ility

The Real Estate Digital Transformation Framework

A Comprehensive Guide
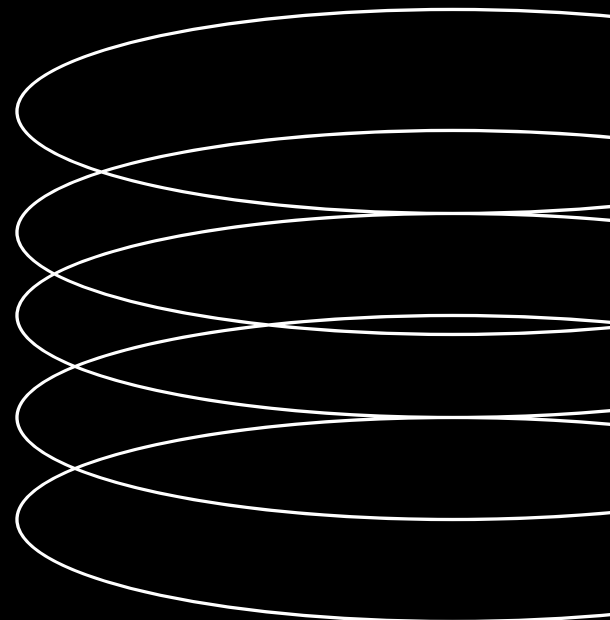
About Us

NISHA GARIGARN
VP, SOLUTIONS AT ILITY

Nisha has over eight years of real estate technology experience. Her journey started with founding a dynamic flexible workspace marketplace. She joined the ility team four years and has focused on deploying advanced permissions management software to help real estate businesses digitally transform. She is excited about transforming buildings into spaces where people can lead their most fulfilling lives.

ABOUT ILITY

At ility, we believe that the right use of real estate technology can elevate operational efficiency, stimulate portfolio profitability, drive sustainable change, and unlock innovative customer experiences. We see technology as a powerful tool that can make real estate better for everyone.

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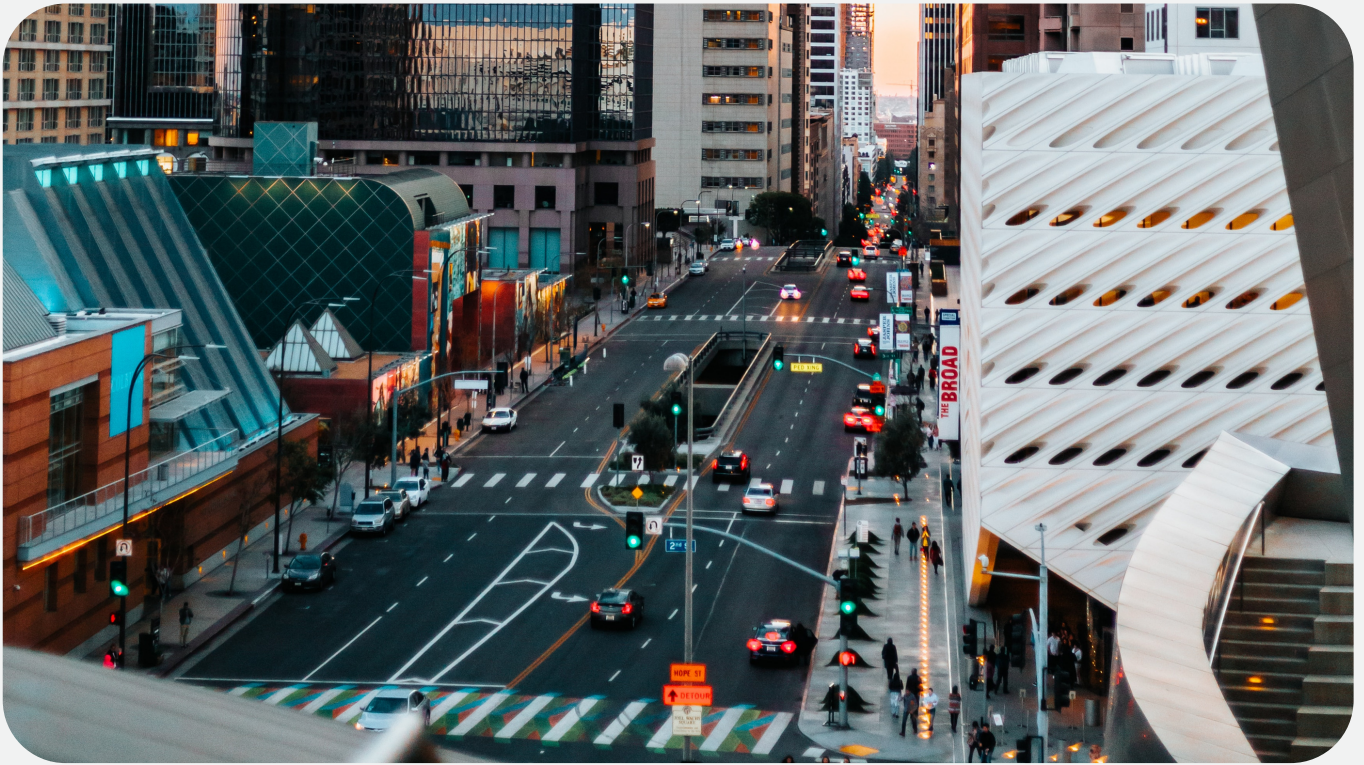
In the fast-paced, ever-evolving world of the 21st century, the real estate industry is no exception to the winds of change. Digital technology is transforming the way we live, work, and interact with physical spaces. While digitization - the conversion of information into a digital format - has been steadily advancing in real estate for years, the advent of COVID-19 has accelerated a more profound shift: digital transformation.

