



# CASE STUDY: Kushner Companies

## **Kushner Companies Creates Over \$2 Million in Operations and Construction Savings in 10 Months Using The Honest Buildings Platform**

### **SUMMARY**

Kushner Companies is responsible for 20,000 multi-family apartments and 13 million square feet of office, industrial, and retail space across six states. Guided by strategic, innovative thinking, Kushner refuses to lose speed, accuracy or internal knowledge to the traditional, cumbersome “system” of Outlook, Excel, PDFs, faxes, and text messages in order to track projects and facilitate procurement.

Starting January 2015, Kushner Companies has run most projects in its portfolio through Honest Buildings’ platform. In the first ten months, the Kushner team saved over \$2 million and dramatically streamlined processes, prompting CEO Jared Kushner to say, “Honest Buildings was the solution that brought order to the chaos.”



## The Challenge

### STREAMLINING FOR GROWTH

Kushner Companies has successfully completed more than \$13 billion in real estate transactions since 2007. While their long-term growth is measured and thoughtful, the day-to-day business of property management demands quick analysis and action based on reliable information.

Kushner found the traditional job tracking and procurement process - a key component of property management - to be disjointed, slow-moving and, therefore, incompatible with the Kushner Companies' ethos.

Kushner Companies' CEO Jared Kushner summarizes the challenge:

*“For too long, the procurement process has been dominated by pen, paper, spreadsheets, and email. With critical information so scattered and disorganized, there was no way for owners to make sense of the vast amounts of potentially useful data and make sure that there was true accountability and integrity in bidding.”*



## The Solution

### CREATING A CONSISTENT, TRACKABLE PROCESS

The Honest Buildings team worked closely with Kushner Companies to train team members and pre-populate their dashboard with property information, approved vendor lists, and bid templates.

Within a few weeks, more than 50 members of Kushner Companies were actively using the product, including the executive team, regional managers, property managers, analysts, and the accounting team. Within ten months, projects at more than 70 properties - including multifamily, office, industrial and retail properties - were run through the platform.

Using a centralized platform to track capital, construction, and operational projects, Kushner Companies implemented a consistent process, making their teams faster and more efficient, and creating significant asset value.

*“Whether it’s looking at portfolio-wide figures to spot trends or drilling down to specific assets or vendors, Honest Buildings provides data that we can harness to realize significant cost savings through smarter decisions and enhanced workflow management.”*

***Jared Kushner, CEO of Kushner Companies***



## The Results

### OPERATIONS PROJECTS

Kushner Companies' Property Managers (PMs) have bid out over 200 projects, including:

- Snow Removal
- Cleaning
- Paving
- Painting
- Landscaping
- Carpentry
- Roofing
- Pool Repair
- Electrical

Much of the administrative work needed to successfully complete these projects is now executed by the platform's automated communication, bid leveling, and collaboration workflows.

**AFTER IMPLEMENTING HONEST BUILDINGS, PROPERTY MANAGERS RECLAIMED 20% OF THEIR TIME, GAINING ONE DAY A WEEK TO FOCUS ON HIGHER VALUE-ADD ACTIVITIES.**

Additionally, transparency into the bidding process across the portfolio helps ensure compliance with Kushner Companies' competitive bidding policy, including smaller service contracts, thereby driving down costs on a historically under-managed portion of spend.



## CONSTRUCTION PROJECTS

Research shows that triple bidding leads to an 8% reduction in the “bid low price,” and price is further reduced by 4% with each additional bidder.\* However, this financial incentive to competitively bid projects is often overshadowed by the increased administrative burden that managing each additional bidder requires.

By offloading those tasks to the Honest Buildings platform, Kushner Companies’ PMs now easily oversee more bidders than were previously manageable.

*Case in point:* A Project Manager working in Philadelphia was able to solicit and evaluate six General Contractors bidding on a parking garage project. The advantages to running the project through Honest Buildings were twofold:

- Equipped with Honest Buildings’s easy-to-use workflows, the team drove down the final price without increasing administrative work.
- Leveraging the platform’s Executive Dashboard, the team spotted - and corrected - a pricing issue early on in the process.

**AS A RESULT, KUSHNER COMPANIES REDUCED CONSTRUCTION COST BY OVER \$1 MILLION ON THIS PROJECT ALONE.**

\* *Journal of Construction Engineering and Management* - <http://hubs.ly/H01gWfQ0>



With Honest Buildings, the entire Kushner Companies team understands the progress of capital, construction and operational projects throughout the company's portfolio, and it is empowered to turn new insights into immediate and profitable actions.

*“Honest Buildings is great because it really allows us to have a much more transparent bid process, and when you're managing a lot of properties throughout the country that's very, very helpful.”*

*Jared Kushner, CEO of Kushner Companies*

## About Honest Buildings

Honest Buildings is the leading data-driven project management and procurement platform purpose built for commercial real estate owners and managers.

Industry leaders like SL Green, Related Companies, Invesco, Parkway Properties, and The JBG Companies use Honest Buildings to centralize project data, increase transparency, automate bid management, and standardize reporting.

***On average, Honest Buildings customers report a 4x to 10x return on investment.***