



# ARGUS DEVELOPER STREAMLINES DEVELOPMENT PROPOSAL DUE DILIGENCE PROCESS

**Software Helps Rivergum Secure Finance Faster Through Accurate and Robust Risk/Return Calculations**

## CUSTOMER PROFILE



### **BUSINESS HEADQUARTERS:**

Adelaide, South Australia

### **REGIONS OF OPERATION:**

Southern and Eastern Australia

### **CUSTOMER WEBSITE:**

Rivergumhomes.com.au

### **ARGUS SOLUTION USED:**

ARGUS Developer

Founded in 1994, Rivergum Homes Group is a multi-award winning, integrated building and land development company with 150 employees across Australia. The company works in partnership with private clients, property trusts, corporate agencies, government, education providers and community organizations to lead development projects.

Rivergum Homes provides a broad range of services including in-house design and pricing, civil and dwelling construction, as well as land procurement, however its focus is on residential development, specifically medium-density and integrated low-rise affordable housing.

## BUSINESS CHALLENGE

As its business grew and the company began taking on more complex projects, Rivergum quickly saw the need for a more efficient and streamlined process for analyzing risk and creating feasibility studies for new developments. Previously, the company manually created formulas for complex risk calculations, an inefficient process carrying greater business risk through the potential for error.

“The process of undertaking a feasibility analysis and due diligence on new opportunities was immature and required re-engineering. We clearly understood the importance of mitigating the risk of bad decisions resulting from inaccurate data,” commented Robert Alvaro, General Manager of Property. Substantial resource was devoted to verifying the logic and accuracy of formulae, reducing focus on assessing the project’s overall risk/return profile.

In addition, when approaching lenders for project finance the consistency and accuracy of Rivergum’s manual modelling was consistently being scrutinized and assessed by the banks, resulting in delays to the financing process.

With the numerous and mounting challenges emanating from its manual risk assessment procedure Rivergum needed a solution that would increase the effectiveness of its due diligence process and provide accurate data to form the cornerstone for development business case proposals.

# SOFTWARE OPENS UP NEW REVENUE STREAM FOR RIVERGUM

## Informed Strategic Decisions Arrived at Quicker

### **THE SOLUTION – Developer Installed and Staff Fully Trained Within Two weeks**

After unsuccessfully trying an alternative property development software solution, which users found to be too rigid and unsophisticated, Rivergum decided to implement ARGUS Developer. The choice to explore ARGUS stemmed from a recommendation by the General Manager - Property who had experience of the software at a previous business.

The product was installed and all staff trained on the software within just two weeks. "We were extremely impressed by the thoroughness of the training, which allowed our staff to quickly get up to speed," said Alvaro. The functionality and easy to use interface of the program was immediately compelling along with its detailed and clear output.

*The program presents data in a format that is industry tried and tested... We now spend our time talking about the risks of a project, which is ultimately what lenders want to talk about, not just discussing the formulas behind the model.*

**Robert Alvaro** - General Manager of Property at Rivergum Homes Group

### **BUSINESS VALUE ACHIEVED**

At a stroke, the robust calculation engine within ARGUS Developer allowed the Property Development team to renew its focus on analyzing the potential opportunity of a new development project rather than spending undue time validating formulas. Alvaro highlighted that the biggest business benefit of ARGUS Developer has been the increased acceptance of Rivergum's project modelling from financiers. "The program presents data in a format that is industry tried and tested. Financiers are now able to look at our outputs and easily see the projected likely returns without questioning the veracity of the calculations. We now spend our time talking about the risks of a project, which is ultimately what lenders want to talk about, not just discussing the formulas behind the model."

The software is credited with improving and streamlining Rivergum's due diligence process with development project analyses now efficiently and accurately produced. "We are able to much more quickly make strategic and informed decisions on whether a development project is viable. ARGUS Developer has become a frequently used critical tool for us", added Alvaro.

In an additional and unexpected benefit, the company now also utilizes the software to generate development project feasibility studies for 3<sup>rd</sup> party clients, opening up a brand new revenue stream for Rivergum which was previously not equipped to undertake.

