



Hammerson & Horizon A Partnership for Progress

Qube Global Software and Hammerson have worked together for more than two years on a major reimplementation of the Horizon property management solution. This has been a significant undertaking for both companies and it is now delivering major business benefits.





Hammerson is a FTSE 100 company. It is a leading pan European real estate investor – the third largest in the UK. Hammerson owns a number of retail parks and shopping centres.

It has 10 major shopping centres in the UK and 10 in France, including ‘super prime’ centres such as The Bull Ring in Birmingham, Brent Cross in London and High Cross in Leicester. Hammerson’s UK and French portfolio is worth £5.7 billion.

Hammerson’s vision is to be the best owner-manager of retail property in Europe. This means having the right properties in the right locations with the right customers. Attracting the right mix of retailers and brands to its properties requires much scrutiny of sales numbers, knowing who is performing well and, importantly in difficult economic times, quickly identifying if a tenant has financial difficulties.

Running properties smartly also means meeting retailers’ increasing expectations, which involves understanding every detail about cleaning, security, lighting and all other owner provided services. This in turn requires a robust property management system. As Hammerson’s IT Director, Ryan Perryman puts it, ‘Provision of a great product needs a great system to drive it.’

Hammerson uses Qube Global Software’s Horizon property management system to deliver this service. Hammerson has used Horizon for many years but has recently extended its business scope to cover tasks that were undertaken by agents on their external systems or were undertaken in house by legacy products.

This change in the business usage of Horizon included administration of rents, service charges and the full purchase to pay process. This amounted to a significant reinterpretation of Horizon, involving extensive adoption of new functionality and complex data migration from the agents’ external systems. It was Hammerson’s largest IT project to date.

The latest version of Horizon is now in place and is being used by every part of the Hammerson business: accountants, property managers, managing agents, the property database team and the shopping centre teams in all ten locations. Horizon now produces over 300 different reports for Hammerson; it now acts as both a property management and a financial accounting system. Richard Shaw, Hammerson’s Finance Director, describes it as ‘business critical’ and Ryan Perryman agrees that, ‘It is probably our most important software application’. As well as providing one version of the truth, Perryman sees Horizon as really helping Hammerson develop and deliver those all-important customer relationships.

“The biggest upside of working with Qube Global Software is having access to senior management and knowing that you really can get the functionality you want into the product.”

Andrew Thomson Operations Director, Hammerson

“Major projects like this one benefit from support at every level. Senior managers in both Hammerson and Qube Global Software dedicated a lot of time and effort to the project; building a genuine and lasting partnership.”

Jane Addey Operations Director, Qube Global Software

Horizon for Property Management

In 1996 Hammerson started using the Horizon property database to manage its portfolio information; this was the first time Hammerson had used such a database. Hammerson chose Horizon for its reporting capability. According to Andrew Thomson, Hammerson's Operations Director, 'Horizon's reporting was better than any other system around at the time, by some way. It was a pretty obvious choice.' The benefits were immediately clear. Reports which used to take days to produce were available at the touch of a button and the information was reliable and up to date. Reports were regularly produced by Horizon for the Hammerson board to aid business planning

Time for More

However, Horizon was not used for billing rents and service charges. Billing and income gathering, at this time, was outsourced by Hammerson to a number of property agents who used a disparate selection of systems. Working with separate systems inevitably led to duplication of effort and delays in Hammerson receiving accurate and timely information from the various agents.

This situation meant that Hammerson had a lack of visibility and control over the managing agents' activities and in particular service charge expenditure, billings and collections. This subsequently resulted in service charge cash flow issues, with landlord floats being requested at short notice. It was time to make some changes.

Other business needs were changing too. Historically Hammerson had developed and managed London offices, shopping centres and retail parks, that strategy recently changed to be solely focused on owning and managing retail properties. That strategy has since shifted to owning and managing centres long term. At the same time shopping itself has changed; it is now an experience, a leisure destination. Consumers have higher expectations; they can easily do their shopping online, so attracting them requires compelling venues. Retailers in turn want to be able to provide those better venues and that better service. Hammerson realised it had to build a closer relationship with its retailers, to both understand and meet all those changing demands.

Seeking a Solution

In 2010 Hammerson appointed Workman and Jones Lang LaSalle (JLL) as its only managing agents and revised its operational procedures. While this certainly brought some improvements, Hammerson still sought greater efficiencies. Hammerson decided it wanted the two agents to carry out billing and accounting tasks on one system, controlled by Hammerson. Horizon seemed the natural choice as it was already acting as Hammerson's property database, but as part of due diligence, Hammerson asked Remit Consulting to review the marketplace, including Horizon's main competitors.

Given Horizon's reporting capabilities, breadth of functionality, reputation and strong presence in the UK market, Remit's advice was to stay with Horizon. Workman and JLL also knew Horizon's strengths from their work with other clients, and both had a good relationship with Qube Global Software. The decision was made.



