



PLAYBOOK:

Dealpath's Step-By-Step Guide for Setting Your Real Estate Firm Up for Software Success



DEALPATH

Dealpath Overview

As the category creator and the leading real estate deal management solution, Dealpath partners with investment management firms like Blackstone and Oxford Properties Group to identify the right software solution for their specific needs. And when firms partner with companies like Dealpath, due diligence errors decrease, teams become more organized and efficient, documentation of opportunities is centralized, and everything is searchable on a single platform. Teams can collaborate virtually to do deals better and faster.

We're on a mission to get more of the built world transacting online, and that begins with smarter tools, like ours, to help companies modernize and organize--and ultimately drive more ROI.

Empowering hundreds of top performing firms across the globe:

Blackstone

AEW

BRIDGE
INVESTMENT
GROUP

UBS

OXFORD

DRA • ADVISORS LLC

Manulife

els[®]
Equity LifeStyle Properties

LM

ROCKPOINT
GROUP

FOUR CORNERS
PROPERTY TRUST

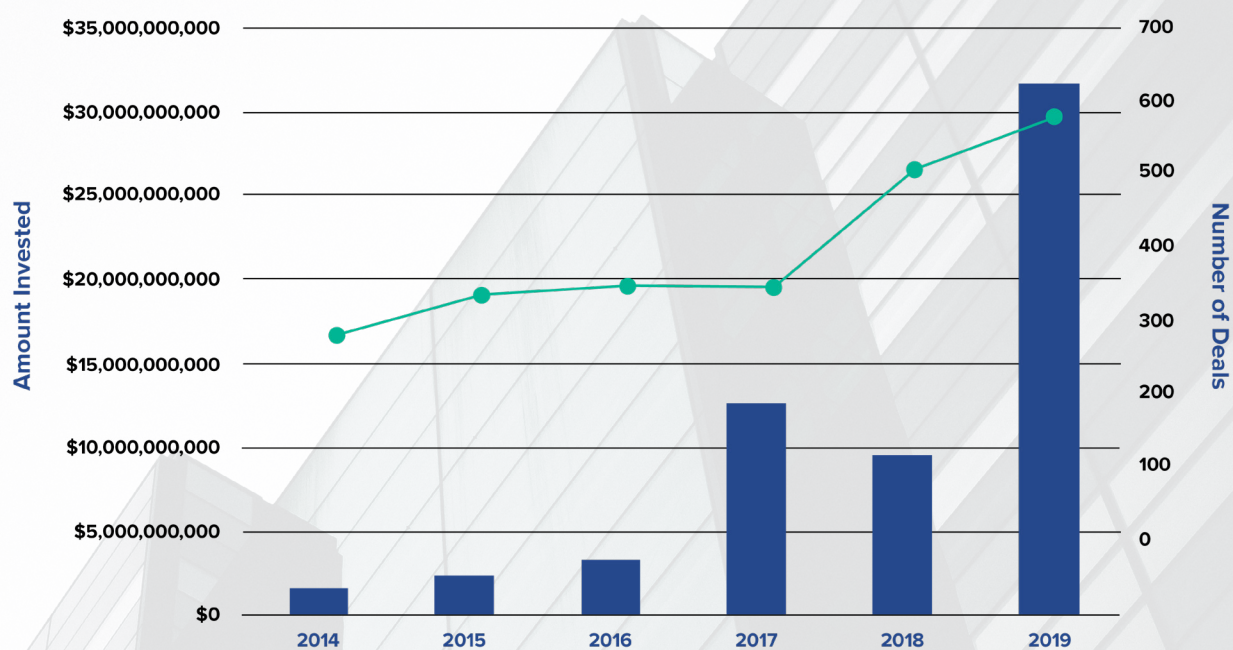
ARTEMIS
REAL ESTATE PARTNERS

Why should you invest in real estate software?

