



# The Year in **MRI**

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# TABLE OF CONTENTS

1	<u>Introduction</u>
2–3	<u>The Top Five Most Notable Features of MRI X</u>
4–7	<u>The Complexity of the Investment Management Software Space</u>
8–10	<u>A Symphony of Enhancements</u>



## INTRODUCTION

If there is one word that summarizes MRI's past year, that word would be growth. As king of the best-of-breed approach, MRI not only partnered or acquired major players including Nexus, RentHop, AvidXchange, and CallMaX, but they also expanded their global presence with a new European data center (in Dublin), gained major new clients (such as the credit union leader, SECU, and the Ohio-based affordable housing organization, The Caritas Corporation), but they also released an impressive new version of its globally successful investment management suite (which included acquiring Integrated).

What's more, the MRI Version X continues to gain users and global recognition. In May, for instance, OHTech—a technology talent, growth, and advocacy association—named MRI's Version X Best Software Product at its Best of Tech Awards in Cleveland.

Keeping on top of all this growth—and the opportunities that it presents—can be a challenge, which is why REDirect makes it our business to ensure that our clients are in-the-know with every new acquisition, merger, and upgrade that MRI undertakes. It is through our relentless due diligence that we can ensure our clients maximize the return on their investment in MRI software, and remain competitive in their respective fields of real estate property and/or investment management.

We have compiled the following ebook as a snapshot summary of all the best MRI had to offer in 2016. Whether you're new to the world of MRI, or are a long-time user, we're sure that this ebook—and the deeper insights we've gleaned through compiling it—will be of value.



# The Top Five Most Notable Features of MRI X

1

## It is browser- and device-agnostic.

No matter what your browser of choice—Firefox, Chrome, Safari, or Explorer—utilized on any device of your choice—your desktop, tablet, or smartphone—MRI X is optimized to look beautiful. Its elegant, streamlined, and device-agnostic appearance is matched by an equally clean, intuitive, and enjoyable user experience.

2

## Cloud options abound....

MRI offers three options for users looking to use MRI X Software-as-a-Service (SaaS), known in laymen's terms as a cloud-based service. The three cloud options are Core, Flex, and Prime, in order of cost and benefits, with Prime offering the highest security protection.

Also notable is that MRI X—unlike some of its real estate software competitors—can be hosted on your own servers, which may be a huge factor for some companies—particularly those with their own, robust, in-house IT departments.

3

## ... and the view from the cloud is spectacular.

Previously, MRI users who migrated from MRI Windows to MRI Web had been disappointed that the web-based version no longer included the Report Search function. In MRI X, the Report Search function is back, and better than ever.

In other ways, too, earlier web-based versions of MRI weren't as user-friendly as the Windows version. This was particularly true for commercial clients and back-office users. But with MRI X, the same clean, beautiful, and intuitive interface that users know and love on their desktop is perfectly replicated on their iPad or Android when they're out in the field.

## 4

## Retain your customizations

Users will quickly realize that one of their favorite new features of MRI X is its ability to retain, or “favorite,” your unique customizations, such as custom reports, oft-visited pages, etc. These favorites are stored and displayed in the dashboard view, giving you a quick glimpse at all the information that you need at a glance, whenever you need it.

(Note: MRI users who are still using Windows will have to update their user-interface “view” customizations to web pages.)

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The same clean, beautiful, and intuitive interface that users know and love on their desktop is perfectly replicated on their iPad or Android...

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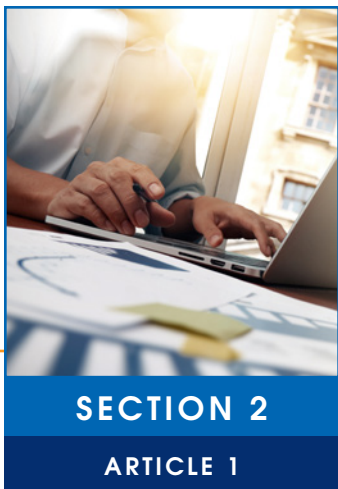
## 5

## Smart, Simple, Strong Search.

Saving the best upgrade feature for last, surely the most notable and crowd-pleasing new feature of MRI version X is its smart, intuitive, comprehensive, yet incredibly easy search function: MRI • GO.

Imagine this: You're a property manager with 1,001 things to do today. You receive a phone call from an irate tenant, upset that a blue Honda is parked in his parking spot. Simply type in “blue” in the MRI • GO search box, and it will instantly pull up the record of every tenant, guest card, or vendor who has the word “blue” in any of their fields. In just seconds, you can discern that tenant John Smith owns a blue Accord, and you can immediately drill down to get his contact information and ask him to move it.

With other new features and modules to boost MRI Version X performance even further—such as MIX and MAX—there's a lot to consider. To help you determine whether MRI X may be right for your company, schedule a consultation with us today.



