JCP – IBM TRIRIGA Client Roundtable

April 24th – April 26th, 2023

JACKSON CROSS PARTNERS®

Welcome

Louis J. Battagliese, Jr. SIOR

Welcome to Philadelphia

Welcome

Cargill
Bloomberg
JACKSON CROSS
PARTNERS
CELEBRATING
20
YEARS
Chick-fil-A
FedEx
PENSKE
IBM
tjene

Attendees

- Bloomberg (2010) 3
- Cargill (2018) 5
- Chick-fil-A (2011) 7
- McDonald's (2004) 7
- Penske (2015) 7
- IBM – TRIRIGA (2003) 7
- Tjene (2018) 3
- Jackson Cross Partners 12
- Technology 18
- RE/Legal/ Development 16
- Lease Admin 12
- Finance & Accounting 6

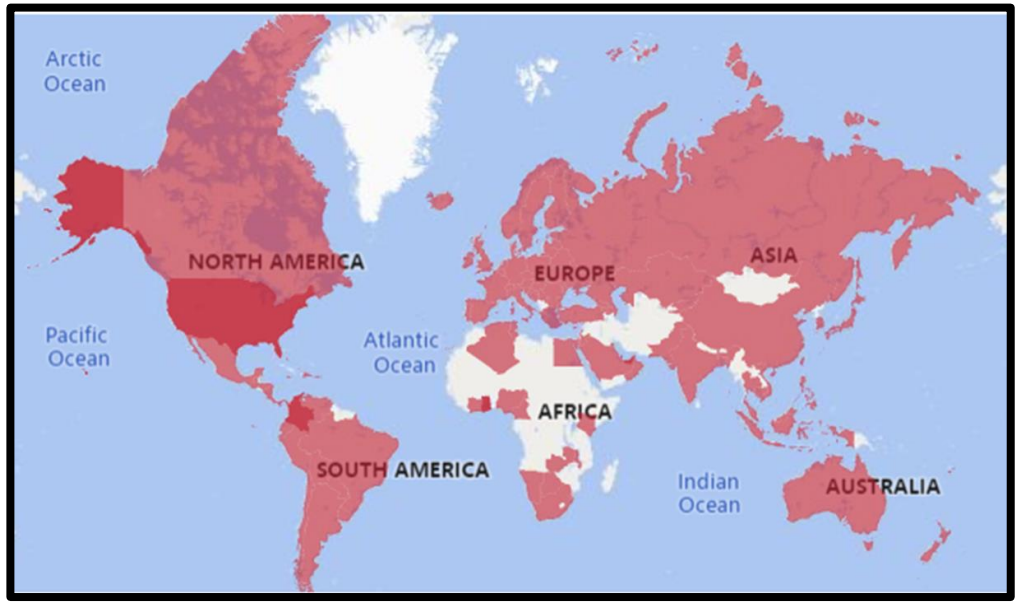
By The Numbers

TRIRIGA Client Companies

- Over $150B in Revenue
- > 25,000 locations
- 113 Countries
- 12.3K Matters 2022

JCP Advisory Services

- ~200,000 Leases Abstracted
- >20,000 Matters/Year
- 5 Continents – 113 Countries



