

A new Web-based tool, Vexray, gives retailers access to key real estate information, including sales forecasting and market analytics.

RE matchmaker

Portal connects firms with locations

By Beth Mattson-Teig

Franchise companies are often bombarded with unsolicited phone calls and e-mails touting great real estate finds that would be a “perfect fit” for their brand. The problem is that any true gems often get buried among hundreds, even thousands, of similar claims.

Chicago-based Forum Analytics has created a new Web-based tool that streamlines the real estate process by automatically analyzing and scoring locations. Vexray is the Web portal into which Forum Analytics has imbedded its sales forecasting, market analytics and general business intelligence solutions that it custom builds for clients. The Vexray Web site becomes the point of entry for retailers to access and work with that real estate information. It also serves as the point where real estate brokers can reach out to potential customers by listing their available properties.

Forum Analytics has effectively created a warehouse of data on retail and restaurant sites for sale or lease around the country. The database includes properties, land and pad sites that range in size from 500 to 50,000 square feet. Vexray, which launched in June, expects to have about 2,200 listings by October. Forum Analytics has already signed up about a dozen Vexray clients such as Any Time Fitness, Little Caesars and Smoothie King. The firm expects to have 25 clients by year-end.

Real estate databases or listing services are not unique to the real estate industry. National firms such as CoStar and LoopNet offer databases with tens of thousands of real estate listings. Vexray is unique because it is specifically targeted to retail and restaurant

users, and it has a sophisticated filter system that scores sites based on how well the locations fit a company’s requirements. Retailers have the opportunity to create a detailed site profile with up to 155 different filters including geographic criteria, site criteria and market factors.

“We built Vexray to solve a traditional business problem,” says Paul Sill, president of Forum Analytics. Companies such as Ace Hardware have very expensive analytics solutions that were custom built to conduct real estate site analysis. The problem is that Ace Hardware and its agents were getting 6,000 unsolicited e-mails each month on sites to consider. The agents simply didn’t have the resources to review all of those potential locations. “Ultimately, it was a fragmented process that was wasting time and creating some lost opportunities,” Sill says.

To fix that problem, Forum Analytics built a site qualification engine that allows companies to use their tools more efficiently. Now those 6,000 e-mails can come in through Vexray, a single point of entry. Two-thirds of those sites may be filtered away as not relevant or not viable, and the remaining locations can be prioritized and optimized. “Now the field agents are able to work with a set of highly qualified potential leads, and that is the end game for the retailer,” Sill says.

How it works

Retailers work with Forum Analytics to determine their own key drivers of real estate success such as the daytime population, household incomes or proximity to other types of related businesses. For example, Batteries Plus clearly has different real estate requirements than a Smoothie King. Forum

Analytics then imports those drivers into Vexray and pre-qualifies each site in the database for that retailer to produce a list of high quality real estate leads.

Sites are prioritized for the retailer using a percentile scoring system that is based on the company's list of requirements or filters. Retailers can access that information in a variety of ways. The retailer can go into the site and do a targeted search of the best matches in a particular area of the country, such as the Orlando DMA. In addition, when retailers log into Vexray, they are presented with the best new sites that match their criteria. They also get e-mails every time a new site matches their criteria.

Retailers pay Vexray a one-time connection and development fee that ranges between \$15,000 and \$100,000, depending on how sophisticated the system is, as well as an annual hosting fee of between \$15,000 and \$25,000 depending on the number of users and amount of information. Vexray is free

for real estate brokers to use with a small \$15 broker fee if a broker connects with a retailer on a particular listing.

Streamlined process

The main benefits of Vexray include speeding up the time to market and eliminating much of the hassle of finding good sites. "It also keeps the franchisee and franchisor on the same page with no more battles over sites, site approvals, or real estate resources because the site list is a pre-approved one based on historical intelligence, customer data, and market data," Sill says.

Fastsigns International Inc. was one of the first Vexray users. Now when the brand signs a new franchise agreement in a particular city, it can automatically search Vexray to find out what "excellent" or "good" sites currently exist in that market. Although Fastsigns still enlists a broker to help a franchisee find a top location, the Vexray system is a way to quickly find out about real estate locations that

match their criteria. "The benefits are numerous in that it is a very good filter for locations," says Ed Gruber, director of real estate at Fastsigns International Inc. in Carrollton, Texas.

Real estate brokers like it because it is an efficient to market sites to potential clients. "This is a much more fine-tuned and analytical process," says Scott Maesel, an executive managing director in the Downtown Chicago office of Sperry Van Ness. "It's also a much better model because it allows you to target a specific audience."

Forum Analytics recently signed a corporate agreement with Sperry Van Ness that added more than 1,000 active listings to the database, and the firm is pursuing similar listing agreements with other real estate brokerage firms that would provide a huge injection of listings into the database. "We will be getting these corporate listing agreements in place to start feeding Vexray," Sill says. ^[FT]

Forum Analytics has been serving retail customers since 2001. Having analyzed over 50,000 retail sites generating *\$70 billion in annual revenues*, our experienced staff of statisticians, analysts, and programmers bring a creative blend of academic and applied expertise to bear on every project. Just a few of our clients include large household names such as **Little Caesars, Yum! Brands, Ace Hardware, J Crew, and Trek Bicycles**; medium sized companies like **DeVry University, FASTSIGNS International, Batteries Plus, Moe's Southwest Grill, and Cinnabon**; and small firms such as **Anytime Fitness, Club Libby Lu, Children's Lighthouse, and Salsarita's**.

Our headquarters are located in the historic Northwest Tower Building in Chicago's Bucktown neighborhood. This turn of the century landmark was once home to an Al Capone speakeasy housed in its basement and accessed through underground tunnels connected to the adjacent buildings. Our offices occupy the 10th floor. We look forward to a visit from all our clients; we know you'll enjoy a ride in the last manually operated elevator in Chicago.



Contact us for more information at:
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