Digital transformation is about integrating digital technology into all areas of a business, fundamentally changing how organizations operate and deliver value to customers. It's more than just digitizing paperwork or moving services online; it's about rethinking old operating models, experimenting more, becoming more agile, and responding to changes faster.

In the wake of the pandemic, being adaptive and agile is no longer a luxury but a necessity. Real estate organizations that can pivot quickly, analyze data, and make customer-centric decisions stand to gain an edge in this new era.

The Four Pillars of Digital Transformation

Four critical components underpin the journey of digital transformation in real estate. While each offers distinct value individually, their collective integration yields a transformative ecosystem that can reshape your business. This framework, therefore, is not merely an interesting concept or a proposal - it's a concrete pathway guiding you to efficiency, innovation, and profitability in your real estate portfolio.

1. Modular & Flexible Solutions

2. Comprehensive Data Management

3. Centralized Permission Management

4. Distributed Customer Experience Platform

BUILDING BLOCKS OF INNOVATION:
MODULAR & FLEXIBLE SOLUTIONS

In the realm of real estate portfolio management, diverse point solutions play a significant role - from leasing systems like MRI Software or Yardi, access control systems like HID and Honeywell, to energy management systems like Schneider Electric's EcoStruxure. These solutions form the building blocks of your digital transformation journey, each excelling in a different aspect of operations.

However, these solutions are often siloed -- each working off of their own data and processes. They typically cannot communicate with each other effectively.

The first step of a successful digital transformation strategy involves a significant shift in the way we think about our systems and processes. Instead of letting the product dictate your operations, your portfolio's unique needs should be the driving force. If you aspire for your portfolio to be flexible and adaptable, the technology you choose needs to mirror these qualities as well.

When selecting new solutions or evaluating your current technology stack, consider these key factors to check if they are fit for purpose:

- **Functionality**: Ensure the solution can perform its designated tasks effectively - this is the baseline expectation.

- **Interoperability**: Look for solutions with robust APIs that facilitate smooth interaction with other systems, enhancing data flow and operational efficiency. Ideal solutions should be able to receive instructions from other systems and support the construction of cross-system workflows.