Information drives real estate. And in today's increasingly competitive and complex market, smart decision making requires access to data and cross-functional collaboration. A [2018 article](#) by McKinsey analysts stated that, "many real estate firms have long made decisions based on a combination of intuition and traditional, retrospective data." The same article cited that "frustration with the disconnect between the availability of data and the difficulty of harnessing it for quick, actionable insights" was a top concern for real estate investors.

Tech disruptors and investors heard the call. According to the CREtech 2019 End Year Report, a record-breaking [\\$31.6B](#) in venture capital poured into proptech companies in 2019, much of which funded data-focused point solutions and strategies.

Year Over Year Funding & Deals



Source: CREtech 2019 End Year Report

For the modern real estate firm, leveraging data into actionable intelligence that facilitates smart decision-making is no longer a *nice to have*. It's a requirement for maintaining a competitive position. In other words, it's never been a more critical, albeit more complicated, time to evaluate the best software solution for your firm.

How do you do it?

A real estate investment manager now has to add “*become an expert at software evaluation*” to their list of job requirements. But what this evaluation process adds in prep work, is far outweighed by the long-term benefits to your organization.

Deploying the correct solutions requires an extensive evaluation process which accurately identifies your pain points and bottlenecks, ultimately clarifying your ideal outcome. Investing time, money and energy upfront will maximize the material return.

“

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”

- MIKE SROKA, CEO at Dealpath



STAGE ONE:

Prepare Your Organization

1

Document your current processes and tools, including top pain points and bottlenecks.

Begin by conducting a review of investment operations. It's hardly a controversial idea (with top operations teams doing this annually or bi-annually), but it takes discipline to maintain. It's important work that must be conducted by experienced personnel and understood by executive leadership.

Once your firm agrees to dedicate time to the endeavor, find the best way to organize your thoughts. We've built [this worksheet](#), which includes the questions we recommend asking yourselves as you move through your evaluation.

That said, the format of your evaluation matters less than the value of the content put in. Be thorough and critical of what could be improved.

Estimate the value of solving the top issues/opportunities

Develop a shared view internally on what an ideal outcome looks like for your business. At this stage, it will be important to go through a process of aligning on the expected benefits that your new software tool will have and defining success criteria.

According to our post-implementation and QBR surveys, many Dealpath clients measure success via various productivity and satisfaction metrics, ultimately rolling up into ROI for the company.

- A 20-person private REIT investment team reported **20%** more deals evaluated.
- A top 10 affordable housing developer in NYC measured **30%** fewer errors in underwriting and due diligence.
- A public REIT based in California found a **50%** increase in weekly productivity.
- A PERE50 firm relayed **60%** lift in employee satisfaction.
- Overall, we see **475%** ROI in year one for Dealpath customers who implement deal management software (automated workflows, centralized data, etc.).

These are just a few of the metrics your team can consider as you think about how to measure success.

Identify resources for top initiatives

Prepping for success also means executive sponsorship of the initiative. Discuss the following questions among decision makers at the executive leadership level.

- Who should be involved in the evaluation process?
- Is there budget available and where will it come from?
- What's the time-frame for having a solution in place?
- Who will be responsible for leading the implementation and achieving the defined success criteria?



STAGE TWO:

Research Options

2

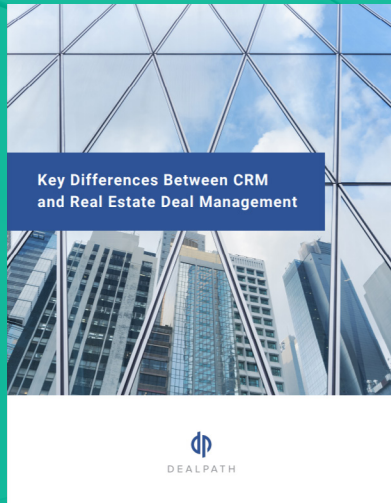
Research and engage with relevant vendors

Finding trusted resources to point you toward the best software solution will save your team the time they might spend researching from scratch.. Real estate management consulting firms are an excellent resource. We recommend the following:



Similarly, explore your network and look for peers in the industry to solicit recommendations or referrals.