JCP Team

Louis J. Battagliese, Jr.
SIOR
Founding Partner

Kerry Hanson
Sr. Director
Team Leader

Patrick Walls
Sr. Data
Architect

Stuart Lambert
Project Manager

Leah Neal
Lease Manager

Brendan Quinn
Director
Business Development

Cate Sennett, Esq.
Partner

Hee Jong Kwon, Esq.
Exec. Director

Zach Forrest
Exec. Director

Johanna Pauciulo, Esq.
Sr. Director
Team Leader

Patrick Mahoney, Esq.
Director
Team Leader

Megan Stinger
Exec. Assistant

Special Guests

Chris Wood
Special Advisor
VP Transformation (Retired)
FedEx

John Smart
Entrepreneur
VP Product Vision and Strategy (Retired)
TRIRIGA & IBM

John P. Morrissey, SIOR
Founding Partner

Pete Davisson, SIOR, CCIM
Founding Partner

Joann Turner
Chief Financial Officer

Jason Blank
Senior Director

Our Journey

2003

Jackson Cross Partners

Brokerage & Advisory

8 Employees

2004

Abstraction and Lease Administration

2007

CRE Strategies

2010

Introduction of ASC 842 and IFRS 16

20 Employees
30 Contractors

2019

Clients Transition to 842

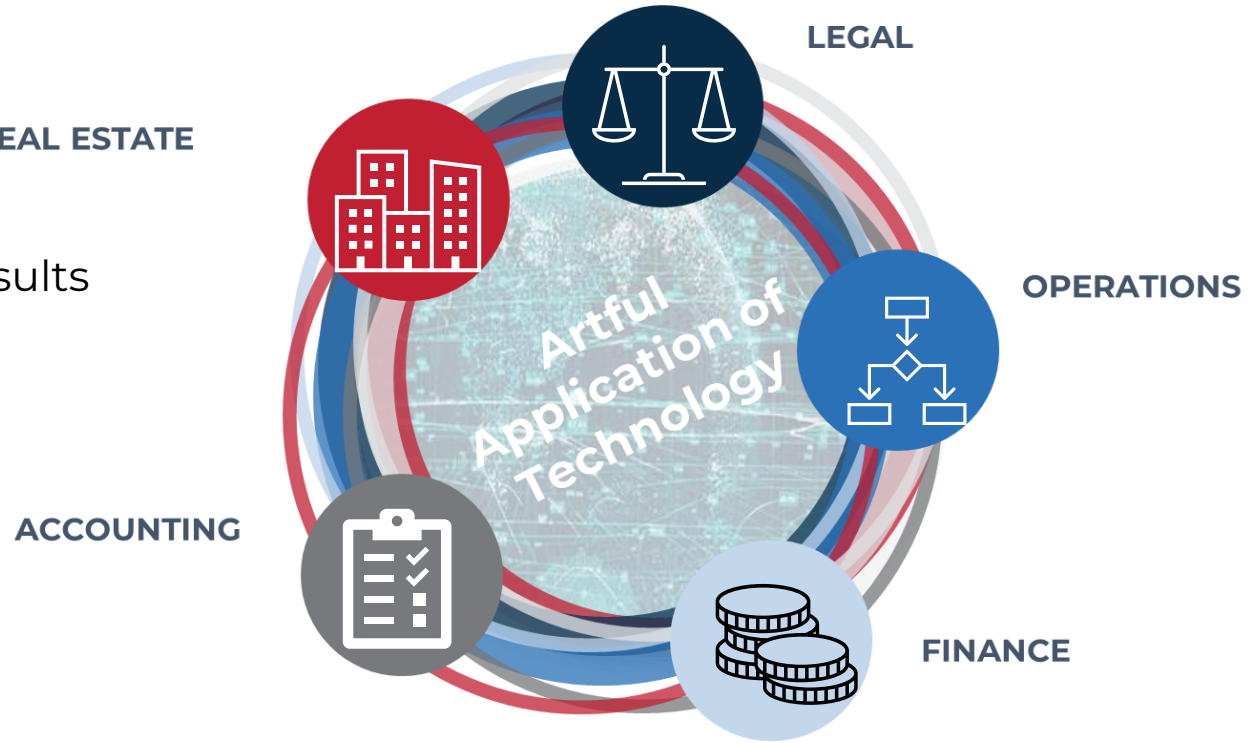
2021+

Advancing CRE

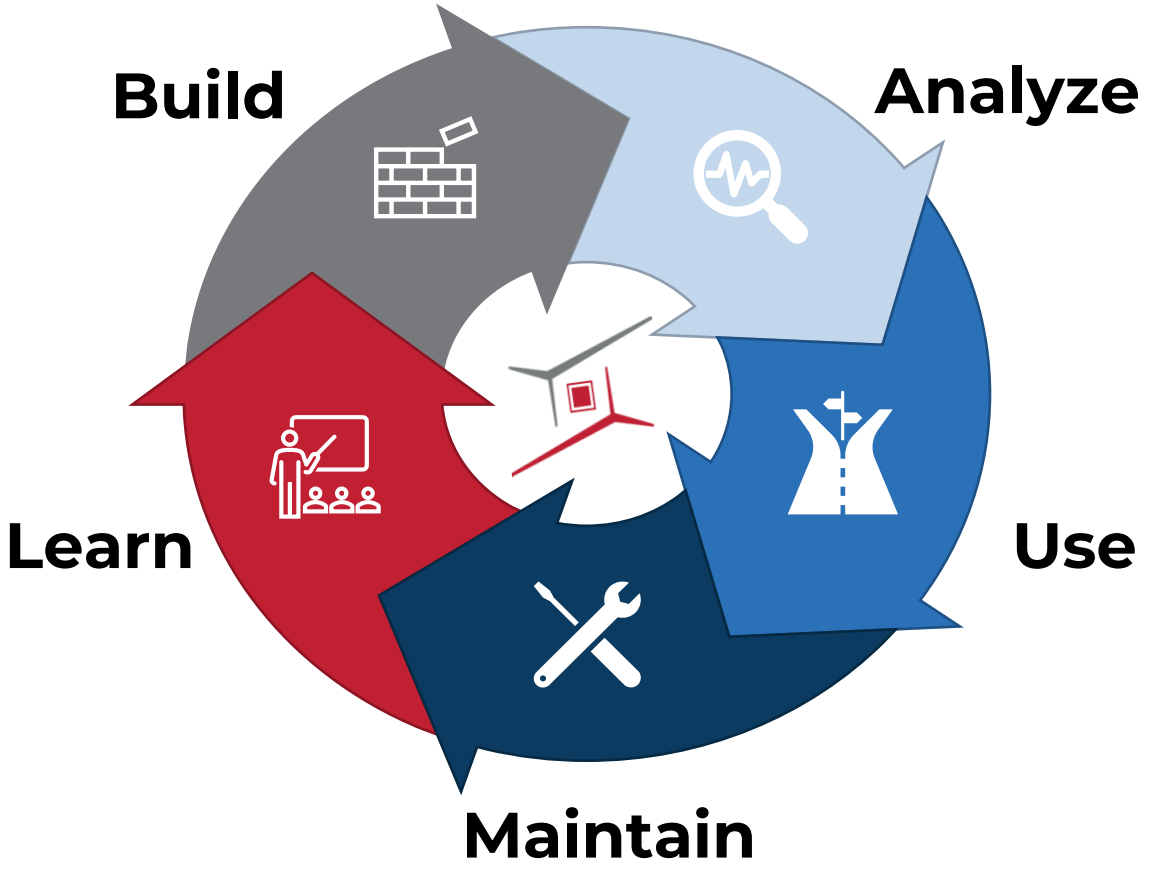
53 Employees
150+Contractors

Advancing CRE

- Building, Maintaining and Utilizing Portfolio Information
- The “Artful Application of Technology”
- Utilizing Cross Functional Skills to Assist Client End Users
- Employ Reliable Processes to Improve Efficiency
- Evolve from Reactive to Proactive Processes
- Develop Portfolio Strategies that Create Measurable Results
- Embed JCP as Trusted and Valued Partner



Our Process



Food for Thought:

“In almost every negotiation the side with better information and more time wins.”

