JD Edwards/PeopleSoft/Oracle, SAP, and CTI.

**Due Diligence**
Evaluating CRE with a specialty in regional mall and Class A office valuation modeling to provide acquisition support, asset management, disposition support, and debt analysis services.

**Lease Abstracting and Administration**
Executing complex lease administration assignments—from lease abstraction set-up to lease data maintenance, recoveries maintenance, monthly billing, annual reconciliations/billing, tenant inquiries/disputes resolutions, and collections—across more than 100,000 leases for many leading real estate companies.

Accenture can scale its more than 1,000 CRE professionals working around the world to meet client needs quickly. Robust process and technology capabilities enable clients to tap into large amounts of property and asset data, analyze it, and distribute it to their organization accurately, quickly, and securely. Additionally, labor arbitrage savings through offshore resources help clients address human resource cost and capital challenges in managing their CRE assets.

Accenture commercial real estate asset management capabilities include:

- Finance and accounting
- Lease administration
- Valuation and forecast updates
- Business plan support
- Loan and partnership abstracting
- Asset and portfolio dashboard reporting
- Portfolio analytics
- Return and waterfall analysis
- Acquisition and disposition analysis
- Document management
High performance commercial real estate asset management is within reach

Solutions delivered by Accenture Credit Services enable CRE companies to become high performance businesses.

With more efficient ways to manage their real estate portfolios, clients are better positioned to:

- Obtain a consistent and complete view of asset performance.
- Improve the quality of financial and investor reporting.
- Lower costs across property, asset, and portfolio management.
- Increase the delivery speed of monthly and quarterly reporting.
- Improve their overall performance.

Accenture provides the support to help our clients transform their business. For example, a top-ten REIT deployed a financial dash board and data collection solution from Accenture which saved more than $2 million and 12 months of implementation time. Through an outsourcing arrangement with Accenture, a major financial institution was able to decrease by 80 percent the time that its asset managers spent on creating asset strategy review reports for each of its 150 investments. This reduced reporting time from 6 weeks to 2 weeks and achieved a 60 percent cost savings.

Another client, a top-five Real Estate Fund Manager, adopted a new investor reporting process which improved the overall quality of its investor reports, lowered costs by 70 percent, and moved the client to a variable cost structure.

When a top-ten REIT engaged in a competitive bidding process for approximately 300 shopping centers and needed to abstract approximately 600 major tenants leases in only two weeks as part of its due diligence, it turned to Accenture for help. The client met its compressed delivery target without sacrificing quality and saved 50 percent in acquisition costs.
How Accenture Credit Services can help

Accenture helps commercial real estate asset managers increase their operational efficiency to meet current and anticipated challenges by leveraging its unique capabilities: deep lending domain expertise, systems integration and management, software and large-scale process outsourcing flexibility.

With help from Accenture, CRE investors and owners can exploit their property and asset data—making available the right information to make faster, more insightful investment decisions. We team with clients to deliver high performance operating environments that bring performance improvements in quality, cost, service and delivery.

For more information on how Accenture can help your organization, please contact:

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 244,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

Accenture Credit Services offers consulting, process reengineering, systems integration and management, and business process outsourcing services for residential mortgage, commercial real estate, leasing and automotive finance lenders and servicers looking to transform and industrialize their operations. The services are designed to bring significant customer service, efficiency, quality, and profitability improvements to Accenture’s clients’ lending business. Accenture Credit Services serves more than 80 major lending institutions worldwide.