

Tenant Portal Case Study

Abstract

A Tenant Portal is a specialized website designed to provide services to a client base for a particular business center. The services enabled by the Tenant Portal would not normally be available without the client picking up the phone, sending an email or making a visit to the office desk. The primary goal of the Tenant Portal is to provide automated “Self Service” functions to the client and perspective client.

Introduction

In a changing economic climate that is affecting energy costs, labor costs and vacancies rates, recent technology trends, in an effort to combat these issues, include the implementation of the Tenant Portal. A Tenant Portal helps offset increases in operating costs, erosions in profits and decreases in retention and vacancy rates. This study looks at the documented results achieved from the deployment of a Tenant Portal for 12 month period.

Subject Property

The subject property is a 18,000 square foot business center complex located in Southern California. The property consists of approximately 68 onsite clients, 82 virtual tenants, three executive conference rooms, and four onsite staff members. A Tenant Portal was deployed in February of 2006. This study details the financial findings from the period of February 2006 to February 2007.

Study Parameters

This study looks at six primary parameters to calculate financial gains and savings. They are:

- Revenues from the introduction of 3rd party products and services promoted through the Tenant Portal. On average the bottom line revenue increase was 30% of the gross monthly income.
- Material and labor savings through the elimination of the traditional methods of distributing paper memos and handouts. Savings figure is based upon an industry average of .50 per handout which includes labor and material costs.
- Labor savings through the use of an automated service request system. Savings based upon an industry average of \$2.00 per call which includes labor and material costs.

- Revenue generated from promoting conference rooms to non-clients. Conference room bookings for non-clients were not available for the business center prior to the deployment of the Tenant Portal.
- Revenue generated by promoting services to virtual tenants through the Tenant Portal. Although the business center had an established virtual suite business, there was not a mechanism in place to promote conference room or 3rd party products and services to the virtual tenants.
- Material and labor savings through the use of online payments and invoice display. Savings is based upon .25 per client, which includes labor and material costs.
- Staffing labor reductions through the general use of “Self Service” functions that normally require staff interaction. Savings is based upon a reduction in staffing at a rate of 20%. Staffing hourly rate of \$12.00 per hour for a full-time employee is used to calculate total staffing labor savings.

Documented Study Results

A total bottom line addition of **\$20,000** was achieved in a 12 month period. This equates to an additional **\$1,800** a month in revenue and savings for this property. The following averages were documented. See Appendix A for a monthly breakdown of each item:

Item	Average Monthly Documented Savings/Revenue
3rd party products and services revenue	\$400.75
Savings from elimination of Client handouts	\$150.00
Savings with the introduction of automated service request system	\$160.00
Savings with the deployment of online invoices and payment options	\$22.50
Staff labor savings	\$700.00
Non client conference room bookings	\$205.00
Revenue from virtual tenants	\$174.63
TOTAL Monthly Average Revenue Increase	\$1,812.88

Non-Capitalized Benefit

A significant additional benefit that was documented but was not translated to direct savings or revenue figures was increased “Client Retention”. Property Management noted higher overall client satisfaction with a distinct decrease in move out notifications. This study was not able to put a direct revenue value against this savings because there was not a method in place to directly attribute the Tenant Portal as the sole source of the increase in retention. Other factors such as the economy or real estate market trends may have affected client retention factors documented in this study.

Appendix A

Detailed study results from June 2006 – June 2007

Month	Items	Documented Savings/Revenues
February	3rd party products and services revenue	0
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	0
	Revenue from virtual tenants	0
		\$1,032.50
March	3rd party products and services	\$25.00
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$75.00
	Revenue from virtual tenants	0
		\$1,132.50
April	3rd party products and services	0
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$125.00
	Revenue from virtual tenants	\$50.00
		\$1,207.50
May	3rd party products and services	\$75.00
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$175.00
	Revenue from virtual tenants	\$125.00
		\$1,407.5

June	3rd party products and services	\$820.00
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$175.00
	Revenue from virtual tenants	\$212.76
		\$2,240.26
July	3rd party products and services	\$695.00
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$225.00
	Revenue from virtual tenants	198.09
		\$2,150.59
August	3rd party products and services	\$250.50
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$375.00
	Revenue from virtual tenants	\$245.70
		\$1,903.70
September	3rd party products and services	\$931.50
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$125.00
	Revenue from virtual tenants	\$209.12
		\$2,298.12
October	3rd party products and services	\$2,479.37
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$125.00
	Revenue from virtual tenants	\$94.23

		\$3,731.10
November	3rd party products and services	\$4,171.63
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$275.00
	Revenue from virtual tenants	347.03
		\$5,826.15
December	3rd party products and services	\$1,762.75
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$225.00
	Revenue from virtual tenants	\$102.98
		\$3,123.23
January	3rd party products and services	\$1,926.05
	Savings from elimination of Client handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non client conference room bookings	\$185.00
	Revenue from virtual tenants	\$245.67
		\$3,389.22
February	3rd party products and services	\$1,097.00
	Savings from elimination of Tenant handouts	\$150.00
	Savings with the introduction of automated service request system	\$160.00
	Savings with the deployment of online invoices and payment options	\$22.50
	Staff labor savings	\$700.00
	Non tenant conference room bookings	\$325.00
	Revenue from virtual tenants	\$265.04
		\$2,719.54
	TOTAL Savings 12 months	\$12,390.00
	TOTAL Revenue of \$16,329.42 at 30% profit	\$4,809.82
	TOTAL Revenue from Non-Tenant Conference Room Bookings	\$2,460.00
TOTAL	Revenue and Savings Total	\$19,659.82