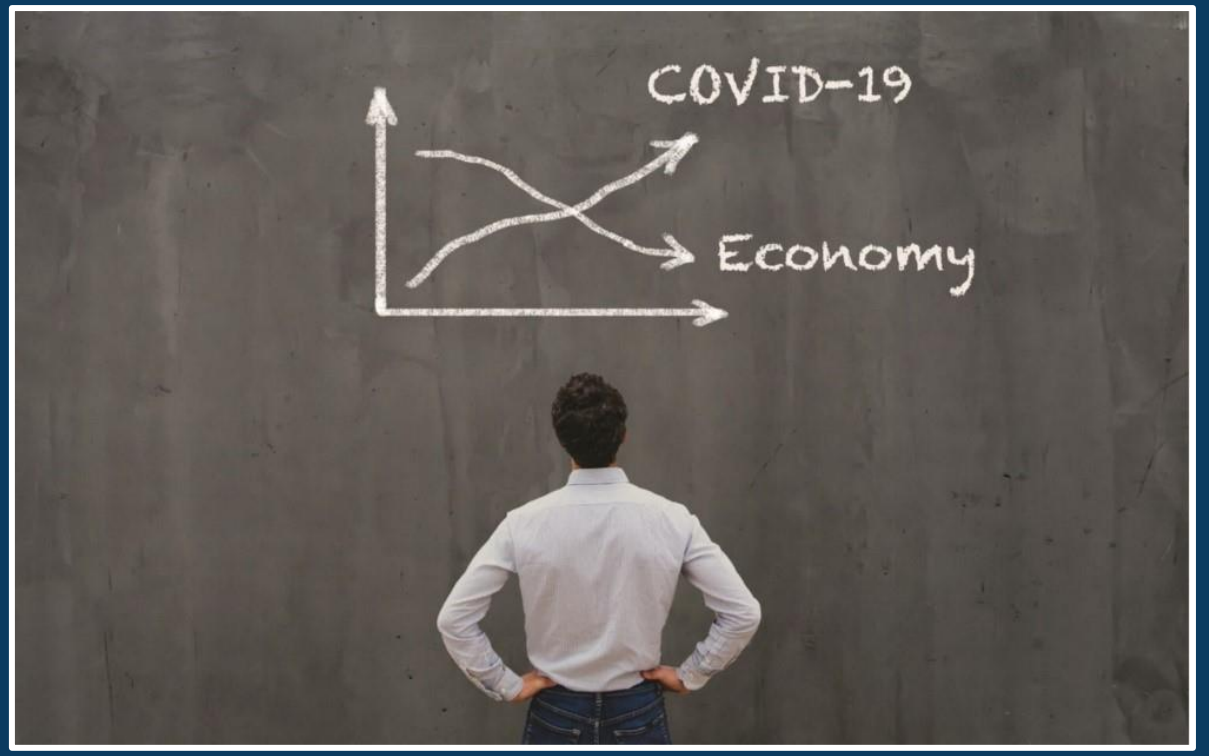
Better Information...

To More People...

Sooner...