## SECTION 2

### ARTICLE 1

# The Complexity of the Investment Management Software Space

Property management software is easy to define. While there are differences between the major players, they each offer the same core components: Accounts Payable, Accounts Receivable, Lease Management, Work Orders, etc. All of these sub-ledgers feed into reports and populate the General Ledger. When you're shopping for property management software, most property managers know what they are looking for. It is rare that we run across property management companies that still use home-built products or attempt to manage significant square footage with Excel.

...many companies continue to manage millions or even billions of dollars of real estate assets using complicated, home-built Excel spreadsheets.

The investment management software space is another animal. If you Google "real estate investment management software," one article that pops up says that Microsoft Excel is the #1 Real Estate Investment Software Program. The other nine offer a mixed bag of functionality, from customer relationship management (CRM) to analytics to modeling to calculators. Our experience confirms that many companies continue to manage millions or even billions of dollars of real estate assets using complicated, home-built Excel spreadsheets. The functions they drive using Excel include investor contact management, fund accounting, contributions and distributions, waterfall calculations, valuation, performance, and debt management.

Many real estate investment companies are beginning to explore software that will enhance efficiency, accuracy, and transparency. But navigating the options can be a challenge. "Investment management" can mean completely different

things depending on which software vendor you ask. REdirect can help you navigate this convoluted space by creating an inventory of functions that you currently execute manually, determine where you spend the most time (and where you are therefore most likely to make errors), and then evaluate which software packages can help you automate those functions.

## Investment Managers, Meet MRI

MRI, which has long been one of the most powerful, flexible, and popular software solutions for property managers, also offers a robust real estate investment management solution. MRI's Investment Management suite includes the following components: Global Property Valuations, Global Asset

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Many real estate investment companies are beginning to explore software that will enhance efficiency, accuracy, and transparency.

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Management for Portfolio Valuations, Property Debt Management, Fund Modeling for Risk Management and AnalytiX Business Intelligence Portal Reporting. The suite extends from a single property view through to complex portfolio and fund modeling, inclusive of partial ownership structuring and complex debt modeling.

MRI's investment management capacity leapt forward in 2015 when it purchased Cougar Software, a company with over 20 years of experience building custom valuation, asset management, and budgeting solutions for clients around the globe. They have since focused on standardizing this functionality into the configurable solutions listed above as part of an effort to bring the greatest value to the largest number of clients and fill what they see as gaps in the investment management software marketplace.

One of the more compelling components of MRI's Investment Management solution is the Global Property Valuations module, which forecasts cash flows and value for the most complex of commercial assets. It allows users to pull in existing rent rolls easily via Excel and add market lease assumptions. Multiple "what if" scenarios can be created and applied to analyze changing market conditions. Given Cougar's long history of working with international clients, this

out-of-the-box offering can accommodate many global methodologies such as Discounted Cash Flow, Capitalization, Cost Method, and Term and Reversion.

## Introducing MRI's Brand-New Investment Accounting

The crossroads of real estate investment management and software solutions has, until recently, been a somewhat lonely space. Real estate investment managers looking to enhance their capabilities beyond general ledger software had only generic investment management software such as Investran—never truly a hand-in-glove fit with the real estate world—from which to choose. But 2016 has been a breakthrough year.

MRI, one of the most trusted platforms in real estate management, has just released Investment Accounting, a brand-new, built-from-the-ground-up, impressively robust and powerful module to complement MRI's Investment Management suite.

First, we should explain MRI's somewhat unique approach to investment management.

### Three Products, One Sweet Suite

MRI's past success with a "best-of-breed" approach carries over into its foray into investment management. There are three products that make up MRI's IM offering.

## MRI Investment Accounting

1

MRI's newest core module gives investment managers one-click consolidated financials with drill down capability from investor level to property level. More than the ability to produce slick financial statements, Investment Accounting can also handle automatic processing of all capital transactions (contributions and distributions), and has even mastered pretty complex waterfall calculations.

## MRI Investor Management

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This past June, MRI acquired Integratec, a data aggregation and lifecycle investor reporting platform. MRI's Investor Central provides a solution for investment managers to collect and standardize all of the raw information from their various property managers, and provide their investors with robust reporting.

## 3

## MRI Investment Modeling

Of course, successful investment management goes beyond simply managing the investments one currently has and must also effectively cast valuations for the future. This is where MRI's Investment Modeling comes in, a module that can forecast cash flows and value for even the most complex of assets while also allowing for comprehensive scenario building to support buy/sell analysis, debt management and overall strategic planning

With these three complementary products, MRI now meets the fullest range of real estate investment management needs and capabilities.

## From Development to Beta to General Release

MRI's Investment Accounting module is impressive in its own right: from consolidating GL data to handling capital transactions to performing complex waterfall calculations, this module does a lot. Even more impressive is its expedited journey from software development (started, in earnest it seems, in January) to beta (summer 2016) to general release (November 11, 2016). Clearly, such lightning-paced evolution is indicative of MRI's investment in and commitment to—not to mention aptitude with—real estate investment management.

