



The Adventure Starts Here

How one of South Africa's largest retail groups achieved lease compliance and instant reporting across more than 300 locations

Manually, it would take Cape Union Mart many days to prepare detailed property reports, complete rental calculations and run portfolio analysis. Now with LeaseEagle, the business can run custom reports in real time, verify payments automatically and has passed its inaugural IFRS16 compliance audit with "flying colours".

Client: Cape Union Mart

Industry: Retail

Challenges:

- Required business information was fragmented across multiple systems and unable to be fully utilized
- Portfolio Reporting was being generated manually and too slow to meet the business' demands
- The adoption of the IFRS16 Accounting Standard had significantly increased the demand for more detailed and easily reportable real estate lease information

Benefits:

- Cape Union Mart has reduced its reporting production times by more than 90%, regularly now within just a matter of minutes
- Cape Union Mart now relies on one centralised "single source of truth" for store location data across the business, ensuring real time access to key business information that they can trust
- LeaseEagle has ensured that the required financial entries for IFRS16 are automated, accurate and auditable

Cape Union Mart is a leading South African retail group housing five major retail brands. Offering everything from outdoor and adventure wear to men's and women's fashions, kids wear and even uniforms, Cape Union Mart has been a very well-known retailer for close to 90 years.

Currently, the group has over 300 stores across Africa. Hundreds of locations mean hundreds of leases, and managing them all had historically been a difficult and largely manual process.

Cape Union Mart had been relying on an old in-house built software system that was functionally limited and inefficient, meaning teams faced some significant challenges when it came to managing, controlling and reporting on their real estate leases, including:

- All reporting was done manually using spreadsheets
- Business reporting couldn't be actioned as it was too time-consuming
- Data had become unreliable and fragmented across multiple systems
- Property and finance teams couldn't access information at the same time
- Unable to minimise the additional reporting workload of the newly adopted IFRS16 accounting standard

Whilst the previous approach to lease management was known to have limitations and risks, the need by Cape Union Mart to adopt the new IFRS16 Accounting Standards became the primary driver for implementing a built-for-purpose software solution with enterprise-level data management capabilities for retail tenants with extensive functionality and reporting tools that could deliver significant efficiencies and improved accuracy across the real estate and finance teams.



“Everything we were looking for - and so much more”

When Cape Union Mart was first introduced to LeaseEagle at the SACSC National Congress, complying with the obligations of IFRS16 was a primary business requirement. As a result, *LECompliance*, the fit-for-purpose LeaseEagle module for managing IFRS16, was the initial point of interest.

A simple optional plug-in to the core lease management system, *LECompliance* enables the auditable management of key business assumptions, while also automating the calculation of the required cash flows and balance sheet entries for the financial statements under IFRS16.

However, following a complete presentation of LeaseEagle, Cape Union Mart quickly realised that the system could deliver significantly more for the business by centralizing and streamlining the management of their entire real estate lease portfolio, specifically real time access to information, customized reporting and enhanced workflow and approvals for processing of Landlord invoices.

With LeaseEagle delivering a single solution, and similarly high levels of customer service and support to match, Cape Union Mart made the decision to fully implement LeaseEagle into the business.

“We realised that the LeaseEagle system could capture any variant contract with ease and in a MUCH shorter period of time.” - Bianca Alfino, Property Administrator

With the decision made to invest in LeaseEagle, the next consideration for Cape Union Mart was how to migrate to a new system. Any change in business system can be a large undertaking, however for Cape Union Mart, the experience in making the move to LeaseEagle was quite seamless. “Everything was explained very clearly to our team, and if we had any issues that cropped up, a LeaseEagle expert was made available immediately. All we had to worry about was getting used to the new system”.

“Implementation was fantastic. The move over to LeaseEagle was almost flawless.”
- Bianca Alfino, Property Administrator

Maximising efficiency, accuracy and compliance

Since implementing LeaseEagle, Cape Union Mart has experienced significant improvement in their lease management and reporting processes.



Reporting in minutes

Within Cape Union Mart, there is a significant amount of business reporting required at any one time. Various departments, job roles or management teams are constantly seeking information from a variety of sources. Previously, relying on manual processes, it would regularly take days to satisfy reporting requests from the business. Now, with LeaseEagle, business reports can be customised on screen, and exported within a matter of minutes. For portfolio analysis, financial forecasting, and general business reporting, information can be served to the various internal stakeholders almost immediately, and be trusted.



Complete compliance

Within twelve months of completing its LeaseEagle implementation, Cape Union Mart successfully passed its annual audit with flying colours, successfully adopting the IFRS16 Accounting Standard. Importantly, by using the *LECompliance* module, all necessary assumptions and entries for the financial statements were captured automatically, greatly minimising the level of manual work required, as well as ensuring complete accuracy, governance and compliance.



Efficiency & Accuracy

Previously when lease calculations were undertaken manually using multiple disparate spreadsheets, the accuracy of the information was often questionable. Now, with LeaseEagle, the Cape Union Mart teams are able to process financial calculations automatically as well as maintain amendments to lease data in real time.



A single source of truth

With LeaseEagle now fully deployed the company relies 100% on the system as its “single source of truth” for all location data. With extensive workflows and algorithms built in, LeaseEagle is able to manage virtually any type of lease structure or calculation, including part-period rent reviews, turnover rents, credits & rebates, payments and accruals. These advanced automations and calculations have “greatly mitigated the risks of human error” for the business.



Easily manage multiple brands & locations

By deploying LeaseEagle as its single source of truth, Cape Union Mart now has just one trusted solution for storing location information, lease details, documents and communications across its entire 300 plus multi-brand portfolio – eliminating the reliance on fragmented spreadsheets and emails for its leasing information, and ensuring far more streamlined and reliable processes to support the business.

“LeaseEagle is now management’s first go-to-point for information relating to any property in the group.”- Bianca Alfino, Property Administrator

A complete lease management 180

In addition to the direct benefits of the software, Cape Union Mart also identified that working with the LeaseEagle Team was a great experience, acknowledging the value of their significant real estate domain knowledge, passion for continued product improvement, as well as their highly professional, dedicated and incredibly hands-on approach and support.

Intuitive, user-friendly and specifically designed for the challenges and needs of today’s retail leasing environment, LeaseEagle has delivered benefits business-wide within Cape Union Mart, from property to finance, legal and even retail operations.

*“Our only advice to other businesses is that they should definitely use LeaseEagle.”
- Bianca Alfino, Property Administrator*

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