

ARCHIBUS Success Story



Suncorp Metway: Banking on Lease Management

Suncorp Metway Ltd is Australia's most advanced allfinanz company. It develops and markets a full range of banking, insurance, superannuation and fund management products. One of Australia's Top 25 listed companies, Suncorp Metway includes the country's sixth largest bank-Suncorp-and second largest insurance company-GIO.

With 3.5 million customers, the company operates over 421 leases across the country. Each of these buildings-including branches, agencies, sales centers, and business banking outlets-has its own lease with unique terms, conditions, and responsibilities. Suncorp Metway chose ARCHIBUS to help manage these various commitments, ensuring that the organization abides by all its leasing obligations while operating more cost-effectively.

Preparing to Meet the Future

In 1996, the Queensland Government-owned entities, Suncorp and QIDC merged with the Metway Bank to form Suncorp Metway. These three companies brought their respective financial expertise to the merger, as well as their own databases for managing leases. "These disparate systems were not a long-term option for recording information," says Adam Brockhurst, Facilities Information Coordinator at Suncorp Metway. "We were looking for a better way to handle all our requirements. ARCHIBUS was a good solution." Among these requirements was the system's capability to handle the impact that Australia's newly introduced Goods and Services Tax (GST) would have on Suncorp's processes; an accurate chargeback function; and compatibility with PeopleSoft®. After conducting a search for a solution that could easily tackle the job, Suncorp Metway settled on ARCHIBUS.

With the help of ICAD Consultants in Parramatta, Suncorp Metway implemented and customized the Real Property & Lease application to unite the leases from each entity for easier reporting. Today, the company records all the information related to its 421 leases, including the business units that occupy the sites, within ARCHIBUS.

Paying the Rent

Through an interface to Suncorp Metway's PeopleSoft financial management system, the Facilities department can prepare ARCHIBUS reports that are compatible with the organization's Accounts Payable department. Given the number of different leases and landlords, it made sense to automate this process as much as possible. "Recurring costs,



Vital Statistics

Organization:

Suncorp Metway

Location:

Brisbane, Australia

Facilities Facts:

421 facilities measuring approximately 183,800 square meters

ARCHIBUS Applications:

Real Property & Lease Management

Reasons for Implementing:

Needed a long-term solution to manage the combined leases of three merged entities

Benefits Gained:

Faster processing times; more accurate budgeting and cost allocation; reduced administrative cost

Business Partner:

ICAD Consultants Pty Ltd.

Web Site:

www.suncorpmetway.com.au

such as rent, cleaning, and security are scheduled within ARCHIBUS," says Brockhurst. "We can schedule out these costs for the duration of the lease" he says. Suncorp Metway has also streamlined its processes by coordinating the payment of various contracts. "For example, if rents are scheduled to be paid on the 1st of the month, then other recurring costs, along with any adjustments, can be scheduled for approval at the same time," says Brockhurst.

Better Planning Capabilities

Since even recurring costs may fluctuate from month to month, Brockhurst and his team have developed a way to prepare accurate financial budgets for the future. For example, all recurring costs associated with rental for the months of April/May can be copied to a budgeting cost table. This provides a rental budget for each site that Suncorp Metway manages, with dollar amounts adjusted according to lease terms or changes in the CPI (Consumer Price Index). These new rental amounts are plugged in for June/July, and are then split among the individual business units that occupy the site. Suncorp Metway leaves no room for ambiguity when passing these charges onto its business units. "We can supply our accounts section with an exported text file outlining the costs for each business unit, since the group budget is calculated on the business unit level as opposed to the site level," says Brockhurst.

A Lease Negotiation Tool

"We are heavily reliant on reports provided by ARCHIBUS, including site summary report, expiry reports, and lease commitment reports," says Brockhurst. "Real time information on when leases are up for renewal or review gives our leasing team time to negotiate the best deal for future lease terms," he says. These reports also help Suncorp Metway identify areas where costs might be excessive compared to similar sites. "If the number of dollars per square meter we're spending on electricity at a certain site seems excessive, it may mean we are using old equipment or not turning off air-conditioners at night," says Brockhurst. In addition to plugging potential financial holes in its operations, Suncorp Metway has been able to save \$35,000 a year simply by eliminating a number of time-consuming administrative tasks.

Future Plans

Based on the success of the project, Suncorp Metway is now planning to extend its lease management capabilities into other states of Australia, following its acquisition of insurance company, GIO last year. This will enable Suncorp's interstate facilities team to access information relating to leases for which they are responsible. A customized version of the Building Operations management application will assist Suncorp's Facilities Help Desk staffers by removing the need for them to access the old database to monitor and track help desk calls. Brockhurst also envisions the organization's property managers using ARCHIBUS to keep track of all ad hoc and preventive maintenance activities associated with Suncorp Metway's facilities throughout Australia, complementing the detailed lease information that the company already tracks.

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Facilities Information
Coordinator, Suncorp
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