



Microsoft Business Solutions Customer Solution Case Study



Real Estate Developer Reduces Monthly Financial Reporting Time by 50 Percent

Overview

Country or Region: United States

Industry: Real Estate

Customer Profile

Based in Avon, Colorado, East West Partners is a family of independent but related companies that builds, sells, manages, and supports high-quality real estate properties.

Business Situation

East West Partners needed to reduce the time it took to complete monthly financial reporting from 10 days to 5, and had to provide employees with the financial tools to manage a 20-year, multibillion-dollar project.

Solution

East West Partners deployed Microsoft® Business Solutions for Analytics–FRx® to streamline financial consolidation and adopted the Microsoft Solomon Contract Management, Project Budgeting, and Project Controller modules to better manage new projects.

Benefits

- More timely and consistent financial reports
- Greater project-level detail
- Improved, companywide access to information

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Robert Mann, Assistant Controller, East West Partners

East West Partners, a real estate development and management company, needed to streamline financial reporting and act as its own general contractor on new projects. Deployed with assistance from Solution Technology and JM Consulting, the combination of Microsoft® Business Solutions–Solomon and Microsoft FRx® has helped the company reduce the elapsed time to complete monthly financial reporting by 50 percent and bridge the gap between accounting and project management. The solution provides the tools that East West Partners needs to manage its largest venture to date: a 20-year, multibillion-dollar project. The addition of Microsoft FRx Report Server, WebPort, Microsoft Business Portal, and SQL Server™ 2000 Reporting Services helps the company deliver financial data to those who need it over the Web, helping them get the most out of that information and make faster business decisions.



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Robert Mann, Assistant Controller,
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Situation

East West Partners is a national real estate development and management company, with major operations in North Carolina, California, Utah, and Colorado. One of the company’s roles includes the management of Crescent Resort Development Inc. (CRDI) for Crescent Real Estate Equities, a large real estate investment trust (REIT). In that role, East West Partners handles the hiring and management of vendors who design, build, and landscape a portion of the REIT’s properties.

East West Partners manages the development of about 60 properties for CRDI, with each project organized as a separate company. Financial information for those companies resides in Microsoft® Business Solutions–Solomon, which East West Partners adopted in the mid-1990s.

The company initially deployed separate Microsoft Solomon systems for its property development group and property operations group, which were—and still are—in different locations. Both systems ran on Novell NetWare and used a Btrieve database. At the start, the only Microsoft Solomon features that East West Partners used were the general ledger and accounts payable modules.

Since then, East West Partners has had new demands placed on its financial system and its users. As part of a public REIT, CRDI must submit consolidated financial reports that encompass all active development projects on a monthly basis. Five years ago, when CRDI had about 15 active projects at one time, the monthly closing process took two people 10 days, with one person working full-time and another working half-time. CRDI now has more than 60 active projects, while changes in reporting requirements have reduced the time in which CRDI must complete its financial reporting to 5 days—

leaving the REIT that it belongs to a few additional days to meet its own deadlines for financial reporting.

East West Partners also has ventured into larger and much longer projects, such as its Northstar project in Lake Tahoe. This project will consist of several concurrent subprojects that will use different contractors, making the day-to-day management and bill paying more difficult.

Solution

With assistance from Microsoft Business Solutions partners Solution Technology Inc. and JM Consulting Services Inc., East West Partners has continually enhanced its Microsoft Solomon solution to meet new business needs and support the company’s growth. Some ways in which the company has improved its financial management solution include:

- Consolidation of two stand-alone Microsoft Solomon systems onto a single installation to reduce costs and simplify system administration.
- Migration from NetWare and Btrieve to the Microsoft Windows® 2000 Server operating system and SQL Server™ 2000 database, which delivered major improvements in performance and stability.
- Deployment of the Terminal Services technology in Windows 2000 Server, which provides employees in eight offices with remote access to the centralized Microsoft Solomon installation.
- Adoption of Microsoft Business Solutions for Analytics–FRx® to accelerate the monthly closing process, and the use of Microsoft FRx Report Server and WebPort to publish reports on the Web.

