

# Trimble Buildings

## Customer Case Study Simon Property Group

The largest Publicly-Traded Real Estate Firm in the U.S. Uses Proliance® Software to Standardize Workflow, Centralize Data and Cut Construction Costs.

Simon Property Group, Inc. ([www.simon.com](http://www.simon.com)) is an S&P 500 company and the largest public U.S. real estate company. Simon is a fully integrated real estate company which operates from five retail real estate platforms: regional malls, Premium Outlet Centers®, The Mills®, community/lifestyle centers and international properties. It currently owns or has an interest in 379 properties comprising 258 million square feet of gross leasable area in North America, Europe and Asia. The Company is headquartered in Indianapolis, Indiana and employs more than 4,500 people worldwide. Simon Property Group, Inc. is publicly traded on the NYSE under the symbol SPG.

When a real estate company's portfolio produces \$60B in annual U.S. sales, like the retail properties owned and managed by Simon Property Group (Simon), workflow challenges are to be expected. But Simon's paper-based workflow system created significant struggles around construction management. The company's quick growth, much by acquisition, resulted in a process that was cumbersome and problematic. A single document, for example, was often manually routed to multiple individuals. Not because their approvals were required, but rather to give them insight into the project.

Kevin Frankland, Simon's Director of Construction Administration & CAD Technologies, explains: "If we needed two signatures to pay a bill, we might capture five or six approvals because those

additional people had no other insight into where the project was in its cycle." With Simon's paper-based system, this added workflow was vital to keeping key project personnel informed. "We needed to standardize our processes and procedures as well as the methodology by which data flowed through the company," he says.

Another workflow issue at Simon was cost management. "As the project owner," states Frankland, "we needed a better way to manage the dollars associated with a project, especially around contract management, change orders and invoice approval."

In late 2004, after performing an internal study to identify and compare products that could handle the diverse needs of Simon's construction



operations, the company purchased Proliance software from Meridian Systems. An Infrastructure Lifecycle Management (ILM) application, Proliance software is the only enterprise-class software solution designed to manage all capital projects, programs and facilities in one system of record.

Simon liked the fact that Proliance software was designed to handle the construction aspect of its business, which would reduce the amount of customization needed, and that the product used a Web-based interface.

“But the thing that swung the pendulum toward Proliance,” says Frankland, “was its workflow capability. With Proliance, approvals would automatically route electronically from person to person based on parameters such as contract value or type. We wouldn’t have to worry about where a document is supposed to go next.”

Simon underwent a fairly complex implementation process to ensure that all objectives were met by its Proliance software. These objectives included:

- › The standardization of applications, data, management processes and reporting (workflow)
- › The establishment of a centralized, real-time data repository for projecting resource allocations and creating historical data
- › Integration with the company’s existing JD Edwards (JDE) financial accounting tool to minimize redundant data entry, reduce errors and provide data consistency
- › A strategy to minimize the amount of training needed to get staff up-to-speed

### **Proliance SmartDocs Minimize Training Needs**

To address the training issue, Simon chose to use Microsoft Excel as its front end data entry interface via the Proliance SmartDoc Framework. SmartDocs are essentially Microsoft Office business applications that are programmed to provide an alternate user interface for entering data into Proliance software.

“Most of our staff are familiar with Excel as a de facto spreadsheet standard so entering data

using Proliance SmartDocs was a very comfortable transition,” explains Frankland. “There’s nothing wrong with the Proliance interface, but we eliminated a lot of training by simply saying, ‘Here’s a new spreadsheet we’re going to use.’ Our project team can enter information such as budgets, contract schedule of values and change orders using a familiar interface and Excel seamlessly feeds the data to Proliance.”

**“Before Proliance, we basically had people dependent systems for managing the millions and millions of dollars spent on construction. Now, we have an enterprise level construction management system that has standardized our flow of data, has provided us with centralized access to the status of projects and is providing detailed insight into pending costs as they relate to budget. These are big benefits.”**

*Andy Lugo  
Sr. Vice President  
Simon Construction Group*

### **Integration Standardizes Cost Accounting**

Integrating Simon’s Proliance software with its JDE accounting program was challenging, requiring a two-step process for data exchange. Step one involved migrating data for existing projects from JDE into Proliance. Step two involved creating a link to send project information from Proliance to JDE.

