

Achieving Results with Accruent for Retail

With the Accruent solution, Kohl's is able to effectively manage a growing volume of stores.



“Accruent Lease Administration™ streamlines the process of handling a huge amount of lease details and gives us important information in easy-to-understand formats.”

— Pamela Erdman
Lease Analyst
Kohl's

This fast-growing retail store chain based in Menomonee Falls, Wisconsin sells brand name apparel and housewares at discount prices. Founded by the Kohl family in 1962, Kohl's posted sales of \$10.2 billion in 2003.

While many department stores have been struggling, Kohl's sales and earnings have grown at a compound annual rate of 25 – 30 percent since going public in 1992. With their entry into the California market in 2003, Kohl's moved from being a regional to a national retailer. As of January 2005, the company operates 637 stores in 40 states. The large number of stores gives Kohl's

more pricing muscle with vendors —and more labels to offer shoppers.

Kohl's expects to open approximately 95 stores in fiscal 2005. These openings include the company's entry into the state of Florida, with new stores in the Orlando and Jacksonville markets.



Accruent for Retail

The Accruent system captures in electronic form all the details of leases and related agreements.

THE CHALLENGE

While this explosive growth is a clear sign of retail success, it has also presented challenges for lease administration.

The complexity of lease administration has grown phenomenally in the last three years, placing an increasingly heavy burden on the company’s real estate and legal departments.

In addition, Kohl’s identified the need to have an efficient and concise way to provide all authorized departments easy access to property data.

THE ACCRUENT SOLUTION

Kohl’s was in the forefront of automating lease administration. Eight years ago, the company implemented a robust, reliable automated real estate management system—Accruent Lease Administration.

“When we implemented the Accruent solution it really moved us into a new level of efficiency when it comes to managing real estate,” says Pam Erdman, Lease Analyst for Kohl’s. “We use Accruent Lease Administration to manage and monitor our entire real estate portfolio, both leased and owned properties.”

Accruent Lease Administration’s property management functions handle accounts payable and receivable data for all situations, whether tenant or landlord, including those involving multiple landlords and payees. It generates rent roll, rent bump-ups, tracking of construction costs, approval requests, and lease renewals along with a complete online history for as many periods as required.

“Knowing that we have a solutions provider who really understands our needs is a good feeling.”

— Pamela Erdman
Lease Analyst
Kohl’s

Kohl's Corporation

THE BENEFITS

Before implementing Accruent, Kohl's tracked real estate on labor-intensive spreadsheets. The reporting process was difficult and there was no way to easily share information between departments.

"After we implemented Accruent, the whole process became much more efficient and integrated," says Erdman. "One of the most important benefits of the solution is its ability to capture and retain in electronic form all the details of our leases and related agreements."

"It has really helped us get a better handle on our original documents," says Erdman. "We can scan our paper documents and store PDFs in the system. Whenever we want to see the details of agreements, we can quickly view them from the system's Doc Tracking screens. This has cut down tremendously on the problem of manually searching the original paper documents. And we no longer have the problem of documents that 'walk away.' It also has helped us end the paper jungle of Excel spreadsheets for renewal of leases and rent bump-ups."

With the robust Accruent Lease Administration application, Kohl's can track 1,800 data fields daily on its leases and other real estate agreements.

"Accruent Lease Administration streamlines the process of handling a huge amount of leasing details and gives us important information in easy-to-understand formats," says Erdman. "For example, it includes important lease details required to complete an estoppel, which prevents false representation or concealment. It also allows our Facilities Department to quickly determine what we're responsible for and what the landlord is responsible for, because it's right there in the system and available on your desktop."

The solution not only captures large amounts of information, but also just as important it makes the information available quickly in highly useful formats. The system's powerful search engine allows users to find just what they need with a few keystrokes. Strong querying and reporting capabilities, including flexible SQL queries, enable the system to generate user-defined reports, charts and queries, and ad hoc reports.

"Sophisticated reporting capabilities are a tremendous help," Erdman says. "This is where we get the visibility that helps us manage and plan much more effectively."

HIGHLIGHTS

COMPANY PROFILE

- > \$10.2 billion total sales (2003)
- > 25 – 30% yearly sales growth since going public in 1992
- > Operates 637 stores in 40 states
- > Plans to open approximately 95 stores in fiscal 2005

ACCRUENT SOLUTION

Accruent Lease Administration is designed to manage both leased and owned properties:

- > Handles accounts payable and receivable data, including those involving multiple landlords and payees.
- > Generates rent roll, late fees, record receipts, invoicing and complete on-line history for as many periods as you require.
- > Robust reporting capabilities for user-defined reports, charts and queries, and ad hoc reporting.
- > Powerful search engine for quick access to critical data.
- > Unlimited number of ticklers and free-form comments.
- > Tracks 1,800 data fields on a daily basis.

RESULTS

- > Significantly improves lease management processing efficiency
- > Handles increased workload with the same number of staff
- > Supports faster, fully-informed decisions through quick access to key information
- > Reduces risk of missing critical dates
- > Access to full text of leases in PDF format
- > Web-based architecture supports universal access
- > Clearly favorable benefit-to-cost ratio

THE FUTURE

"We are big fans of the Accruent software and we're looking forward to the new capabilities that will be coming out with the next release," Erdman says.

She also notes that it is good to know that Accruent is committed to continue supporting the solution.

"It's definitely positive to have a company with a strong commitment to lease management systems supporting our system," Erdman says. "Knowing that our Accruent Lease Administration system will be there for years to come, and that we have a solutions provider who really understands our needs is a good feeling."

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

1601 Cloverfield Blvd.
Suite 500 South
Santa Monica, CA 90404

Phone: 310.526.5700
Fax: 310.526.6300
Email: sales@accruent.com