“We now have eight offices in three states, and Windows Terminal Services lets all those locations access the same instance of Microsoft Solomon.”

Robert Mann, Assistant Controller,
East West Partners

- Deployment of the Project Controller, Contract Management, and Project Budgeting modules for Microsoft Solomon to facilitate management of a multibillion-dollar, 20-to-25-year development effort.

Recent enhancements include an upgrade to newer versions of Microsoft Solomon and Microsoft FRx, which will provide further improvements in usability and reporting features. The company also adopted Microsoft Business Solutions Business Portal version 2.5 to provide employees and business partners with a single point of access for financial data and other important information. In addition, East West Partners has deployed Microsoft SQL Server 2000 Reporting Services to provide both users and nonusers of the company's financial management solutions with Web-based access to financial information.

“Our busiest months are November through April, so we always upgrade in May,” says Robert Mann, Assistant Controller for East West Partners. “Through our software maintenance plan, we can continually enhance our Microsoft Solomon solution at a predictable annual cost. It's definitely worth it to know that we can always be on the latest and greatest version.”

System Consolidation and Remote Access

East West Partners started working with Solution Technology and JM Consulting in 2001, when the company had 15 to 20 active projects. The first thing that the consultants did was consolidate the company's two Microsoft Solomon systems onto one server computer, which users at the second location initially accessed over a dedicated communication line. In addition to decreasing the number of systems to be supported and maintained, consolidation onto a single system allowed users at both offices to easily share reports and templates.

A year later, East West Partners upgraded from Microsoft Solomon version 2.06 to version 5.0. The upgrade also included a migration from NetWare and Btrieve to the Microsoft Windows 2000 Server operating system and SQL Server 2000—both of which are part of Microsoft Windows Server System™ integrated server software. “The migration to Windows 2000 and SQL Server 2000 gave us significant performance and reliability improvements, resulting in higher user productivity,” says Mann.

Shortly after the company's move to Windows, East West Partners began using Terminal Services to provide users in remote offices with access to Microsoft Solomon over the Internet instead of over expensive, dedicated communication lines. “The Denver and Lake Tahoe projects were too large to handle remotely, so we had to establish offices in those locations,” says Mann. “We now have eight offices in three states, and Windows Terminal Services lets all those locations access the same instance of Microsoft Solomon.”

Improved Reporting and Report Distribution

In the fall of 2002, at which time CRDI included about 35 companies, East West Partners started to use Microsoft FRx to accelerate its monthly closing process. In the past, the company relied on the Microsoft Excel® spreadsheet software, into which two people spent 40 to 60 hours manually keying data. Spreadsheets for each company then were linked to a master spreadsheet to generate a consolidated financial report for CRDI. The entire process took 10 days, with one person working full-time and another working part-time.

With Microsoft FRx, Mann maintains a “tree” that captures the structure of the companies under CRDI. Microsoft FRx pulls the financial data for each of those companies from

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Microsoft Solomon and generates a consolidated report for each “node” in the tree, including at the top level for CRDI as a whole. Changes to the structure of the reporting tree are maintained in Microsoft FRx, which enables East West Partners to easily add and delete companies as new real estate development projects start and others end.

The success that it experienced using Microsoft FRx prompted East West Partners to implement Microsoft FRx Report Server and WebPort, which together allow the company to automatically create and schedule the delivery of reports through e-mail or the Web. “With Report Server and WebPort, users can publish their reports for self-service access by others,” says Mann. “That capability is used most heavily by our Lake Tahoe office, which currently maintains about 50 reports on the Web.”