- **Configurability and Composability**: Seek solutions that can be tailored to your unique operational needs, with the ability to piece together various systems to create a harmonious and unified digital environment.

- **Data Accessibility:** Opt for systems that make data extraction straightforward and effortless. Relying on convoluted workarounds to export data can be cumbersome. Avoid solutions that trap your data within the system, as this can inhibit your ability to effectively leverage that data.

By focusing on these criteria, you'll be able to choose point solutions that are not only effective in their function but also flexible, future-proof, and conducive to a holistic, data-driven business strategy.

OVERCOMING THE DATA DELUGE:
COMPREHENSIVE DATA MANAGEMENT

In the era of digital transformation, data is the lifeblood of your organization. For many landlords, managing data can feel overwhelming. You may find yourself with vast amounts of information from various point solutions, unsure of how to make sense of it all.

To harness the full potential of your data, you need a system that integrates, cleans, and presents the data in a way that allows for informed decision-making and effective business operations.

This component includes:

- **Data lake for centralized storage:** A secure and scalable repository that consolidates data from various sources, making it easily accessible for analysis.

- **Data mapping and cleaning**: Ensuring accurate information by identifying inconsistencies, removing duplicates, and standardizing data formats.

- **Report creation:** Transforming raw data into easy-to-understand insights, enabling stakeholders to make well-informed decisions.

- **AI-driven automation workflows:** Leveraging advanced algorithms to optimize processes, identify patterns, and provide actionable recommendations.

For tactical use, the integrity of your data is paramount. Imagine your customer data scattered across five different systems, each employing unique customer IDs. How can you can have clarity on your customer journey then? By consolidating, mapping, and purifying your data, you can gain a comprehensive overview.

From a strategic standpoint, data is a crucial driver of portfolio-wide decision-making. Take, for instance, sustainability initiatives. Asset managers planning retrofits need a holistic view of the entire portfolio. With a strategic data management approach, they can base their decisions on accurate, reliable information.

Data management strategy is the bedrock of any digital transformation journey. Yet, the true power of data unfolds when it is not just collected, but made accessible and actionable for the right individuals at the appropriate time.

UNLOCKING INNOVATION:
CENTRALIZED PERMISSION MANAGEMENT

Centralized Permission Management is the strategic organization of access rights and roles within an organization, ensuring the right individuals have access to the appropriate information. This system plays a pivotal role in the journey of digital transformation.

Consider the challenge of managing user types within a property. You have property managers, asset managers, maintenance staff, visitors, and tenants, each requiring different types of information. In a traditional setup, this information might be spread across multiple systems, each with their own access controls, which can lead to data silos, inefficiencies, and potential security risks.

With a centralized permission management system, you can define and assign specific roles and permissions from one place.

This system becomes particularly potent when considering initiatives that span across the entire portfolio.

Imagine your portfolio has committed to a substantial ESG initiative: to reduce carbon emissions by 30% within the next five years. Achieving this ambitious goal requires strategic collaboration, informed decision-making, and the participation of multiple stakeholders, all of which can be facilitated by Centralized Permission Management.

- **Tenants** can gain access to unit-level energy usage and carbon footprint data for their leased spaces. This transparency not only encourages them to adopt sustainable practices but also empowers them to meet their own sustainability targets.

- **Asset managers** receive insights into the ESG performance of their respective buildings in order to identify areas for improvement, evaluate the efficacy of sustainability initiatives, and make data-driven decisions to drive ESG performance.

- **Community managers** are empowered to create events and posts that promote sustainability initiatives.

- At the head office, **executives** can view high-level data, monitor progress towards their sustainability goals and communicate transparently about their sustainability efforts to investors.

In this way, Centralized Permission Management goes beyond traditional role management-- it acts as a conduit for collaboration at scale in this new era of real estate management.

