

The 4 Successful Approaches to Portfolio-Scale Technology Adoption

Some real estate technologies lend themselves to portfolio-level adoption. For example, there are great business intelligence tools on the market that pull in immense amounts of property, tenant, and transaction data to provide benchmarking and transparency across the organization.

Not only is the data available (though in many different sources and formats, which is the main purpose of this technology), but the value is only accessible when the entire portfolio is feeding one source. You couldn't have 6 different business intelligence tools, each with a dozen properties on them, none of them would provide any value.

That is not the case for all real estate technologies though.

In fact, most technology has been adopted on an ad hoc basis on the building or market level. Unlike business intelligence tools, each of these solutions can add value to individual buildings, whether that's digitizing work orders or generating monthly tenant utility bills.

However, the end result is a tech stack that is siloed, redundant, and non-standardized. While this is not a new phenomenon, it is becoming an issue as owners and operators begin to recognize that the fate of the organization is increasingly tied to their ability to adapt to a more challenging environment.

In a recent survey, we found that a 53 asset portfolio had 50 different technology vendors. Eventually, the need of the portfolio to standardize and centralize as many functions as possible, and gain a holistic perspective, outweighs the benefits of making decisions for individual buildings.

But that doesn't mean it's easy.

In our experience, the path to getting to the promised land of direct OpEx and CapEx savings, a consolidated experience for all back-of-house operations, and transparency from the boardroom to the boiler room, depends on the portfolio.

Here are some of the strategies we've seen work. At the end, we'll discuss which strategies to avoid.



Phased Rollout

One of the most tried and true approaches for technology adoption is to run a pilot, or proof of concept. If that experiment is successful, then expand it. If not, don't.

It sounds straightforward, but this approach must be done correctly for it to work. There are three primary pitfalls to avoid:

1 | Don't adopt technology without a clear understanding of what success looks like

Sometimes, technology has all the "bells and whistles" but after being implemented, doesn't get used. There should be specific and measurable outcomes tied to technology. If those are hit, the decision to expand is easy!

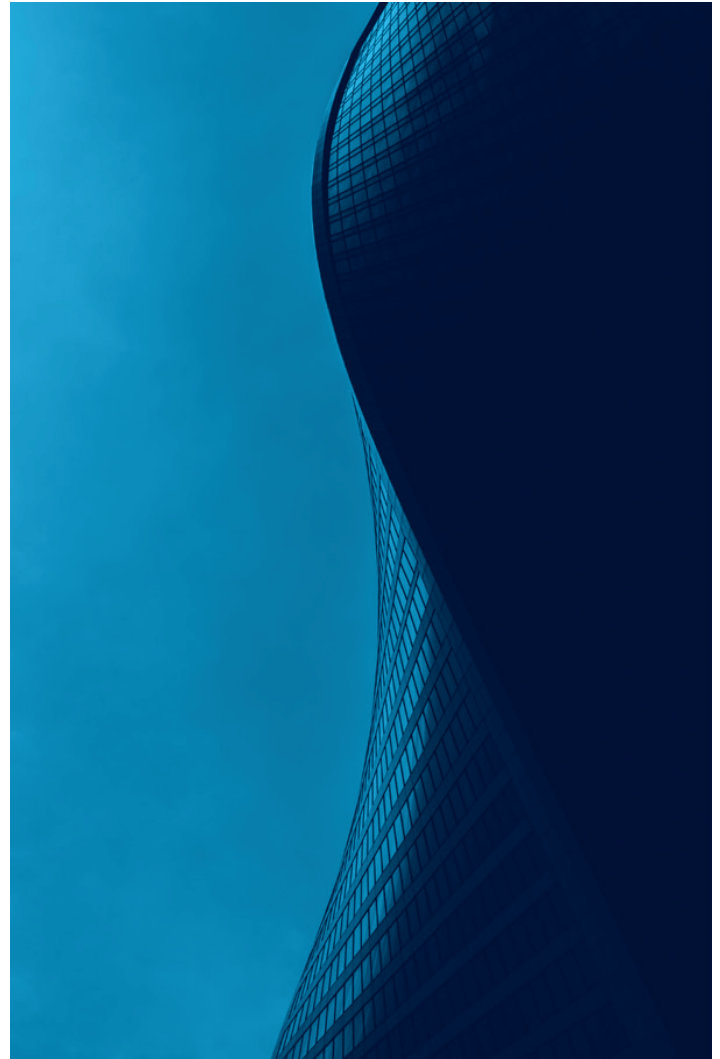
2 | Don't adopt technology that can't be extended to the rest of the portfolio