Comprehensive Project Financials

In 2004, East West Partners upgraded to Microsoft Solomon 5.5 and adopted its Project Controller module for use on its Lake Tahoe development effort, in which the company is redeveloping an entire ski resort—a multibillion-dollar, 20-to-25-year effort. This year, the company added the Contract Management and Project Budgeting modules for Microsoft Solomon. Ten accountants and three project managers at that location use those modules to manage detailed information on a project-by-project basis.

Last year also marked the first time that East West Partners attended Convergence, an annual event at which some 5,000 Microsoft Business Solutions users meet to share ideas and explore how to increase the efficiency of their businesses. “We sent 4 people last year and 7 this year,” says Mann. “Different parts of our company have different needs, and Convergence is an ideal event for exploring how those needs can be met. One of the areas we focused on this year was training.

We all know how to use Microsoft Solomon to do our jobs, but we want to learn about its more advanced features and start developing a set of common best practices across the company.”

Recent Enhancements

Convergence 2005 gave East West Partners an opportunity to prepare for its annual spring upgrade of its Microsoft Solomon solution, which the company completed in June 2005. That effort included:

- An upgrade to Microsoft Solomon 6.0, which provides a more productive, role-based user interface.
- An upgrade to Microsoft FRx 6.7, which includes a new Report Manager feature that eliminates the need to assemble the multiple documents in monthly reports by hand.
- Upgrades to Microsoft FRx Report Server and WebPort, which include new management features that will help East West Partners extend the capabilities provided by those products to more users.
- Implementation of Microsoft Business Portal 2.5, which provides a single point of access for financial data and other information across the company.
- Implementation of SQL Server 2000 Reporting Services, which provides companywide, Web-based access to financial information.

Benefits

Microsoft Business Solutions software gives East West Partners everything that it needs for robust financial management and reporting. Users can access the single, centralized solution regardless of location, enabling the company to easily open and staff new offices without added IT complexity.

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Ed Morgan, Corporate Controller,
East West Partners

Automated financial consolidation reduces the time that it takes to complete financial reporting every month, and the Project Controller module for Microsoft Solomon helps the company to better manage its Lake Tahoe Northstar project. With Microsoft Business Solutions software and partners, East West Partners has been able to stay focused on managing its growing, changing business—without having to worry about whether its financial management system is up to the task.

“Microsoft Solomon has always met our needs—both in terms of new functionality and in support of our business growth,” says Mann. “We’ve never sought to replace it because we’ve never had to look elsewhere for a feature or function we needed. It’s nice to know we’re using a product that has a future—one that Microsoft has committed to maintaining, supporting, and enhancing for the next 10 to 15 years.”

More Timely and Consistent Financial Reports

Even with a fivefold increase in the number of companies under the CRDI umbrella, Microsoft FRx and Microsoft Solomon have helped East West Partners reduce the elapsed time that it takes to complete monthly financial reporting by 50 percent and the total hours for that task by more than 15 percent. It used to take approximately 120 working hours, with one person working full-time and another working half-time for 10 days. It now takes 100 working hours, with two people working full-time and one working half-time for 5 days.

During the monthly closing process, individual financial statements for each company are generated by the second working day. Consolidations can be done on the fly, automatically and at any time, enabling the company to easily create a master report that reflects the overall financial health of the

organization. After reports are finalized, they are saved in electronic format and sent by e-mail directly to the REIT, eliminating the need to print, copy, and ship materials, and cutting an entire day off the process.

“Microsoft FRx has enabled us to maintain a small financial reporting team through several years of strong business growth, helping to save thousands of dollars in staffing expenses,” says Mann. “With Microsoft FRx, it’s much easier and faster to close the books. Similarly, last-minute adjustments can be made more efficiently, and we can find and reconcile discrepancies much more quickly.”

Mann predicts that the new Report Manager feature in Microsoft FRx 6.7 will save even more time. “Report Manager will save three to four hours of work by automatically formatting files into one report,” says Mann. “Content for those reports is created by several people who, in the past, each gave their respective parts to one person who had to pull it all together by hand. With Report Manager, each person can drop their respective files into a report book for automatic formatting. Each new version of Microsoft FRx gets better and better—and it’s already the best product on the market.”

