

## Revolutionising lease management across the years with LeaseEagle: Medibank's story

Medibank Private, Australia's largest provider of private health solutions and insurance manages hundreds of retail stores and more than 70 medical consulting clinics, all of which have significant leasing, content management and site project data associated with them. Medibank struggled with a complex spreadsheet based reporting system which was prone to errors, leaving them open to significant business challenges and risks.

The company implemented LeaseEagle as a specialised lease management solution in 2007 unlocking significant time and cost savings – and laying the platform for operational changes to be made across other areas including security and construction project management.



### CLIENT

Medibank

### INDUSTRY

Health Insurance

### CHALLENGES:

- Relying on spreadsheets to manage vast amounts of data was inefficient and prone to human error
- Minimal reporting capabilities and reminders left Medibank exposed to significant leasing risks
- Medibank needed a leasing solution that was intuitive but didn't strain precious resources

### BENEFITS:

- Lease reporting takes one third of the time it used to, freeing up staff significantly
- Critical lease data is verified and uploaded into a central system automatically, ready for the accounts payable team
- Managing lease incentives proactively helps cash flow and identifies discrepancies in landlord charges

### BACKGROUND

Established in 1976, Medibank Private has become Australia's largest provider of private health solutions and insurance. The company delivers around 600,000 clinical services to clients every year, paying billions of dollars' worth of health claims to a large and diverse customer base.

To achieve this, Medibank Private manages hundreds of retail stores and more than 70 medical consulting clinics across the country, all of which have significant leasing, content management and site project data associated with them.

### REDUCED VISIBILITY AND CONTROL CREATES GREAT RISK

Before LeaseEagle, Medibank managed its vast leasing data and reporting processes via dedicated, but problematic, spreadsheets.

Medibank Private's National Property Manager, Aaron Green, explained "At that time, there was no reporting capability, no alarms and no alerts about important, upcoming dates. And when you're talking about lease portfolios of Medibank's magnitude, it's impossible to capture *all* elements of the lease agreements with a simple spreadsheet."

This meant that Medibank was carrying significant leasing risks, especially when site expiration dates approached.

"There were a few of issues with this," continued Mr. Green. "Firstly, we risked losing sites by missing the execution of options. Secondly, we ran the risk of leaving negotiations for leasing too long and losing any edge we had by not being well prepared or timely. And while we tend to have favourable negotiations—in



part because of our unique position as a government-backed business—some of our negotiations in the past were affected by a lack of a dedicated, leasing alert system."

"Finally, with spreadsheets, accidents do happen. The fact that they have to be edited so often introduces a greater risk for error. So, we decided that we wanted a system that allowed us to plan our leasing arrangements in advance of upcoming expiry dates, to better research locations and to reduce the risk of errors in our leasing data."

### A SOLUTION SHOULD CREATE LESS WORK, NOT MORE

"The combination of LeaseEagle's specialised solution and the team's high level of customer service has been invaluable, both during and beyond the implementation phase," Mr. Green continued.

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“Where lease reporting used to take up all the time of one full-time employee it now takes about one third of the time it used to, freeing up our people and resources for more innovative tasks.”

Aaron Green,  
Medibank Private’s  
National Property Manager

But back before they implemented LeaseEagle, Medibank Private *did* look at other solutions in the market.

“When we started our search, we found that most solutions required way too much time and man-power to maintain the infrastructure. Just to keep up-to-date with the equipment, design, software and paid license fees would have been a nightmare. It would have meant we needed a dedicated resource just to use the infrastructure. We didn’t want that.

What we *did* want was a partner that took care of those headaches for us—we wanted to be users, but not be responsible for the implementation and maintenance on an ongoing basis.”

#### RIGHT PARTNER ENABLES TIME AND COST SAVINGS

Since 2007 Medibank Private has worked with the LeaseEagle team across three phases. In the first phase the company implemented LeaseEagle online as a basic database tool for tracking lease expiries and rents. In the second phase, Medibank Private began to introduce retail assets into the LeaseEagle system. In the final phase the company integrated account processing.

Mr. Green clarified, “We started verifying all our lease information month by month through the LeaseEagle system. Everything now gets uploaded into a journal from which accounts payable can manage automated payments. Since we began this in 2010 we have saved ourselves hours and hours of work each week.”

“In addition, the fact that LeaseEagle allows us to flag important dates in the database means that we are alerted about upcoming lease incentives. Before LeaseEagle, we sometimes missed these incentives until the end of the financial year. Now, we are improving our cash flow by capturing our incentives earlier and by identifying discrepancies in landlord charges. In fact, by using the lease calculation rules in LeaseEagle, we have been able to avoid recurring overcharges due to miscalculations. So every year, we are able to identify savings and increase our CPI—all thanks to LeaseEagle.”

#### SMARTER SOLUTION AUTOMATES TIME-INTENSIVE PROCESSES

LeaseEagle is now being used at approximately 170 sites across both the corporate and retail sectors of



Medibank Private’s business and—after working with LeaseEagle for six years—Medibank has dramatically reduced the time that personnel need to spend on managing its lease portfolios.

“Where lease reporting used to take up all the time of one full-time employee,” added Mr. Green, “it now takes about *one third* of the time it used to, freeing up our people and resources for more innovative tasks.”

#### CUSTOMISED SOLUTION UNLOCKS WIDER BENEFITS

LeaseEagle has been such a success for Medibank that the company is now working with the LeaseEagle team to evolve the software.

“LeaseEagle is helping us to capture more aspects of our business operations—information about our security providers and store maintenance, for example—so we can drop it into an accounts payable file at the push of a button,” explained Mr. Green.

“Right now we are also working with LeaseEagle to customise the project management module in the software for our business. Our project managers are the ones involved with the end-to-end construction of our stores. Basically, there’s a lot of information in our current leasing module that our project managers need, information like contractor details, lessor works documentation, tenancy plans, refurbishment and make good provisions, lease conditions, photos and key date records.

So, we are working with LeaseEagle to allow our project managers easy access to this information. We want them to be able to add their project plans for construction directly *into* the system. Everything will be accessible in the one place, reducing conflicting information and ensuring consistency across our stores so that we continue to make the most of our lease agreements and project resources.”

**LeaseEagle**

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