Now that this product is in general release, we look forward to working further with it and learning more at upcoming collaborations with MRI, and helping even more of our investment management clients harness the power of these exciting new tools.





# A Symphony of Enhancements

At the risk of bragging, we at REdirect are leading experts at using MRI, one of the world's premiere real estate software platforms. And even we were pleasantly blown away at the November 2016 International Users' Conference (IUC) in Nashville with all that MRI has to offer—and will soon be offering—to real estate professionals in both property management and investment management. We are pleased to share with you some of the most impressive highlights from this year's MRI IUC, "In Harmony."

## A Statistical Explosion

MRI executives opened the IUC by illustrating some impressive statistics. With more than 650 employees—20% of whom are outside the United States—and a 2016 20% growth rate, MRI's growth trajectory is remarkable. By working with 70 partners—19 of which joined the MRI family this year alone—MRI is the champion of synergizing the talents of disparate players to create a masterful product.

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More than 325,000 cloud-based users utilize nearly 1,600 servers around the planet, helping to manage nearly 2.5 million residential units (of which nearly 800,000 are affordable housing units). And, perhaps most impressive of all, MRI can rightfully boast a 98% client retention rate.

MRI Application eXchange is growing exponentially: with more than 200 applications available currently—76 were added in 2016 alone—there have been over 3,400 downloads by users around the world.

## New Capabilities

Going, Going, Gone Global. With a quarter of its business in markets outside the United States—and with a view to doubling this percentage in the next five years—a big focus for MRI has been improving its International Module. To this

end, they have doubled their sales marketing account management group and built a huge team who understands tax and regulation for foreign markets.

Already, MRI X.4 has been enhanced with this target international audience in mind: in one seemingly small—but much appreciated—example, you can now turn off hotkeys if you would rather use those key combinations to input special characters. More significantly, you can now present a financial statement with two currencies presented on the same page from Core. This is a fairly complex ability that sets you up to create custom reports in ways unprecedented for international users.

Another key new capability for international users is the revaluation tool. The new tool in X.4 has really simplified things, yet is both more complete and compliant. Revaluation now includes items posted directly to the Journal table, and follows standard rules for foreign currency transactions. Increasing compliance related to reporting gains and losses on foreign currency transactions is a big win for MRI in the global marketplace.

One Sweet IM Suite. As discussed above, MRI has burst onto the investment management (IM) space in a big, powerful way. With three products comprising one robust offering, MRI's investment management suite can compete against the best. These three parts include: Integratec, for data aggregation; MRI's brand-new Investment Accounting module, for calculations; and Cougar, for investment modeling.

These IM capabilities represent a particularly exciting development, as the second of these—MRI Investment Accounting—has gone into general release from the beta phase just this past month, and already it is rightfully generating a ton of buzz in the IM community.

Budgeting & Forecasting. Version X.4 also includes major enhancements to delight its Budgeting & Forecasting (B&F) users, such as:

- **Usability improvements**
- **Straight-line rent**
- **Increased flexibility for expense allocations**
- **B&F added to MRI Go search capability**
- **Three reports now available to use at a consolidated level: annual budget comparison, pro forma detail report, pro forma summary report**

- **Workbook approval can be done on multiple budgets (rather than budget-by-budget approval)—a huge time saver!**
- **Calculated totals have been added to occupancy/vacancy reports, recovery calculation reports, or monthly suite forecasts.**

Plus, even more enhancements are on the B&F horizon, such as enhanced usability of general ledger view; an import/export tool that will use Excel; expanded copy and extend functionality; vacancy calculations; and lastly—and this one is huge—a wholly new B&F module for multifamily users.

## Future Plans

More improvements are on the horizon for various parts of the MRI platform, particularly some that relate to Analytix, Workspeed, and others. But perhaps the biggest and most exciting project currently in the works at MRI is the development of a brand-new WebDesign 2.0. With all-new design tools that will be modern and responsive with a major emphasis on usability, MRI clients can anticipate a massive increase in customization possibilities. This new WebDesign will also include giving users the unprecedented capability of building reports directly from the web.

## Closing note

In addition to our gratitude to MRI for organizing such an informative and productive few days down in the country music capital of the world, we'd also like to thank the good folks at Nexus who co-hosted "NASH-BASH," a fabulous party with us the second night of the "In Harmony" conference. Nearly 400 friends, clients, and partners joined us for our hit event, and our appreciation—especially to lead organizer, Nexus—runs deep.

Our aim is to optimize all that we learned in Nashville by ensuring that all our MRI-running clients benefit. If you were unable to get to Nashville this year and have some questions about current or future capabilities, never hesitate to reach out to us.





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