Greater Project-Level Detail

Through the Project Controller module, Microsoft Solomon helps the company’s Lake Tahoe personnel to manage project-level detail. Project managers and accountants can view information at a greater level of detail than otherwise possible with the system, which helps them to better track progress and control costs. Data automatically flows from the Project Controller module to the company’s general ledger, ensuring that everyone is working from the same information while providing the different levels of detail that the company’s Lake Tahoe personnel and its

financial reporting teams need to be effective in their jobs.

“Financials stay much cleaner when we don’t have to track all detail with general ledger accounts and subaccounts,” says Ed Morgan, Corporate Controller at East West Partners (Lake Tahoe). “It saves six to eight hours during the month-end closing process. In addition, we can be much more flexible in the detailed budget-versus-actual reports we provide to project and construction managers, with additional benefits to come when we start publishing those reports to non-accounting staff through Microsoft Business Portal. We just implemented the Contract Management and Project Budgeting modules, and I can see them saving hours of looking up accounts-payable data during quarterly reforecasting.”

Adds Mann, “The Project Controller module does a great job of bridging the gap between project management and corporate reporting. Users of the module can manage on a project-by-project basis, and the module handles the consolidation of all that data into the single set of numbers that I need for corporate reporting. We can close the books while project accountants keep projects open, with everyone getting exactly what they need to do their jobs without the system fighting them. We’ll soon start to explore how we can use the Project Controller module elsewhere in the company.”

Improved, Companywide Access to Information

With Microsoft FRx Report Server, FRx WebPort, and Microsoft Business Portal, East West Partners can extend the information in its Microsoft Solomon solution—and reports that are based on that data—to employees and business partners over the Web. Mann plans on taking advantage of user management-related improvements in Report Server and WebPort to triple the number of

users of those products over the next six months.

“The new versions of Report Server and WebPort are much easier to manage, which will allow us to expand the use of those products beyond our Lake Tahoe office to other parts of the business,” says Mann. “I can see us using the same capabilities to provide data to external partners, such as the financial institutions that we work with for financing.”

When used with Microsoft Solomon 6.0, Microsoft Business Portal 2.5 will extend the capabilities of that solution to users over the Web and provide new features, such as key performance indicators that will allow East West Partners executives to discern the financial health of CRDI at a glance. Furthermore, Microsoft Business Portal will help the company’s employees to build a centralized project management desktop that consolidates previously disparate aspects of project management and accounting tasks. Users also can store and share other documents on the portal, such as those that are produced using Microsoft Word or Excel.

“With Microsoft Business Portal, managers and others who need financial data will no longer have to ask someone else for that information,” says Mann. “Instead, everyone will be able to access the data that they need on their own, with views that are custom-tailored to each user’s role. Management will appreciate the key performance indicators and can easily drill down into the numbers behind those indicators. We’re continually adopting new Microsoft Solomon features and other Microsoft software, and Microsoft Business Portal provides a great way to pull it all together and extend it to stakeholders over the Web.”

For More Information

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For more information about Solution Technology Inc., visit the Web site at: www.soltinc.com

For more information about JM Consulting Services Inc., visit the Web site at: www.jmconsulting.com

For more information about East West Partners, visit the Web site at: www.eastwestpartners.com

Microsoft Business Solutions

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Software and Services

- Microsoft Business Solutions
 - Microsoft Business Solutions Business Portal
 - Microsoft Business Solutions for Analytics–FRx
 - Microsoft Business Solutions–Solomon
- Microsoft Windows Server System
 - Microsoft Windows 2000 Server
 - Microsoft SQL Server 2000

Hardware

- One Dell PowerEdge 2550 two-processor server
- One Dell PowerEdge 2650 two-processor server
- One IBM eSeries 346 two-processor server

Partners

- Solution Technology Inc.
- JM Consulting Services Inc.

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