



## Case Study

# AMB Property Corporation

Making their information move as fast as their industrial real estate.

### The Company

AMB Property Corporation is a global owner and operator of industrial real estate. AMB invests in industrial properties located predominantly within infill submarkets of major hub and gateway distribution markets. The Company's portfolio is comprised largely of High Throughput Distribution® facilities — properties built for speed and located near airports, seaports and ground transportation systems.

### Industry

Industrial Property

### ARGUS Software™ Solutions

#### – Operations

ARGUS Property Management™  
(ASP version)

#### – Asset Valuation

ARGUS Valuation – DCF™

AMB is a cutting-edge REIT that went from being a generalist investment advisor to assuming leadership of a specific, self-defined supply chain asset. The professionals at AMB acquire property to serve high volume, multi-location tenants that have a need to move goods, not store them. They call their brand of property High Throughput Distribution® (or HTD) facilities.

AMB has developed a reputation for operational excellence, which extends beyond just innovation in the use of their property. With consistently high returns on a portfolio of nearly 100 million square feet, and the ability to report on it within the first 10 days of a new quarter, AMB has set a new standard for operational performance — and particularly financial reporting.

### Key Challenges

Unlike many of their tenants' parcels, AMB didn't "get there overnight." As the company expanded their supply-chain ready holdings in the 1990s, maintaining communication between all the partners and getting an accurate picture of the business became increasingly difficult.

"We'd only consolidate the financials once a month when each of our partners' offices would upload their transmissions via dialup," Wayne Pryor, CTO at AMB said. "Very cumbersome, very prone to data integrity problems, and frankly... that makes you reactive instead of proactive about managing your real estate."

AMB set its sights on answering this challenge with a definable corporate goal of faster, more accurate reporting. Dubbed "GE-1", this company-wide policy established an objective each quarter of reporting one day earlier than corporate pioneer GE. "We wanted to measure ourselves against a world-class company, not just a world class real estate company," Pryor said.

A new technology would be needed to answer this challenge, given the needs and complexity of AMB's operations:

- With data coming in from more than 3,100 tenants in nearly 1000 buildings, manual data entry and conversion was a burden for corporate employees.
- 54 partner offices managed their own budgets using local software, and uploaded them monthly. Intense labor was required to consolidate the budget from these files.
- Errors in data transmission or calculations by a partner were difficult to spot and even harder to reconsolidate in the budgets.

### Why ARGUS Software™?

While AMB looked at the database and ERP tools that are used by other industries, they could see that the problems of real estate were unique.

"Real estate companies basically still have their roots as entrepreneurs who have grown private businesses," explains Pryor. "That mentality and culture stays with them. It's very difficult to layer some 'one-size-fits-all' software system on top of that."

AMB was already using ARGUS Software's asset valuation software, ARGUS Valuation - DCF, for their portfolio buying and selling decisions. Some of AMB's staff and partners were also familiar with ARGUS Software's property management solution, ARGUS Property Management, which could handle real estate-specific operational workflows, such as complex CAM recoveries and lease abstraction.

Pryor asked ARGUS Software if they could offer the ARGUS Property Management software over the Internet. "Because we're so highly decentralized, we wanted to make it as simple as possible for our business partners to connect to the application."





# Case Study: AMB Property Corporation

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Wayne Pryor  
Senior Vice President,  
Information Technology and  
Chief Technology Officer  
AMB Property Corporation

## About ARGUS Software™

ARGUS Software provides software and services that enable its customers to better manage the financial and operational performance of their real estate portfolios. More than 8,000 of the industry’s leading owners, managers, financial institutions and REITs trust ARGUS Software’s solutions to improve the visibility and flow of information throughout their critical business processes. ARGUS Software is the developer of such industry standard products as ARGUS Valuation - DCF™, ARGUS Developer™, ARGUS Property Budget™, ARGUS Property Management™, ARGUS Asset Management™, ARGUS Lease CRM™, and ARGUS Insight Reporting™. Visit ARGUS Software’s website to learn more about these solutions: ARGUSsoftware.com

In this ASP (or Application Service Provider) arrangement, ARGUS Software makes a hosted version of ARGUS Property Management available to AMB and its business partners, handling the entire infrastructure needed to manage the data and provide connectivity and security for the system.

“We worked very closely with ARGUS Software to make sure the ASP environment and the service level agreements were in place,” Pryor said. “The conversion happened in an incredibly short timeframe.”

## Here’s how it works

- Both AMB and their partners can directly log into ARGUS Property Management software with only an Internet-connected browser.
- Actuals are entered remotely and stored centrally in the data warehouse connected to ARGUS Property Management. Reports on this data can be rolled up to specification.
- For each monthly budget cycle, AMB presents their expected forecast to the management partners through their own web-based forecasting tool where they can approve the budget or make line item changes.
- When both parties have reviewed and approved all changes, the budget is automatically entered into an ARGUS Valuation - DCF model for cash flow evaluation.
- AMB or their partners can then convert the ARGUS Valuation - DCF model back to the operating budget in ARGUS Property Management without the usual data entry.

## Real results

The use of ARGUS Property Management solution over the Internet, combined with business process improvements, has enabled AMB to meet or exceed their “GE-1” goal of 6 days every quarter since January 2000.

Additionally, with real-time information readily available from ARGUS Property Management, reporting rollups to both private and public enti-

ties has been streamlined, resulting in a large improvement in productivity.

“It’s also greatly simplified the budgeting process by eliminating 30 days out of the process for the 270 individuals who process data for our property management alliance partners,” Pryor said.

The ASP implementation route has also resulted in significant savings in both costs and resources:

- No capital expense for server or client hardware or accompanying expertise in-house. All users need is a web browser and basic connectivity to the Internet.
- ARGUS Software’s ASP data center provides world-class bandwidth, power lines, backups, monitoring and security, all of which would be very costly for a company to put in place.
- With an ASP, AMB always has the latest version of the software, allowing AMB’s IT staff to avoid focusing on the infrastructure, and instead pay attention to addressing the business requirements of the applications and services.

## Moving forward...

AMB will continue to refine their portfolio to meet the real estate needs of industries where the movement of goods is critical. Increasing customer service in this fast-moving space will require a tremendous amount of coordination. According to their metrics, partner satisfaction levels have consistently increased, at least 25-30% over the past two years.

“Once they are running on our systems, they’ll find that we are easier to do business with than just about anyone else. If we make their jobs easier, when we give them more work, they are eager to do business with us based on our track record and international support,” Pryor said.

“As we expand what we want to do with ARGUS Software, it shines a bright light on the information part of the business, and we need to continue to work together as partners to maximize the level of customer service.”

**Build fortunes, not spreadsheets.**

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