A Major Reimplementation

The project was to take two years involving Hammerson and Qube Global Software, managing agents Workman and Jones Lange LaSalle and Remit as the Hammerson project co-ordinators. The Horizon team worked extensively with all parts of Hammerson: Finance, Property, Asset Managers and IT, both at their head office in Grosvenor St, London and the shopping centres. Starting in 2011 the project consisted of a number of phases:

Design

Horizon's first task was to help Hammerson decide what it wanted to do as a business and how the property management software solution could help. This was achieved in a series of workshops, first looking at what the business needed then developing a solution. The traditional approach to such projects would be to start off by deeply analysing the existing system. Instead, best practice or 'strawman' models were produced and workshops were held to identify which aspects needed to change. Hammerson found these workshops a very effective way of quickly determining their needs. Ryan Perryman, Hammerson IT Director, has witnessed many IT projects that produce a long list of desirable business functions, only to find the proposed software system can't deliver them. When Hammerson mapped its requirements against the functionality of Horizon it was, 'incredibly close'.

Build

The project involved complex migration of huge amounts of data, both from the original Horizon property database and from the managing agents. Security of data was another priority. The Horizon and Hammerson technical teams worked hard to balance the need for optimal access whilst ensuring security of data. As well as testing and reconciling the data, each process was also extensively tested. Then came training. Hammerson has trained around 350 people across its own and its agents' businesses. Horizon was again closely involved, providing training resources and detailed process documentation.

Go live

Go live was carefully phased to spread the workload, taking changes to the portfolio into account as they occurred. This flexibility was vital to ensure minimum disruption for Hammerson; business as usual was the goal. Properties managed by Workman went live first, then those managed by JLL. This process was completed during 2013. According to Perryman, 'Go live went really well.'

Further enhancements

Next came the enhancements to fill two gaps identified during the design phase: Purchase to Pay and Central Receipting of Payments. Purchase to Pay tracks the whole process from raising a purchase order to delivery of the goods and services, including all payment authorisations. According to Richard Shaw, 'People were very excited indeed about this.' Central Receipting and Payments bring further efficiencies, ensuring that when agents take payments from tenants, or need to pay suppliers, the monies are allocated to the correct bank account. These functionalities are now part of the standard product within Horizon; Hammerson welcomes this approach to enhancements as it means this functionality becomes an industry standard.

"The Horizon consultants have been really instrumental in making this happen for us. Their knowledge of property really made a difference. Keeping the same Horizon consultants throughout the whole project provided excellent continuity."

Ryan Perryman IT Director, Hammerson

"When a gap was spotted Qube Global Software and Hammerson pulled together to find a solution. We really thought through how best to do whatever was needed. Together we built and configured a better system."

Matthew Eglise Project Manager, Qube Global Software



Hammerson and Horizon Today

Previously Hammerson felt that it was too reliant on third parties and their systems. Following the major reimplementation of Horizon, Hammerson has, as Perryman puts it, 'taken control back'; literally in fact, as it now physically controls all its data in one system.

Before Horizon, running an aged debtor report involved asking as many as six or seven managing agents to produce a report; those separate reports, all in different formats, then had to be pulled together manually. Today Hammerson can run an aged debtor report at the touch of a button. Month end reporting is likewise so much faster; close down and bank reconciliation can be done in one day; previously it would have taken many.

Plus, Horizon continues to be the Hammerson property database; asset managers can immediately see a profile of any given property, checking its lease expiry date, ERV, and more - all on one screen, all in real time. The managing agents have welcomed these changes too. Andrew Thomson says the reporting suite has been very well received by them: 'It is better than anything they have ever had before. The staff on the ground are very excited about it.'

The time saving, reliability and efficiency benefits are clear even if it is too early to put an exact figure on them.

Hammerson now has clear visibility and control over its service charges which Perryman describes as a 'phenomenal' result, extremely important in terms of reducing risk and demonstrating better corporate governance.

Of course, Horizon is not the whole picture. As Richard Shaw points out, 'Changing agents and changing working processes have played their part too - people have to do things correctly as well, not just the software. But being able to see all service charge positions in real time is clearly a huge advantage and that is down to Horizon.'

Hammerson recognises that many other components of Horizon are available to support its businesses even further. For example, Horizon could help manage pop-up stalls and car parks in the centres better, or accommodate turnover rents (when rental payments are based on sales levels). For now, Hammerson is focused on making the most of this extensive reimplementation.

The team has learned a great deal and those people are staying involved, making sure others in the business know exactly what Horizon can do. Hammerson and Qube Global Software also continue to work closely together to ensure that everything runs smoothly and gains the maximum benefit from this major project. This great partnership is making great progress. As Richard Shaw puts it: 'It's been a job very well done - a credit to all.'

"Working closely with the team at Hammerson has been key to what has proved to be a very successful partnership. They engaged us from the start in formulating and delivering their technology strategy. This has proved of great mutual benefit throughout the near 20 years we have been working together."

John Cuppello CEO, Qube Global Software

"This was a very big project for us, but it was time well spent. Everyone thought everything through and that attention to detail has paid off. Our people really appreciate the reporting, transparency and many other benefits Horizon is now delivering."

Andrew Thomson Operations Director, Hammerson





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