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Business Process Outsourcing at Staubach Retail



Customer Profile

A part of The Staubach Company, Staubach Retail provides a full range of services including brokerage, development, capital solutions, consulting and managed services to both retail users and retail owners of real estate. With dedicated retail real estate professionals in 18 offices across the country, Staubach Retail combines national coverage with local expertise to give clients a competitive edge in the retail arena.

The Business Challenge

Staubach retail, pursues consulting engagements throughout the year, but cannot predict the number of contracts that actually close until a deal is signed. Once a Consulting & Managed Services project is secured, lease abstraction services – transferring data from a paper lease into an Enterprise Contract Management System – is a critical first task that must be completed before further real estate analysis can begin.

This unpredictability of business flow caused significant challenges for Staubach Retail; “The last thing we want to do is hire a large team, and then have them sit around waiting until a major project hits, or reassign them whenever a project goes into maintenance mode”, said Karen Loss, Staubach Retail’s Vice President of Real Estate Administration Consulting & Managed Services. The company was well staffed to handle existing customers, but new accounts required immediate lease abstraction services; the bigger the project, the worse the problem. Not being able to rapidly scale up had become a major roadblock to selling real estate advisory services with confidence.

To better manage the unpredictable ebb and flow of lease abstraction services needed throughout the year Staubach Retail had previously turned to two U.S.-based providers and one offshore firm. Yet results were sketchy. The problem with the U.S. based companies was two fold, Staubach Retail realized; first, cost was very high in comparison to offshore vendors, and second, the staff did not view lease abstraction services as a career, which

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About NTrust Infotech

NTrust Infotech is a Real Estate Business Process Outsourcing company providing reliable offshore lease administration and onsite support services to customers worldwide. With over 200 professionals located in the company's state-of-the-art operations center in Chennai, India, NTrust is well positioned to quickly respond to your varying service needs.

NTrust is ISO 9001:2000, BS 7799 (now known as ISO 27001) and CMMI Level 4 certified. The BS 7799 certification ensures utmost security of customer data in both physical and electronic forms.

led to high turnover and the constant need for retraining of what felt like temporary personnel.

In addition, results lacked the quality and consistency Staubach Retail required. Neither the domestic, nor the offshore service provider were willing to share the risk and assume responsibility when there were abstraction errors - which meant they were not willing to accept penalty clauses that would reduce their fee should they fail to meet predefined quality levels.

A Pilot Program Confirms Service Levels

In March of 2005 Staubach Retail made first contact with NTrust Infotech. "The big difference that became immediately apparent was that they [NTrust] were willing to put skin in the game. They guarantee their work, which provided us with a comfort level", Loss said. NTrust guarantees to meet specific quality percentiles and reduces fees when those levels are not met.

Putting the new service provider to the test, Staubach Retail asked NTrust to conduct a pilot program in April of the same year during which a limited number of leases were abstracted to measure the quality levels NTrust could provide. A minimum accuracy rate of 92 percent, the same Staubach Retail had previously applied internally, was established as the benchmark. At the end of the pilot the results confirmed that the NTrust team performed at an unheard of 98 percent - and the cooperation was underway.

Deploying the NTrust Infotech Solution

Based on the positive results gathered during the pilot program, Staubach Retail started offshoring its lease abstraction requirements to NTrust when a major project sold in June of 2005. Staubach Retail is now working with a team of 15 NTrust offshore resources, each highly experienced in the field of real estate and lease abstraction. Day-to-day operations are managed by a dedicated NTrust project manager located in the U.S. who acts as a single point of contact for Staubach Retail.

Having performed over 5,000 lease abstractions for Staubach Retail to-date, the team works out of one of NTrust's two state-of-the-art Operations Centers located in Chennai, India. This facility is fully equipped with high-speed,

**NTrust Infotech BPO Case Study
Staubach Retail, Addison, Texas**

About Staubach retail

The Staubach Retail (www.staubach.com) is the market leading global real estate advisory firm that delivers cost-effective solutions for the users of office, industrial and retail space. It has extensive experience in strategic consulting, site selection, acquisition, disposition, construction consulting / project management, real estate administration, portfolio management, financing and capital solutions.

1,277 people in 60 offices throughout the Americas represent Staubach Retail's 2,400 clients. Staubach retail completed 5,600 transactions totaling \$21 billion and 290 million square feet during the fiscal year ending June 2005. Worldwide, the DTZ Staubach Retail Tie Leung partnership has more than 10,000 professionals delivering services and solutions to multinational clients.

www.staubach.com

redundant, communication lines for voice and data, power backup and latest computing equipment that provide the foundation for a professional work environment.

To maintain quality of service levels above required minimums, NTrust utilizes several project management tools, including standardized scope documentation, regular exception reporting, and best practices accumulated from years in the abstraction business. "Effective communication is key.", NTrust's CEO & President Srikanth Ramachandran says, "Documenting exceptions and providing rapid feedback on how to best solve a problem allows us to continuously improve our performance and provide Staubach Retail with results that are higher in quality and lower in cost than they could obtain anywhere else. Thorough project management practices before, during and after the lease abstraction process is the backbone of our collaboration."

Setting up the solution and transitioning the work to NTrust was easy. Staubach Retail conducted several train-the-trainer sessions with the team in India using real-time web conferencing as the main training vehicle. Frontline abstractors were instructed on how to use the Staubach Retail database, while team leaders were positioned to become the primary contact points. Ongoing communication with onshore project managers is conducted via email, phone calls and occasional on-site visits

The Results Exceed All Expectations

After running only a few months it became apparent that the results produced by the offshoring project would exceed expectations. When the outsourcing contract was signed, NTrust and Staubach Retail jointly agreed on a minimum accuracy level of 92% which if not met would require NTrust to lower their fees. From the outset of the collaboration NTrust exceeded this standard by a wide margin, delivering lease abstraction services with accuracy levels above 98%.

In addition to high levels of quality, offshore lease abstraction is performed at significantly lower price points. Given that abstracting a lease domestically costs over twice as much as having the same service performed overseas, offshoring abstractions to NTrust allows Staubach Retail to cut abstraction-related operating expenses by over 50%. Not only has Staubach Retail gained

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access to a large pool of highly qualified personnel at a fraction of the labor cost prevalent in the U.S., but the company also benefits from overseas resources who consider their occupation a desirable career; which manifests itself in a highly motivated workforce, very low staff turnover, and less need for retraining.

Last, but not least, a significant benefit for Staubach Retail is knowing they have a reliable partner who is capable of smoothing out spikes in resource requirements. When Staubach Retail pursues new projects the company can be assured that it will have the staff to immediately commence lease abstraction work. Whereas prior to outsourcing Staubach Retail required between 30 and 60 days to secure and train personnel, now all that is required is a phone call to NTrust and within 24 hours the company receives confirmation that abstraction staff is available and ready to commence work. "Not having to worry about our ability to deliver what we promise is a huge benefit.", Loss says. "We cannot make any missteps with our clients as it's very hard to regain their trust. Before we had to slow down, but now that we are working with NTrust we can sell our services with more confidence, knowing we have a partner that can provide the staff we need at a fraction of the cost were we to perform these activities in-house".

Remarkably, the entire cooperation between Staubach retail and NTrust is entirely virtual; no physical visits to individual offices are required. Offshoring lease abstraction to NTrust has been so successful that Staubach Retail is now considering extending the working relationship to include additional services such as lease validations and expense reconciliation.



NTrust Infotech
18000 Studebaker Road, #555
Cerritos, CA 90703
Tel: 562.207.1610
Fax: 562.403.3045
Email: info@ntrustinfotech.com

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