Articles

FASB’s Gift



Another COVID Impact

Share

Learn

Meet

Enjoy

Introduction of Attendees

Attendees

Amy Falkin
Sr. Team Leader

Adrienne Perkins
Project Lead

Karen Johnson
Legal Operations

Beth Witt
Sr. Specialist

Rachelle Linn
Sr. Paralegal

Clay Henderson
Sr. Project Specialist

Kimberly LaPlante
Sr. Specialist

Attendees

Cargill™

Jon McWilliams
Technical Accounting

Cindy Olson
Systems Analyst

Michael Cash
Real Estate Director

Evi Bastiaenssens
Real Estate

Clayton Santana
Real Estate

Attendees

Bloomberg

Veronica Silghigian
Product Owner

Thomas Andreacchio
Project Lead

Gerard Eckel
Payment Administrator

Attendees

PENSKE | Rental Leasing Logistics

Kirsten Stoudt
Director, Real Estate Services & Systems

Steve McMullen
Director, Financial and Business Process Automation Systems

Sampada Bhusari
Software Engineer I

Blake Reifsnyder
Senior Accountant

Karen Fisher
IWMS Enterprise Solution Compliance Specialist

Charles Csoky
Senior Software Engineer

Tawfik Salem
Supervisor, Accounting

Attendees

Sarah Lee
US Legal

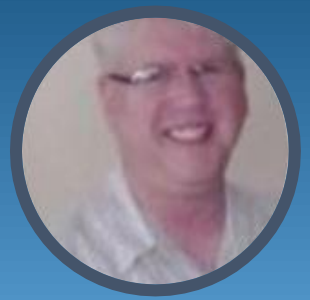
Rob McCormack
US Legal

Barb Fuqua
US Legal

Ewa Paska
US Legal

Joe O'Brien
Global Technology

Bethany Krzywiecki
Financial Systems



Bob Jelinski
Lease Accounting

Attendees

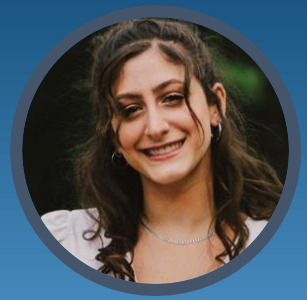
Lisa Barclay
TRIRIGA Product Management WW Leader

Jonathan Lawrence
TRIRIGA Engineering WW Leader

David Kirwan
Senior TRIRIGA Lease Consultant

Mike Kim
Senior TRIRIGA Technical Specialist

N'Dea Jackson
TRIRIGA Technical Specialist



Caroline Abel
TRIRIGA & Envizi Technical Specialist

Silvia Marrero
TRIRIGA Technical Specialist

Attendees

tjene

David Yew
COO, Founder of KURVE

Nelson Chan
Sr. Advisor

Ashley Walter
Business Development

Sharing the Journey Session I:

Chick-fil-A, Cargill, Bloomberg

Sharing the Journey

Information Technology

Chick-fil-A
10 Years of TRIRIGA

Introduction

About Chick-fil-A

Our TRIRIGA Journey

Deep Dive into Usage

TRIRIGA Roadmap & Learnings

Our TRIRIGA Team

• • •

Digital Transformation & Technology

Amy Falkin
Sr. Team Leader

Restaurant Development

Adrienne Perkins
Project Lead

Legal

Karen Johnson
Sr. Team Leader

Lease Accounting

Jarrod Autry
Sr. Principal Team Leader

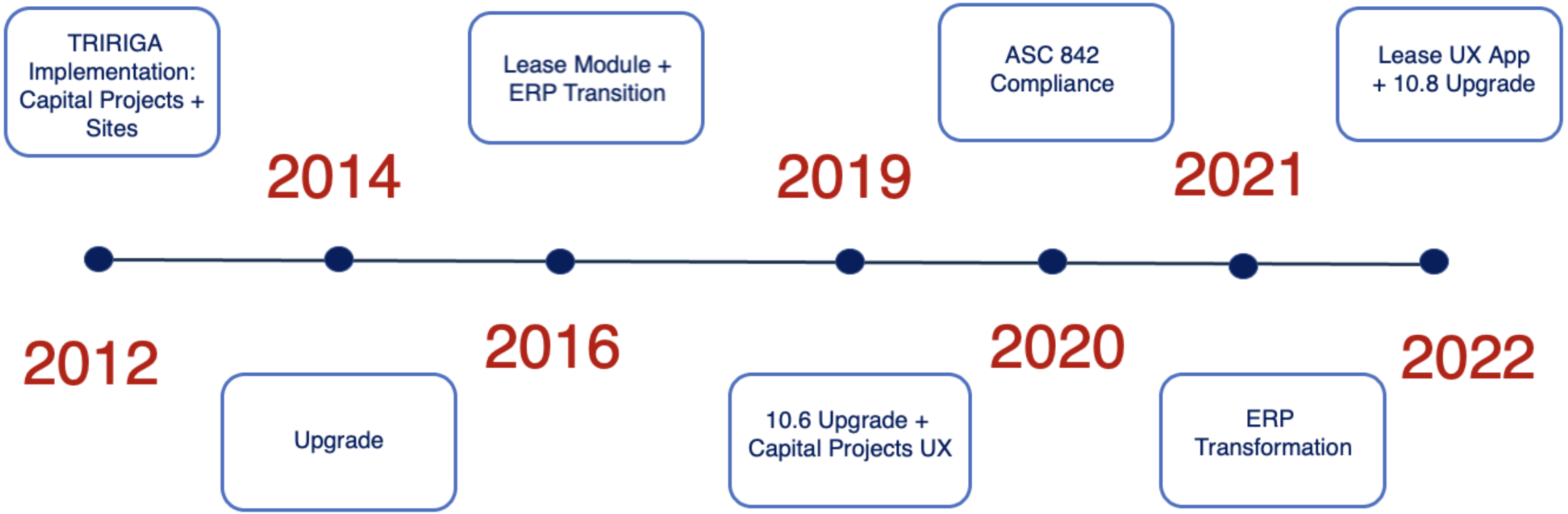
Chick-fil-A History

- S. Truett Cathy
- 1946: The Dwarf Grill
- 1964: “We didn’t invent the chicken, just the chicken sandwich”
- 1984: The Support Center
- 1986: The First FSR
- 1995: The Cows
- Today’s numbers

Our Purpose

“To glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on all who come in contact with Chick-fil-A.”

Our TRIRIGA Journey



Usage Overview

IMPLEMENTATION

- 2012: initial implementation
- 2016: additional implementations
- Upgrades & UX Applications
- 10.8 Application & 3.8 Platform

MODULES

Modules Used:

- Sites
- Capital Projects
- Retail Location
- Real Estate Lease

USERS & RECORDS

- Around 100 active users
- Inbound & outbound integrations
- ~3000 lease records
- ~8000 capital projects
- ~5500 site records