The migration of existing data was difficult because Simon had to find ways in Proliance to emulate the many complex activities that could occur in its robust financial system. With considerable help from Meridian, however, the company was able to develop a programmatic way of migrating data from projects already under way in JDE into Proliance.

The effort put into creating a two-way data exchange eventually paid off for Simon. Integration between Proliance and JDE has been key to reducing data entry and providing more consistency in cost coding. For example, an invoicing solution was developed to provide contractors with an Excel front end that would route through the Proliance workflow for approval and then be accepted into JDE for payment.

### **Budget and Costs: Where Rubber Hits the Road**

Initial implementation of Simon's Proliance software focused on the Budget and Cost Management (BCM) application. The financial backbone of Proliance software, BCM is used for managing the budget development process and comparing budgets to actual costs. "When looking at all of the functionality available in Proliance," explains Frankland, "we decided that BCM would give us the most initial value from the software because budget and costs are where the rubber hits the road at Simon."

Benefits from the BCM application were swift, primarily through the Anticipated Cost Report (ACR), which provides a summary view of all budget and cost transactions along with hyperlinks to interactively drill down into details. Access to pending costs for a project is one example where the ACR has been invaluable to Simon.

Frankland provides this example: "One project team needed more funding for a project in its early discovery stages, but didn't know how much. By looking at the ACR in Proliance, we could see that the project had a budget of X, that actual and pending costs amounted to Y and that the negative variance was Z. We were able to click on the ACR hyperlinks to view all of the pending contracts and change orders that contributed to the overage." Fairly quickly, the project team was able to make budget decisions to positively affect the outcome of the job.

"With Proliance, we have detailed insight into projected costs, which is something we didn't have before," Frankland concludes. "Quick analysis of pending costs and how they relate to the budget, the ability to anticipate what our estimate at completion is going to be and the ability to identify where we need to request more budget allows

us to develop consistent cost cutting measures. This is a key, long-term benefit from our Proliance software."

### **Staying Connected while Hitting the Road**

Because the project managers, architects and engineers at Simon travel extensively to the company's various job sites, they are equipped with mobile technology such as BlackBerry devices and laptop computers with wireless Internet access. The Proliance software Web interface provides easy access to the program from remote locations using this mobile technology.

"Instead of approvals sitting on their desks waiting for them to get back, they can log in to Proliance from the hotel or job site and immediately take care of business," says Frankland, who has also experienced this benefit first-hand. "I was traveling by car and my wife was driving. I had my laptop on battery power and I used my wireless Internet card to log into our corporate network and process some things in Proliance. This gives you an idea of how Proliance keeps you connected – even while driving down the interstate!"

### **Meeting Initial Objectives Leads to Big Benefits**

After using Proliance software for just eleven months, Simon now has 60 employees using the application to manage 70+ construction projects and is continually adding new jobs to the system. Because of the complexity of most of its projects, Frankland anticipates that it may take two or three years before Simon can put a dollar value on the return of its Proliance software investment. But he does state that the company's initial objectives have already been met with the product.

"Before Proliance," concludes Andy Lugo, Sr. Vice President of Simon, "we basically had 'people dependent systems' for managing the millions and millions of dollars spent on construction. Now, we have an enterprise level construction management system that has standardized our flow of data, has provided us with centralized access to the status of our projects and is providing detailed insight into pending costs as they relate to budget. These are big benefits."

## Simon Property Group Project Profile

The Domain Located in Austin, TX



The Domain is a vibrant community offering abundant choices for living, shopping, working and playing that will define the urban Austin lifestyle for years to come. The Domain caters to Austin's affluent population with high-end retailers that include Barneys CO-OP, CALYPSO, Intermix, Tiffany & Co., the city's first Neiman Marcus and restaurants like Jasper's and Kona Grill.

The 57-acre first phase of this mixed-use project includes an upscale Main Street center anchored by Macy's and Neiman Marcus, nine first-class restaurants, office space, high-end apartments and a full-service hotel.

Phase II of The Domain will include additional retail space and restaurants and another 300 residential units in a stunning setting that offers much to see and do.

### Key Project Elements (Phase I and II)

- › An upscale Main Street center anchored by Macy's and Neiman Marcus
- › 9 first class restaurants
- › A full-service hotel
- › 700 residential units
- › 75,000 square feet of office space
- › 700,000+ square feet of luxury fashion and retail space

**Phase I Opened:** March 2007

**Projected Completion Date for Phase II:** Spring 2009