Sometimes, technology is powerful, but requires certain infrastructure that not every building in the portfolio has or is way out of the budget of most properties in the portfolio. This is important to understand before starting the pilot.

3 | If possible, avoid "point solutions"

The whole point of this exercise is to end up with as few technology vendors as possible. If there's a Phased Rollout of solutions that each do one thing, there will be standardization across the portfolio, but not consolidation.

One option to help determine the needs of the company is to do a **Portfolio Technology Survey** to determine what's in place and how many different technologies could be consolidated with a one-stop-shop solution.



The benefits of the Phased Rollout approach are:

A holistic focus from the beginning

Start with 10% of the portfolio and go "all in" on every functionality offered by the platform. The risk is relatively low and you get a chance to see what the experience would be like if the entire portfolio were on it.

Cleaner evaluation

Instead of trying to determine how to integrate the workflows and data from multiple different systems, the search can be focused on a one-stop-shop, making everything else much easier. If it makes money and breaks down silos, don't question it too much.

Punchy headline

Who wouldn't like to tell their CEO that they found a platform that can consolidate 50 different vendors into one?



Head to Head – Vertical Adoption

Another strategy is to maintain focus on one specific area of operations, rapidly achieve portfolio standardization in that area, and then rinse and repeat.

A common strategy here is to select the top two or three competitors in a given category and pit them against each other in a small segment of the portfolio.

Like the phased rollout, there should be specific and measurable outcomes tied to the decision. This sounds obvious and routine, but it can be difficult to stay disciplined when opinions, relationships and impressions start to enter the mix.

Once a winner has been selected, the focus can be on rapid and relentless adoption across the portfolio.

Of course, the major pitfall of this strategy, that should be integrated into the decision-making process, is that you can end up with standardization but not consolidation. When that happens, serious time and resources have to be spent tying together the patchwork of systems.

Don't know all the categories of technology for modern building operations? Check out the [Insider's Buyer Guide to Operations Technology for Commercial Real Estate](#)

However, if this risk can be mitigated, there are numerous benefits to this strategy:

1 | Rapid Adoption

Unlike the Phased Rollout, which leans more towards an “all-in” type strategy, the Head to Head – Vertical Adoption lends itself to faster rollouts because there is a focus on one solution rather than a holistic platform all at once.

2 | Confidence in Decision

Pitting competitors head to head, with clear and measurable comparisons, provides confidence throughout the organization that the solution being adopted is the right one. There will always be speed bumps, but that confidence can carry momentum through to the portfolio scale

3 | Customization

Modern software companies can rapidly iterate on their product in a way that more legacy providers cannot. Focusing on one solution at a time allows both management and users to provide focused input so they can steer product development towards their needs.

Phased Roll Off

In some cases, the portfolio has already achieved standardization without consolidation. There is one solution for maintenance, one solution for energy management, one solution for tenant utility billing, one solution for air quality monitoring, one solution for BMS analytics and optimization, and so on.

While this is better than the completely ad hoc approach that leads to 50 vendors across 53 assets, it does lead to siloing, both between different roles (i.e. asset managers and property managers) and between different systems (i.e. valuable data in the tenant utility billing software isn't shared with the ESG reporting software).

Instead of a Phased Rollout, which starts "all in" in a segment of the portfolio and expands from there, the Phased Roll Off, starts at the portfolio scale and consolidates one category at a time into a more comprehensive platform.



