

# Yardi Module Spotlight:

## Yardi's Advanced Budgeting and Forecasting (ABF)

In this 33Floors Yardi Module Spotlight, we explore Yardi's Advanced Budgeting and Forecasting module and how it can be tailored to address each Yardi customer's unique requirements.

One of Advanced Budgeting and Forecasting's (ABF) best features is the ability to leverage all the component functions available in Yardi. This includes contract leasing, recoveries, fee calculations, service contracts and capital planning, among other things. In other words, the ABF module unleashes Yardi's power in ways that many property management firms find essential to their productivity.

### An analytical powerhouse

The ABF module works with a virtual copy of the properties and leases. The reference copy is made when each new worksheet is created. While working within ABF, the core masterfile data isn't touched.

By working with a virtual copy, the user has unlimited freedom to experiment with leasing and expense scenarios, all without affecting the live lease and operational data.

At any point the user can pull actuals-to-date into the ABF module, bringing its virtual copy up to speed with real-time data. During a forecasting session, users can run comparisons of original and re-forecasted budgets to see variances at a glance. In short, ABF can give greater visibility into each managed property.

Some of the things we love about the ABF module

#### » Efficient budgeting.

As it draws upon data and assumptions maintained in the customer's database, the ABF module allows budgets and forecasts to be built without rekeying anything. Data can then be analyzed using the robust suite of reports and functions that come with the module.

#### » Advanced reporting.

The ABF module comes with a library of available analytic reports, which span financial and operational formats. With the help of an experienced development team, a customer can modify the reporting system as it sees fit. The result is sophisticated reports that address each organization's distinct needs.

#### » Flexibility and insights from a sandbox approach.

The ABF module allows users to create multiple lease and budget scenarios without impacting the underlying core data. In a real sense, the module lets users experiment with different plans to find the one that best meets their goals. Among other things, users can factor in different variables into their scenarios to see how they might influence the bottom line.

For example, a property manager might be thinking, “I’m going to lease these four suites, and spend a certain amount in cost inducements (Commissions and TI’s).” But after running the numbers through ABF, she discovers that the plan calls for her to lease a huge amount of square footage with a budget for only two leasing agents. The analysis provided by ABF gives the manager an opportunity to proactively add additional personnel to meet expected demand or modify the aggressive schedule.

The ABF module can answer questions like, “What if I terminate this lease early?” or, “What if this tenant left early due to financial or operational constraints?” It can also be used to explore breaking up a single space into multiple tenancies, each with their own lease schedules. The possibilities are endless.

### » Capturing the whole picture or just a single suite.

With ABF a user can adjust factors across an entire portfolio, within a specific grouping of properties, or for a single location. This allows firms to explore scenarios and budgeting options at multiple levels of granularity. ABF provides deep insights into the gaps between what a firm originally planned for its properties and what has been accomplished. It also can bring to light challenges, whether they are firm-wide or property-specific, that can be proactively addressed.

### What ABF customizations can do for property management firms.

Whereas most small real estate entities will find Yardi’s ABF module more than adequate for their reporting and forecasting needs, the truth is that mid to larger sized firms with complex portfolios will want to customize ABF to streamline and automate their reports and reduce—or eliminate—tedious inefficiencies and manual calculations.

Clients who customize their ABF module can enjoy a more streamlined process. By leveraging Yardi Function Groups, 33Floors can easily automate an entire series of critical steps. The use of the Function Group ensures the right filters and parameters are selected for each step, thereby increasing accuracy and consistency in the process and saving time.

This could mean the firm only needs to ask its property manager to do two things instead of ten, cutting down on the potential for costly errors. Across a large portfolio, the risk management benefits are significant.

Customization also allows clients to fine-tune how their budgeting scenarios are presented. Larger property management clients usually have a certain expectation for how their budgets need to look, or they book straight-line rent a certain way, or they book the amortization and the depreciation pieces simultaneously. Whatever the case may be, an experienced Yardi customization team can adjust the ABF module to align with the client’s existing practices.

### The 33Floors process.

#### At 33Floors we love the analytical power that Yardi’s ABF module brings to the table.

When a client asks us to support implementation of the ABF module, we begin by building an understanding of exactly what the client needs. Most clients have an idea of what their budget process should look like, but almost none of them have a process map with well-documented procedures. We work with the client to create a detailed process flow and design a customized ABF reporting module that aligns with their unique requirements.

Our goal is to simplify the process, then automate and streamline as much as possible, so the client can count on a more accurate and consistent result.

Quite often a client will ask us to make changes to the way the ABF module works. If Yardi doesn't provide a responsive solution out of the box, 33Floors will work hand-in-hand with Yardi to build the functionality the client needs.

A question every property manager, CFO, and IT manager will ask is how long an ABF rollout can take. The answer depends on the complexity of the client's requirements, of course. But because 33Floors has done a lot of these installs over the years, and thanks to our close relationship with Yardi, we typically can get an ABF installation up and running very quickly.

### **33Floors is your go-to for Yardi support and service.**

If you're looking at adding an ABF module to your Yardi system, or if you'd like to see how customizing ABF can streamline your processes and improve your reporting, please don't hesitate to contact us at 33 Floors today.

We look forward to serving you.

## **ABF Module Success Stories:**

### **Streamlined Forecasting for a Commercial REIT**

A domestic commercial REIT needed ABF to help a minimal staff develop quarterly forecasting. 33Floors set up the client's ABF environment in a tight and efficient manner using the various components noted here to automate the processes necessary to re-forecast each quarter. By leveraging Yardi's toolsets, the client completes quarterly forecasts with a staff of just a few people, with only leasing assumptions requiring additional outside updates. Using ABF, the original eight-week process was reduced to four.

### **Using ABF to Tie a Complex Portfolio Together**

A client with a North American mixed-use REIT portfolio required a long-term capital plan, three-year budget and one-year forecasting, including investment management style consolidations with numerous eliminations. During the planning phase, 33Floors worked with the client to analyze the disparate workflows used throughout its portfolio to refine and document a consistent and comprehensive process.

The resulting ABF environment has numerous tailored features. A central budget coordinator is responsible for the initial creation and seeding of forecasts and budgets. From there, the client follows a disbursed completion effort using lease administration, property management personnel and corporate accounting. With the help of 33Floors, this process was recorded in client-specific design and process documents to ensure consistency and sustainability.

This client also utilized a unique Investor Report Package, incorporating standard reporting tools combined with customized solutions provided by the 33Floors development team.