

## Achieving Results with Accruent for Retail

The Accruent Retail Lease Management solution provides controls that effectively stop cost leakages by managing all leases and related agreements on one centralized system.



**“Accruent is always willing to help and to listen. They assisted our company to evolve and improve.”**

— **Matt Abrew**  
Manager of Real Estate Operations  
GNC

**Accruent Lease Administration provides GNC with a strategic tool to manage its retail outlets in ways that lower costs and reduce risk.**

With annual sales of more than US\$1.4 billion (2004), GNC is the leader in the intensely competitive industry of retail nutritional supplements, including vitamins, dietary products, and herbs. Headquartered in Pittsburgh, Pennsylvania, GNC has grown from approximately 1,000 US-based stores in 1990 to about 5,750

company-owned and franchised outlets throughout the US and 26 international markets, including Canada and Mexico. GNC is the largest nutritional supplements retail chain in the US, with 4,260 General Nutrition Centers. Stores also include Health & Diet Centers in the UK and GNC Live Well, and Value Nutrition.

The Accruent system dramatically improved accuracy and streamlined internal processes.

**“We are able to correct lease errors and save the company substantial amounts of money each year.”**

— **Matt Abrew,**  
**Manager of Real Estate Operations**  
**GNC**

## THE CHALLENGE

**Though enviably established in its market, GNC understands that to continue thriving it must achieve high levels of internal efficiency while remaining agile and open to change.**

Real estate is GNC’s second highest cost after salaries. To handle their complex lease management requirements, the company began searching for a comprehensive, high performance lease management system that could handle a large volume while retaining its flexibility.

At that time, GNC’s leasing and auditing functions were managed separately, and interdepartmental challenges contributed to escalating costs. Adding to the confusion, there were two separate IT systems in place for managing real estate: a mainframe-based in house system to pay rent and percentage rent, and a homegrown proprietary system to manage other tasks, such as “kick outs.” The auditing process was manual and paper based.

GNC wanted to streamline the process; to improve the efficiency and accuracy of managing its complex leasing portfolio, and to cut costs. The company wanted one system to do it all, including pay rent, manage the leases, and automate the auditing process. Company decision makers first considered building the system in house but estimated that it would take a year, and would be too expensive to maintain.

After evaluating several software solutions, GNC deemed Accruent Lease Administration system the clear choice because its scalability, flexibility and powerful functionality could meet the challenges posed by the size and complexity of GNC’s real estate structure. Accruent’s ability to provide services such as legacy migration and data abstraction would be crucial for successful implementation.

# General Nutrition Corporation

## THE ACCRUENT SOLUTION

**The implementation process was rapid, beginning in April and going live in October — seven month total.**

GNC had a two-man team committed almost full time to the data conversion and implementation, while the Accruent software team was heavily involved upfront in creating the data map, the framework of workflow and business practices, and preparing the lease abstraction data. Accruent then provided database migration, project management and consulting to help monitor

testing and troubleshooting solutions for the remainder of the process.

“The Accruent team is knowledgeable and has a good background in the real estate business,” says Matt Abrew, Manager of Real Estate Operations, GNC. “We speak a common language. They are always willing to help and to listen. They assisted our company to evolve and improve.”

## THE BENEFITS

**Not only did Accruent for Retail achieve 100 percent ROI for GNC but the implementation also enabled business process change, including bringing part of the accounting department under the real estate management team.**

The greater synergy between the functions of lease management, auditing, and accounting creates a smoother running system.

GNC now has more control over its lease data access, and has much more confidence in the integrity of its data. In the management of complex leasing arrangements, this is a huge bonus.

“Accruent has enabled us to go in and figure out where errors occurred in our rent payments,” says Abrew. “Through this process, we were able to correct lease errors and save the company substantial amounts of money each year.”

## HIGHLIGHTS

### COMPANY PROFILE

- > 5,750 company-owned and franchised outlets in the US and 26 international markets
- > \$1.4 billion annual sales (2004)

### CHALLENGE

- > Real estate is GNC's second highest cost after salaries. The company needed to streamline its real estate management processes by integrating the lease management and accounting components and automating auditing.

### ACCRUENT SOLUTION

- > Streamlines real estate management processes, integrates the lease management and accounting components and automates auditing.
- > Functions: General Terms, Financial Terms, Audit, Rent Accounting, Financial Management and Activities.

### RESULTS

- > Improved efficiency by streamlining processes
- > Integrated different departmental functions to optimize processes
- > Gained more control over data access
- > Guaranteed integrity of system data
- > Achieved dramatic cost savings by improving rent payment accuracy

## THE FUTURE

Going forward, GNC intends to stay current on new releases of Accruent software and, when appropriate, to take advantage of Accruent's new product offerings.

"When you find a company that understands retail lease management, you just naturally want to stick with them," says Abrew. "We're looking forward to a continued relationship."

## ABOUT ACCRUENT

Founded in 1995, Accruent leads the industry with a new generation of solutions designed to fully leverage real estate assets and decisions as an enterprise competitive advantage. Accruent Real Estate Performance Management (RPM) solutions maximize the impact that real estate properties—stores, restaurants, local branches, and corporate offices—have on company performance by driving revenue growth, reducing costs and achieving financial compliance. More than 340 of the world's largest companies, including 20 percent of the Fortune 500 and 40 percent of the Top 100 Retailers use Accruent's solutions. In addition, Accruent couples the broadest and deepest real estate data set and advanced business intelligence to bridge the gap between daily operations and strategy.

For more information, visit [www.accruent.com](http://www.accruent.com)

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