

CBRE

Property Management company CBRE Ltd. increases value with Proactis spend management

Profile

Vertical sector
**Real Estate /
Property
Management**

Properties managed
5,000+

Assets under
management:
\$35 billion+

Services required:
\$360 million+

P2P users:
500+

Objectives

- ① Provide client property owners with best value for procurement of goods, services, utilities and other expenditures for managed facilities.
- ① Ensure control over expenditure against budget at the point of order not invoice.
- ① Maintain consistent control and visibility of all purchase activity across all on-site and central office functions.

How Proactis helped

- ① Streamlined invoice processing and payment authorization within the Accounts Payable (AP) function.
- ① Enabled accurate, company-wide expenditure management and reporting.
- ① Provided complete visibility of what has been spent, and planned expenditure.

Benefits to CBRE Ltd.

- ① Consistent Purchase-to-Pay (P2P) processes across all managed properties, involving about 500 employees.
- ① Greatly improved budget control for site managers.
- ① Considerable growth in transaction volume managed with same headcount.

It's no small feat to establish a single procurement system that enables us to manage over 5,000 different properties as separate entities. But in doing so, we now have one of the best spend control systems in our business. We believe Proactis gives us the perfect platform to ensure that we are at the forefront of delivering both value from procurement and control of expenditure management.

Head of Procurement,
Property and Asset Management, CBRE Ltd.

Profile

CBRE Ltd. is the world's largest commercial real estate services firm, with over 40,000 employees, and serving real estate owners, investors and occupiers worldwide. Part of the company's Property and Asset Management service provides owners with lease management, accounting, risk management, facilities management and procurement services for commercial properties including shopping centers, office buildings and industrial estates. The team manages over 5,000 properties, covering 209 million square foot and delivers service to 21,500 tenants.

The company collects rent and service charges of more than \$3.4 billion each year. In terms of procurement, they have an annual spend approaching \$370 million, with over 8,000 suppliers and over 150,000 invoices a year.

Objectives

When property owners contract with CBRE to manage their assets, they expect the CBRE team to leverage property management expertise and local knowledge to operate their investments to maximize long-term value and reduce exposure to risk and financial shortfalls. Among other things, this demands close control of expenditure for services such as cleaning, maintenance, security, landscaping, and all activities required to keep a property in top condition and ready for sale. It also requires careful management of a wide range of suppliers, as well as proper, and prompt, payment of utility and tax bills, and other invoices. Both the owners and the tenants who are in receipt of and pay for the services expect clear, accurate and timely accounting for all operating expenses.

The Property and Asset Management executive team recognized that a comprehensive organization-wide procurement and invoice processing system was needed - a system to effectively support the growing scope of the business and to provide great customer service.

How Proactis helped

CBRE worked with Proactis to implement an end-to-end procurement solution that could not only be put in place quickly, but provided a framework to become a true spend management system for all of its properties.

The Proactis solution has improved efficiency in procurement while at the same time enabling the organization to accurately record and control expenditure across all separate entities. The system also provides control and visibility of not only what is being spent but also what spend is being planned. This significantly improves financial control and adds significant value for both clients and tenants.

The fact that Proactis was available as a hosted solution made it even more attractive. It meant that the CBRE team could focus all its attention on deployment and use of the system, and let the Proactis team handle day-to-day technical operations. Implementation was very quick, achieving full deployment across all properties in just nine months. The system is now in use by over 500 employees, ranging from central office personnel to on-site operations people, and is integrated with fifteen different financial systems to support CBRE and its numerous property owners.



Benefits to CBRE Ltd.

Using Proactis workflow and authorization rules, most purchases are made directly by the authorized employees. If the purchase exceeds a specified value, risks an over-budget situation, or is otherwise outside the norm, it is automatically routed to a manager for further approval.

Site managers who are responsible for the spend management of their facility particularly appreciate the Proactis system as it gives them complete control and visibility of their budgets.

The system is helping streamline invoice processing. Many expenses are necessarily based on invoices alone – for example phone, utility, and tax bills. CBRE is using Proactis with larger suppliers, such as phone companies, and internal CBRE charges, and has implemented electronic invoicing with utility providers. Up to 50% of invoices are now received, viewed and paid electronically. This, plus the use of purchase order matching and workflow to verify service delivery by the originator, has greatly reduced paper-based processing and has enabled the AP department to significantly increase control of the payment process.

CBRE also now has visibility of exactly what's happening with suppliers – what's being bought, how much is being spent, delivery performance, etc. This enables the team to proactively identify and resolve issues, and to work towards obtaining even better value with contracts.

If you want to become a **faster, leaner, smarter** organization,
then contact our friendly team – [**Proactis.com/contact**](https://proactis.com/contact)