BRINGING IT ALL TOGETHER:
DISTRIBUTED CUSTOMER EXPERIENCE PLATFORM

In the world of real estate, 'tenant experience' has often been reduced to a simple app. While an app can be a valuable tool, a truly exceptional tenant experience means a seamless, integrated experience that considers the physical building, its amenities, and services, extending to every touchpoint of the tenant's journey.

The platform is the crucial component that ties all these elements together. It serves as a vessel for landlord-tenant communication, sets the stage for your brand, and delivers the output of the digital transformation framework. It encompasses every digital touchpoint – from the emails tenants receive to the digital screens they pass in the building, from the booking systems for amenities to real-time updates about building operations.

The Distributed Customer Experience Platform should include:

- **Multi-Channel Functionality:** Support for various communication channels, including emails, digital screens, mobile apps, web portals, and apps like Teams and Slack.

- **User Experience Consistency:** Uniformity across channels for intuitive navigation and enjoyable tenant interaction.

- **Personalization**: The ability to tailor communication and interactions to individual tenant preferences and context for meaningful engagement.

- **Efficient Content Management**: Easy creation and distribution of content across multiple channels to enhance tenant engagement.

To truly excel in tenant engagement, you need to embrace a hospitality mindset. This means offering authentic experiences that tenants cannot get anywhere else and hiring teams to ensure each person's journey is exceptional.

It's not just about a logo or a marketing brochure – it's about understanding and responding to the lived experiences of each tenant, every single day. How does a new employee feel when they step into the building for the first time? Does the building provide an environment that makes them eager to return, day after day, even when remote work is an option? And how do these experiences change if the individual has specific accessibility needs?

The right technology can help bridge gaps, foster inclusivity, and offer a truly exceptional tenant experience that caters to all.

Real-world Use Cases

Energy Efficiency Anomaly Detection

Consider the status quo: an unexpected spike in energy usage at one of your office buildings. Traditionally, this would have gone unnoticed until the next utility bill arrives, resulting in higher costs and an adverse impact on your ESG goals. Even after detection, figuring out the root cause would involve sifting through data, coordinating with property managers, and time-consuming manual investigations.

Within the digital transformation framework, this scenario unfolds differently:

- **Modular & Flexible Solutions**: Occupancy sensors and energy monitoring devices.

- **Comprehensive Data Management:** This data is automatically fed into your data management system, where AI algorithms analyze the information. An unexpected spike in energy usage is identified at one of your buildings - even though there are no people in the unit.

- **Centralized Permission Management**: An alert is instantly sent out to the appropriate stakeholders - the property manager, the facilities team, and upper management, following the policies dictated within the centralized permission management system that list out who should be informed about such anomalies.

- **Distributed Customer Experience Platform**: Meanwhile, updates about the anomaly and subsequent actions can be relayed to tenants through notifications on the customer experience platform. Tenants have a central place to get in touch with the property team and work together to resolve the issue if required.

This new approach showcases how digital transformation can enable real-time decision-making and deliver tangible benefits for landlords, tenants, and the environment.

Proactive Risk Mitigation for Tenants

Let's take another common scenario: a tenant in your commercial property is consistently underutilizing their space. Without a digital transformation framework, this could go unnoticed until it escalates into a significant issue, such as the tenant defaulting on rent or deciding not to renew their lease.