RESTAURANT LIFECYCLE

RD RESTAURANT DEVELOPMENT

NEW RESTAURANT CARE

EXISTING RESTAURANT CARE

Use insights to fuel market growth

Design & develop new concepts

Manage healthy portfolio of assets

MARKET EXPERTISE, DATA ANALYTICS & INSIGHTS

IMAGINE NEW SOLUTIONS

SITE SELECTION

DESIGN & BUILD

WELCOME OPERATORS

NEW RESTAURANT OPENING

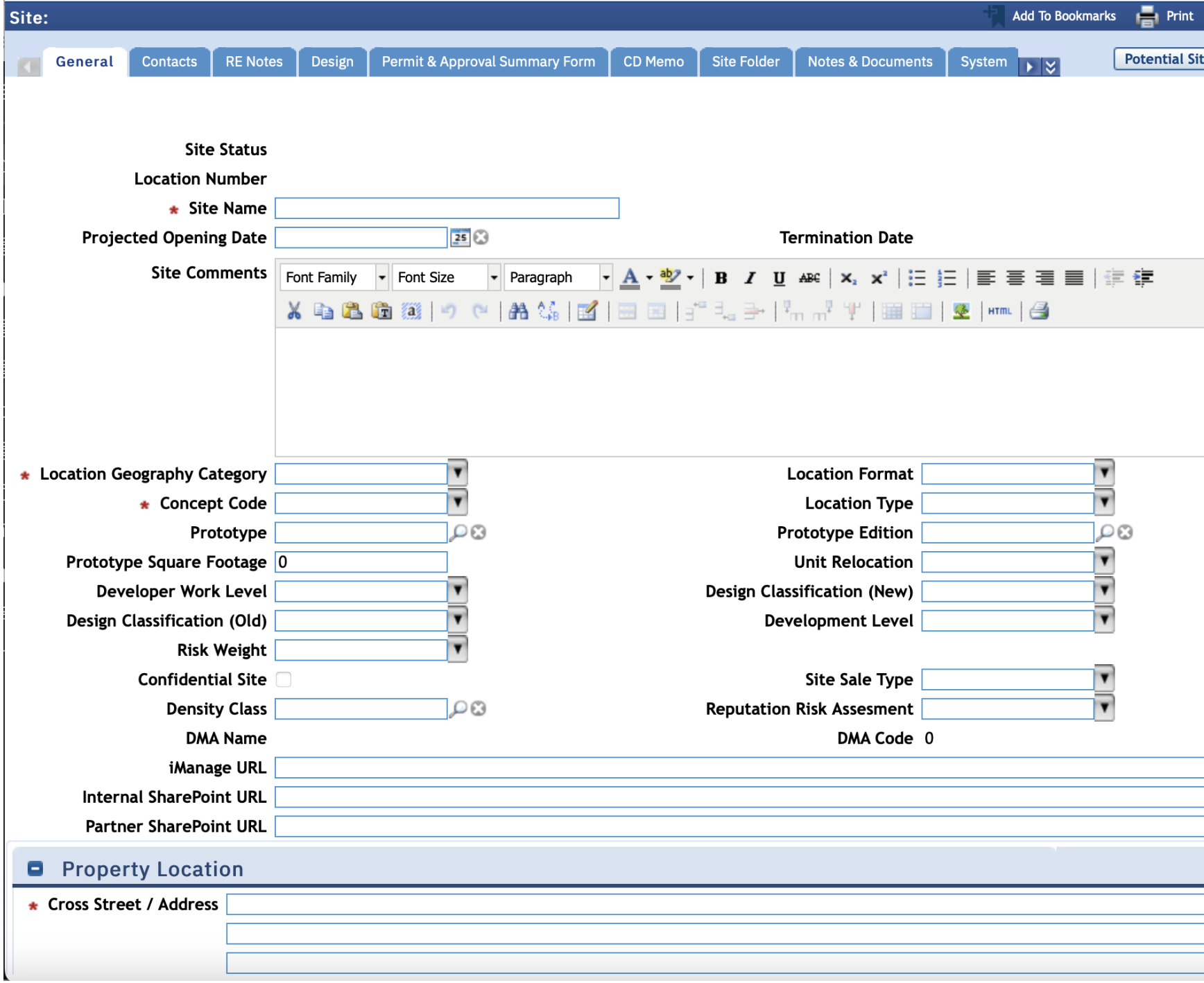
CARE FOR OUR GUESTS

CARE FOR OUR OPERATORS

CARE FOR OUR BUSINESS

Real Estate Sites Module

- Kickoff of location lifecycle
- Development tasks & contacts
- Site status flow



Capital Projects Module

EXISTING RESTAURANT CARE

Manage healthy portfolio of assets

CARE FOR OUR GUESTS

CARE FOR OUR OPERATORS

CARE FOR OUR BUSINESS

Strategic Reinvestment gives Operators the ability to grow, creates exceptional Customer experiences, and stewards the long-term health of Chick-fil-A through capital investments in our existing Restaurants.