Additional resources to consider:



Qualify vendors for solution fit

Create an evaluation matrix or checklist to see how vendors stack up against one another and meet your specific criteria. Some things to look out for:

- Vendors should be able to demonstrate your success criteria with your data (that you provide as real or sampling) in a live workshop with your team.
- Vendors should also be able to list dozens (if not hundreds) of relevant client names as examples of current customers.
- Look at product review sites like Capterra and G2 -- consider it a red flag if vendors do not have any review on these sites.



STAGE THREE:

Organize for Implementation

3

Confirm technical requirements

Work with your data and tech teams to confirm the technical and security requirements to begin work on. While your tech needs may be specific (i.e. integrating with other softwares that your team already uses), there are a set of software security standards that a reliable partner should meet:

- Request that vendors submit their current SOC2, Type 2 certification report and CyberGRX Tier 1 Assessment. These are mandatory for an enterprise solution that will be housing valuable and proprietary information.
- Have vendors provide a detailed report on the suitability of the design and controls as they relate to Security, Processing Integrity, and Confidentiality. These Third-Party verifications and audit reports should be in the name of the specific application provider, not a parent company in the business of professional services or something different.



Understand implementation plan and ongoing support resources

Your vendor of choice should introduce the personnel dedicated to your implementation and ongoing client success. Set up a kick-off call to be sure that your working relationship has a rapport and working style that resonates with your own.

Your success manager should speak to their experience onboarding previous partners and should assertively lay out a clear overview of the process and time-frame for successfully deploying the solution.

Following the call, have your rep produce a written scope of work that includes expectations for any additional resources on your end. Re-confirm if there is any additional support or resources required, and then route internally to identify who will do this work, how much it costs, and availability and scheduling.



STAGE FOUR:

Finalize

4

Select a vendor and move forward to review the legal terms of contract for engagement

Based on the assessment above, you should be set to select a solution that best fulfills your operational needs, meets your technical requirements, can accommodate your implementation timeline and aligns with your support expectations. Move forward with contracting once you feel confident about your relationship with the vendor.



A vendor form of contract should be easy to understand and reviewed with legal counsel. These are typically in the form of standard Terms of Service and/or a more detailed Enterprise Service Agreement.

5%

It's common to have annual and multi-year terms, and for pricing to break out all software service fees and any professional service fees. Current market rate is that fees should not increase more than 5% annually.



Another key term to watch for is that customer data is confidential and shall not be used for any purposes other than providing the services to the customer (you). You likely do not want your data (even if anonymized) used for any other purposes. Remember, your data is your biggest asset, so make sure you feel confident with it in your vendors' hands.



Congratulations! You've purchased enterprise software and are headed towards a more efficient and effective firm. This rigorous and exacting diligence process will lead to a successful partnership for both parties and will make your implementation process go that much more smoothly (and quickly).

Next up will be implementation and adoption. And change management as your team moves toward using this new tool will take time and its own set of best practices.

For now, though, enjoy the win!

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Dealpath is the real estate industry's leading cloud-based deal management platform. Investment and development firms leverage Dealpath as their command center for smart pipeline tracking, powerful deal analytics, and collaborative workflows. Founded in 2014, Dealpath now supports over \$5 trillion in transactions globally with leading institutions across the world.

www.dealpath.com



DEALPATH

Software Determination of Needs:

Deal Management Platform

- 1. How are you working today?** (For example: personnel, tools, processes, etc)
- 2. What are your major pain points?** (In priority order)
- 3. What are your expected benefits?** (In priority order)
- 4. Your ideal solution would include the following:** (In priority order)
- 5. Who are the key decision maker(s) for securing a solution?**
- 6. Is there a budget available for a solution?**
- 7. What is the timeframe for securing a solution?**
- 8. Potential vendors to evaluate:**