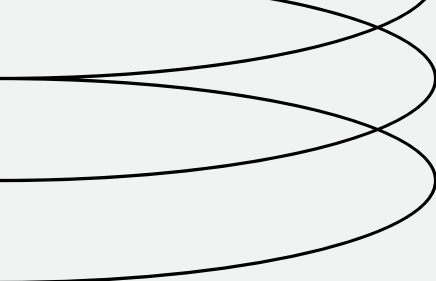In the era of digital transformation, you can approach this scenario differently:
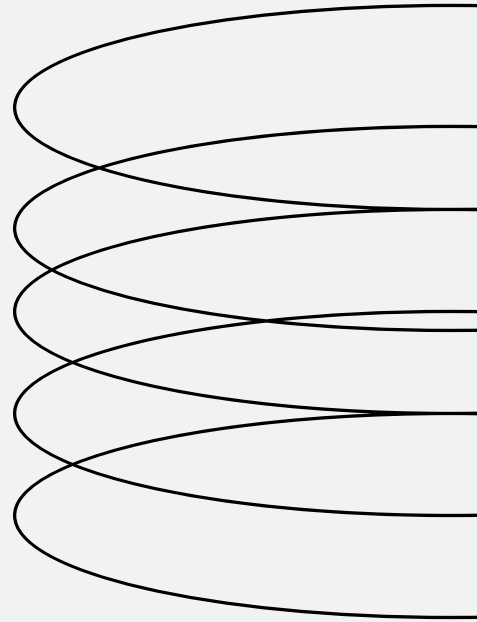
- **Modular & Flexible Solutions:** Your collection of integrative point solutions, such as IoT sensors and access control systems, generate real-time occupancy data for every space within your building.

- **Comprehensive Data Management:** This occupancy data is transferred to your data management system, integrated with leasing data, and examined through advanced analytics. A pattern of underutilization by a particular tenant is identified.

- **Centralized Permission Management:** The system, recognizing the potential risk, triggers an alert to the necessary parties: the asset manager, property manager, and financial risk team. They are equipped with a report on how the tenant has been using the space and can promptly reach out to the tenant to better understand their needs and discuss potential solutions.

- **Distributed Customer Experience Platform:** Available spaces and their associated terms are listed in the platform. The tenant is able to easily browse flexible spaces that accommodate their needs across the portfolio.

This proactive approach to risk management illustrates the power of digital transformation. By unifying data and processes, you can gain real-time insights into potential risks, address them proactively, and foster stronger, more responsive relationships with your tenants. Digital transformation enables a more dynamic, adaptive, and ultimately more successful real estate operation.
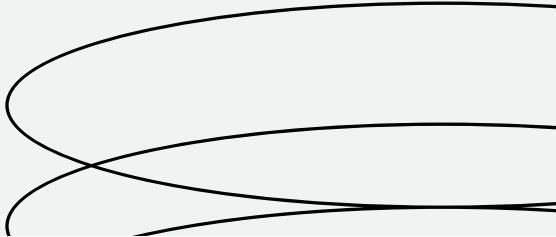
Charting a path forward

Action Plan: Your Steps to Digital Transformation

1. **Acknowledge the Imperative:** Understand that digital transformation is not just an option; it's an essential step for survival and growth in modern real estate.
2. **Assemble your Team:** Create a dedicated team of individuals passionate about driving change and equipped with the right skill sets.
3. **Audit your Current Systems:** Identify what's working, what's not, and what's missing in your current technological and operational setup.
4. **Map out Your Digital Strategy**: Identify your goals and how each of the four components can help achieve them.
5. **Think Big**: Keep the larger vision in mind. Remember that the goal is not just to digitize, but to truly transform.
6. **Start Small:** Choose one area to begin your digital transformation journey. It could be a single point solution, a single property, or a single process.
7. **Learn and Adapt:** Monitor progress, collect feedback, and make necessary adjustments as you expand your digital transformation efforts.

THE JOURNEY AHEAD

Embracing digital transformation is indeed a challenging endeavor. It's not a one-time project but a continuous process of adaptation and evolution. The journey will require dedication, persistence, and the courage to embrace change.

However, the potential rewards are immense. Not only can you build a more efficient, profitable business, but you also have the opportunity to contribute to a greener planet, enhance the lives of your tenants, and create spaces that inspire and empower.

The journey of digital transformation may be tough, but it's not only possible with today's technology - it's necessary. It's time to take that first step.

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Ready to revolutionize your portfolio?

We invite you to explore how our technology can improve your digital landscape, streamline your operations, and create exceptional customer experiences. Visit our website at ility.com to learn more and book a demo.

We look forward to partnering with you on your journey to digital transformation.

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