

Last updated: October 16, 2008 04:43pm

Investment Managers Turn to Technology

By Noreen Seebacher

When the parent company of Bennigan's filed for Chapter 7 bankruptcy protection last summer, LaSalle Investment Management relied on web-enabled business intelligence software to reassure property owners and investors about the impact on their portfolios. "We had limited exposure," says Eric Schultz, a portfolio management associate at LaSalle, a wholly owned but operationally independent division of [Jones Lang LaSalle Inc.](#)

LaSalle has about \$54.1 billion of assets under management invested in private real estate--both separate accounts and commingled funds--and publicly listed real estate securities. But Schultz says he was able to research the effect of the bankruptcy of the faux Irish bar and grill almost immediately, thanks to the LaSalle's complex suite of investment management software.

Investment managers are increasingly replacing spreadsheets with sophisticated business solutions designed to provide global, up-to-the-minute access to data. "It's not like you can't get the same data from an Excel spreadsheet," Schultz explains. "It's just that these solutions are much faster because the data is integrated into a centralized system that allows you to search or research specific tenants or industries."

Resolve Technology boasts that many investment managers used its products to analyze the risks that multiplied in the wake of the fall of Lehman Brothers. Few, however, wanted to talk about it. As Eran Livneh, a marketing consultant at Resolve says, "It is a challenge getting anybody to say anything these days" because of the sensitivity of the financial markets.

But many companies are re-evaluating options to enhance their data efficiencies and transparency, industry experts suggest. Behringer Harvard, for instance, which creates and manages strategic real estate fund opportunities, is in the early stages of implementation of some of Resolve's products. The company said it "prefers to wait" until it's further along in the process to discuss the merits of the software.

LaSalle, however, is enthusiastic about the investment management options it is selected. Several years ago, LaSalle turned to Needham, MA-based Resolve Technology for a more efficient way to manage the data from its 27 offices in North America, Europe and Asia Pacific. The objective was to replace more than a dozen different systems with a single source of information on all assets under management. Company executives said the disparity of systems made it difficult to consolidate data, ensure its integrity and deliver timely information to decision makers.

LaSalle wanted to make information accessible to decision makers, overcome the fragmentation of systems to ensure data transparency and standardize data and processes while reducing dependence on spreadsheets. "Running a business with spreadsheets is very difficult and has many limitations. You are more prone to error and inefficiency," said Cindy Parker, managing director of information technology at LaSalle.

The software "reduces the likelihood" of error, Schultz says. He also calls it "an efficiency generator," explaining: "Data in itself does not make decisions. However, the availability of data--accurate and easily accessible--can help investment managers make better decisions."