

Case Study

Avanade Helps PEXA Make Property Transactions Easier



Property Exchange Australia

Formerly known as the National E-Conveyancing Development Ltd, Property Exchange Australia Limited (PEXA) was formed to fulfil a Council of Australian Government (COAG) commitment to deliver a national electronic conveyancing platform to the Australian property industry. The platform allows all participants in a property transaction to lodge and settle those transactions electronically, creating major process and time efficiencies. In time, the PEXA platform will become an essential piece of national infrastructure relied upon in the property industry in a similar manner as the ASX's CHES platform is relied upon in the share market. When fully implemented the platform is expected to deliver up to \$250 million of annual savings to the Australian property industry.

Business Situation

Prior to the development of the PEXA platform, participants in property transactions have had to complete transactions by undertaking manual

processes heavily reliant on paper documents. This process is highly susceptible to errors and leads to many settlements not occurring when promised. Participants also have to physically attend settlements and there is a lack of transparency because they are not able to easily share status updates between themselves and the end customers. PEXA overcomes these issues by creating an electronic workspace that avoids the need for physical settlement and populates a common set of documents that can be viewed by all parties. PEXA also checks electronically with the relevant Land Registry that the documents are complete and capable of being lodged so the chances of delays or issues at settlement are drastically reduced. Even more significantly, PEXA has worked with Reserve Bank of Australia (RBA) to develop a world first property settlement solution that enables the electronic movement of funds so that the vendor will receive their money within minutes or hours rather than days.

To support the development of the PEXA platform, the organisation needed to update its financial management solution to interface with the PEXA platform and be capable of managing the financial elements of the more than 1 million property transactions considered "in scope" each year. The financial management solution had to be able to support the settlement process, the automated processing of fees and payments to Land Registries as well as the general accounting requirements of the organisation.

Avanade's Solution

Avanade was chosen to replace PEXA's financial management system with a scalable robust solution to meet the complex operational needs of the business and interconnect stakeholders such as financial institutions and Land Registries. Avanade was selected based on sound delivery methodology, a customer-focused approach and ability to understand in detail the complex business requirements for PEXA.

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Avanade developed a solution based on Microsoft Dynamics AX to upgrade and automate core day-to-day business processes including: general ledger; management reporting and budgeting; subscriber invoicing; accounts payable, purchase order management and fixed assets.

Avanade's breadth and depth of Microsoft expertise allowed PEXA to leverage an out-of-the-box, cost effective Microsoft ERP software solution as a foundation to customise, integrate and scale further as business needs evolve. With robust and reliable business process workflow, Avanade optimised the system further to address complex integrations with financial institutions, Land Registries, and other third parties.

The newly developed PEXA platform was delivered in conjunction with Accenture and interfaces all financial transactions to the financial management system for reporting and reconciliations. transactions at a nominated date including settlement monies, duties,

Results Realized

PEXA went live in June 2013 allowing banks to perform transactions online such as new mortgages, mortgage discharges and refinancing. Victorian practitioners joined the platform in June 2014 and were able to lodge caveats online. Implementation of the settlement solution occurred in November 2014 and the roll out of full functionality across NSW, VIC, WA and Qld also began. This rollout is scheduled to complete in the first half of 2015.

"Microsoft Dynamics AX provided a powerful set of tools out-of-the-box and Avanade then provided additional functionality to address our more complex areas of need, transforming our business from a start-up to one that is fully enabled to process significant property transactions.

There are notable back office benefits too. Moving from MYOB to AX provided us with a robust control environment – a framework around expense and vendor management, online approvals and audit trails. All employee expense claims are made through the system. What was once paper based is now digital. We streamline everything online, even storing receipts as well as invoices.

We are very happy with the system as it is operating and has met our expectations to date. Looking into the future we are happy that Microsoft Dynamics AX will give us the agility to improve what we do."

- James Ruddock CFO



About Avanade

Avanade helps customers realize results in a digital world through business technology solutions and managed services that combine insight, innovation and expertise focused on Microsoft® technologies. Additional information can be found at www.avanade.com.

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