Case Study

RE BACKOFFICE ADDS VALUE TO WORLD'S LARGEST CONVENIENCE STORE CHAIN'S DECISION SUPPORT SYSTEM

WHO WAS THE CLIENT?

The client is the world's largest operator, franchisor and licensor of convenience stores with over 8,000 outlets in the United States and 50,000 plus outlets around the world. In order to aid accurate operational decision making, the client required key lease terms and clauses that aided the decision making process to be abstracted from their leases and imported into their Decision Support System.

TOTAL NUMBER OF LEASES MANAGED

Tagging of approximately 6,000 lease documents (up to 100 fields per lease) and abstraction of approximately 500 new leases and 600 renewal letters/amendments per year

THE CORE BUSINESS CHALLENGE

The client wanted to grow their business and provide additional services through their existing locations. The leases pertaining to the locations contained critical information that would impact their ability to offer the additional services. The client needed these key pieces of information abstracted and imported into their Decision Support System which would enable them to make the right operational decision.

OTHER CHALLENGES

Accomplishing the abstraction of 6,000+ retail leases within a time span of 6 months was a major challenge

Since most of the leases were close to expiration, the abstraction and data import process had to be quick, in order to allow the client to make timely decision as to whether the leases should lapse or be renewed

The firm time constraints meant the abstraction had to be 100% accurate and on time

The decision support system of the client accepted data in XML format, which is not a format of output commonly provided by lease abstraction companies

Finding a lease abstraction vendor who could offer the output in the desired XML format, on time, accurately and in a cost-effective manner was the biggest challenge for the client

SOLUTION

RE BackOffice accepted the challenge and created an effective partnership with the client that remained strong throughout the project. As a key part of the solution, RE BackOffice added value to the client's lease abstraction project through the following actions
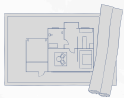
Piloting to understand client requirements

Initially, RE BackOffice began with a pilot batch of 100 leases. The pilot abstraction process helped REBO gain a deeper understanding of client requirements and identify possible inconsistencies/ inaccuracies

Recommendation to client for value addition

Based on experience and the understanding gained of the client's needs in the piloting stage, REBO made recommendations that were welcomed by the client. Key recommendations included:

Objective based abstraction – This helped the client gain a faster and deeper understanding of the key financial and nonfinancial terms—a feature that proved very valuable to the client considering the tight time constraints they faced

Document tagging & cross-linking – This ensured that the client could access the original clause in one click—a feature that made it easy for the clients to cross-check the abstracted information for accuracy and completeness at any time

Technology oriented approach to lease project management – REBO deployed use of our in-house web-based Lease Project Management System-- ProjectTrack, to better manage the project so the end result was a well-executed lease abstraction project. REBO also shared ProjectTrack access with the client enabling them to monitor all project elements in realtime

Document management recommendations – REBO performed a preliminary review of the lease documents for all locations, and provided the client with an 'Exception Report' which listed all the missing documents

COMMENCEMENT OF ACTUAL ABSTRACTION

Upon successful completion of the pilot phase, REBO submitted another batch of 250 lease abstracts in the next month. Thereafter, REBO submitted batches of 1,250 leases every month for the subsequent four months

REBO'S QUALITY CHECK PROCESS

In a bid to maintain 100% accuracy, REBO did not resort to sample checks. Instead every Lease Abstract was thoroughly reviewed 3 times before it was finalized

KEY HIGHLIGHTS OF THE PROJECT & BENEFITS ENJOYED BY THE CLIENT

- 1,000 leases were renewed, saving $30M+ over committed term of leases
- Document tagging provided the client with instant access to critical lease data
- The project was completed within the allotted timeline
- The client reviewed and certified the project to be 100% accurate in terms of lease data abstracted
- RE BackOffice became a trusted lease abstraction partner for the client with the client making a commitment to award a minimum of 1,000 leases for abstraction to REBO on an annual basis

CONCLUSION

Managing key lease terms and critical dates is a complex task especially because of the paperwork involved. RE BackOffice's Lease Abstraction Services help you remain updated with the critical details of the leases in your portfolio. Our Lease Abstraction Services ensures you have access to vital data at the right time

ABOUT US

Rebolease.com, powered by RE BackOffice, Inc., is a premier provider of lease abstraction, administration, CAM, lease auditing and accounting services. Headquartered in Pittsburgh, PA, we are a global boutique firm, providing high-quality services to top-tier clients across industry verticals, covering every type of lease and on any lease platform. We are proud to be a trusted partner, since 2006, to leading retailers, REITs, property owners/managers, and corporate accounts seeking a strategic advantage. All client projects are performed in-house.