The process to determine in which order to perform this rolloff usually looks something like this:

1 | Perform a survey to understand costs, contract end dates and satisfaction ratings by those who use the system

Again the Portfolio Technology Survey can come in handy here. The idea is to get a rich data-set that will help prioritize roll offs.

2 | Get quotes on the total cost of a comprehensive platform

The goal here is to determine if you can get a platform to do the same functions as the combined tech stack for the same or lower cost. Any savings here is immediate ROI.

3 | Create Phased Roll Off

With the survey data in place and comp for the one-stop-shop platform, it's usually relatively easy to determine phasing. Start with the solutions that are the highest cost, lowest satisfaction and with contracts ending the soonest, and work backwards from there.



Needs-Driven RFP

In our experience, RFPs rarely lead to portfolio-scale success. We will discuss why in the conclusion.

There is one important caveat — the Needs-Driven RFP.

The approach here is to internally mimic the “discovery” that modern technology companies do early on in their relationship with the portfolio.

The key insight here is that innovation and technology teams, left to their own devices, often end up recommending solutions based on sophistication, not based on the must-haves of end users.

Instead, this approach focuses on doing interviews with functional teams with the goal of deeply understanding their current work-flows and what’s most valuable and important to them.

From there, evaluations can be performed to identify platforms that cover the widest range of must-have capabilities and decisions can be made for all-in, portfolio-wide solutions from the beginning.

Obviously, this approach comes with both upside and downside.

Pros	Cons
<ul style="list-style-type: none"> • The process is built on buy-in from end users. They have contributed to the selection and there is a much higher probability the platform selected will match their needs • Avoid pilots and any ambiguity that can arise from potentially inconclusive experiments • The evaluation process is simplified because platforms can be measured on yes/no (do they satisfy must-have requirements) 	<ul style="list-style-type: none"> • The interview process takes a long time and, while essential, does not show any results during that period • There is a “leap of faith” required to do an all-in portfolio-wide rollout based on interviews and evaluations • Business needs can change between the initial interviews and when the selection is made

Conclusion

We have seen all 4 of these strategies work. The right path depends on the specific portfolio.

For example, an owner that outsources all of their operations might benefit most from a Phased Rollout, an owner-operator that still mostly manages buildings the “old school” way might benefit most from a Head to Head – Vertical Rollout or a Needs-Based RFP, and a technology-forward company that has a solution in place for everything might benefit from a Phased Roll Off.

Regardless of the path, the end goal is clear: better performance driven by a consolidation of functions into one platform and breaking down of silos between teams and solutions.

[Schedule a Demo](#) with Enertiv to get a tailored recommendation on the best approach for your portfolio.



It is also important to know which strategies have consistently failed to achieve this goal:

Relying on Relationships

Too often, a technology is in place because there is a long-lasting relationship with a certain vendor, often one that has been around for 20-plus years. To be clear, relationships are critical and one of the reasons that approaches like the Head to Head – Vertical Adoption are successful is the development of a working relationship. However, when decisions are made based purely on who knows who, it's the portfolio, tenants and operators that ultimately suffer.

Bottom-Up Approach

Buy-in from end users is also critical. That's why the Needs-Based RFP approach can be so successful. But when each property team can make their own decisions, it inevitably leads to a very messy tech stack. Some portfolios believe that consolidation of solutions isn't important, it's only consolidation of data that matters. That may be true, but we have not seen it play out successfully to date.

Traditional RFPs

The traditional RFP process usually goes something like this: a portfolio hires an expensive consultant to write out an RFP. Dozens of vendors submit lengthy responses to said RFP. The sheer quantity of information is overwhelming and no one reads them. At best, a few companies are selected and a formal evaluation begins at the very beginning, with a discovery meeting, a demo, etc. This wastes huge amounts of time and almost never ends in a portfolio-scale solution. If the traditional RFP approach is going to be taken, at least specify which buildings are being targeted and provide information so that real scopes of work can be submitted and evaluated, rather than just feature-based capabilities.