

**M**ost professionals lose sleep thinking about the health of their businesses, but not as many focus on their lease portfolios, which can significantly impact profitability and growth.

If your company owns and/or operates leased locations, take Property Work’s “Lease Administration Health Check” for a high-level assessment of your lease administration process.

1	2	3	4	5
Strongly Disagree	Somewhat Disagree	No Opinion	Somewhat Agree	Strongly Agree

	Score
1. I can access all lease-related information needed to make critical business decisions within a few minutes from anywhere with Internet access 24/7.	
2. Provisions, rights and requirements from all leases have been captured in a format that’s easily searchable.	
3. All employees within my organization requiring lease data have access to the most current information at any time.	
4. When repairs and maintenance requirements arise, it’s easy to determine what the landlord is contractually responsible for handling.	
5. My organization can easily and efficiently obtain landlord consent for corporate-wide initiatives, from installation of exterior signage to changes in the company’s financial structure.	
6. Departments like accounting, real estate and facilities have a seamless process for sharing real-time information when changes like lease terminations and rent adjustments occur.	
7. Business decisions like exercising an option or terminating a lease can be made with the benefit of historical data such as the actual cost per square foot and the occupancy cost-to-sales ratio.	
8. Employees responsible for day-to-day lease administration within my organization have been properly trained to track critical dates and deadlines, as well as identify cost savings opportunities.	
9. My organization has a FASB solution in place and we’ll meet all required deadlines without having to redeploy any of our current resources.	
10. I feel confident that our company adheres to the industry’s best practices for lease administration, and has the right people and processes in place for business continuity and financial success.	
<b>TOTAL</b>	

## CALCULATE YOUR SCORE

If you use Excel to track critical lease data, subtract 100 from your score! We're kidding... sort of.

While Excel is an adequate tool for managing many business functions, it's simply not powerful enough to handle the complexities associated with strategic lease management. Additionally, when multiple people are working from a spreadsheet, it's difficult to share the most current version and lock down all mathematical formulas.

Now, here's what your score indicates...

SCORE	INTERPRETATION
<b>Perfect 50!</b>	Congratulations...you've got this! Since your leases and processes are in great shape, it's time to focus on lease negotiations and renegotiations. While landlords want you to believe all lease terms are set in stone, there are times when you have the upper hand and can renegotiate unfavorable terms. If you don't have this expertise internally, consider seeking assistance from an experienced, cost-effective external team.
<b>40-49</b>	Your administration processes are in good shape, so this may be a perfect time to focus on a little clean-up. Start by reviewing your data to ensure it was entered consistently so you can make sound decisions based on historical data. Also make sure the CAM reconciliations include only items outlined in your lease. If you're billed a pro rata share of CAM expenses, consider whether any major changes that warrant an adjustment have occurred, like a building expansion or anchor tenant vacating the premises.
<b>30-39</b>	It sounds like you're doing a reasonable job at lease administration, but there is room for improvement. Now's the time to ensure that all leases have been abstracted into an electronic format that's easily searchable, and everyone has access to the data needed to perform their jobs. Also consider whether you have experienced people in place who can not only perform on a daily basis, but also are looking ahead for cost-saving opportunities.
<b>Below 29</b>	Your score indicates that internal processes for managing leases are putting your business at risk. You may be missing critical deadlines, are unprepared for economic changes and are not aware of lease-related factors that could impact the overall health of your business. Fortunately, there are lease administration solutions that can quickly restore the health of your business, but it will require quick action.

**SEE HOW PROPERTY WORKS CAN IMPROVE THE HEALTH OF YOUR LEASE MANAGEMENT PROCESS.**