Care for Our Guests

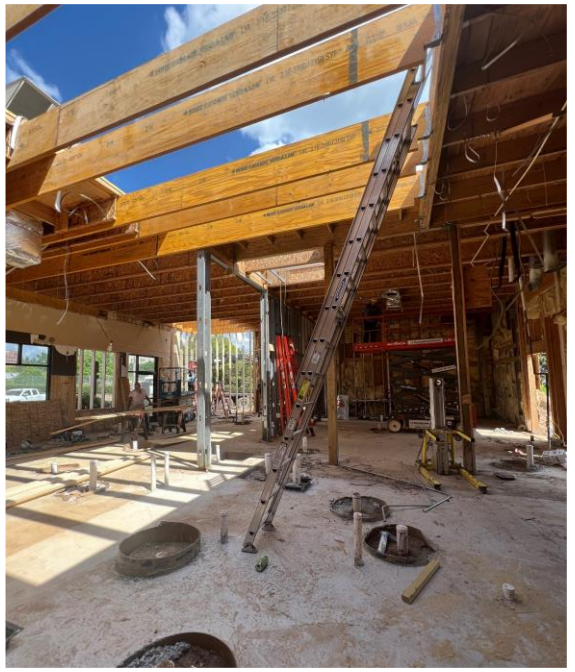
- CFA mobile app
- CFA.com

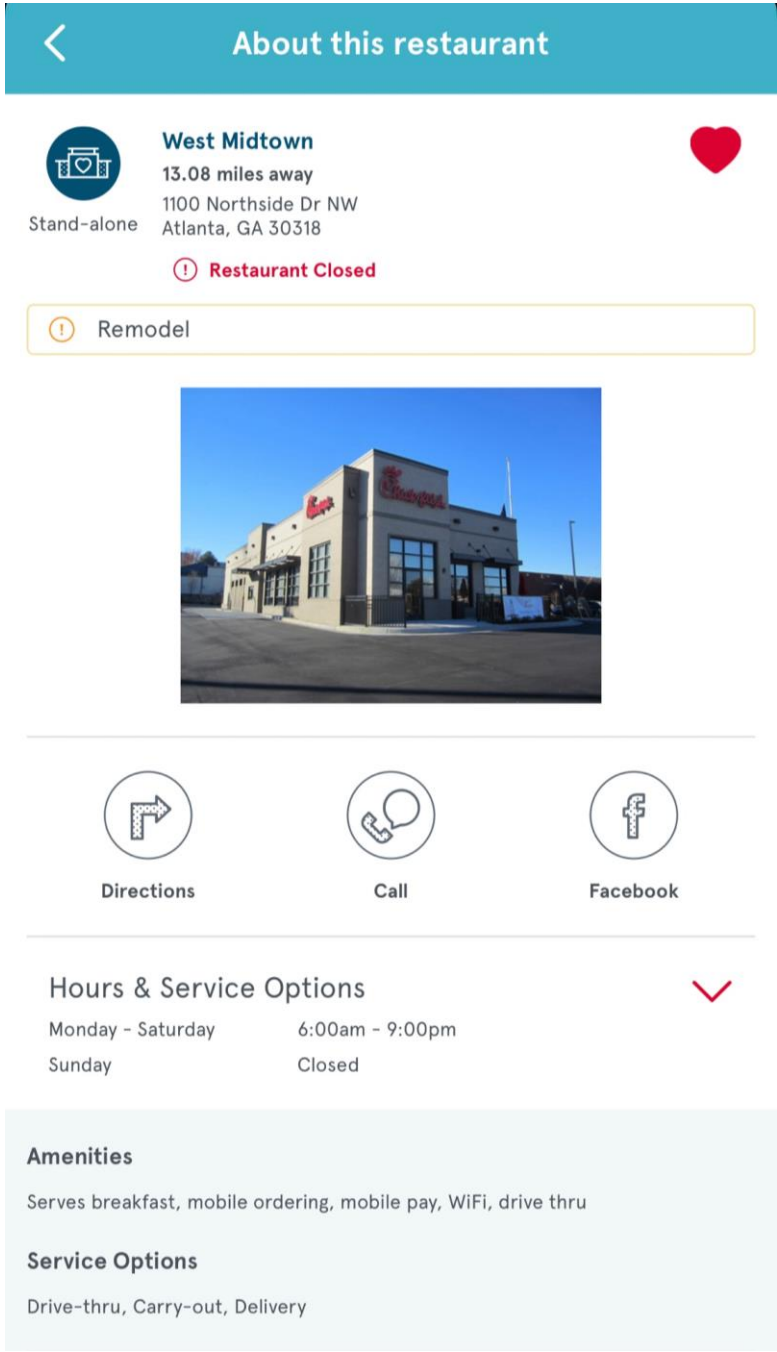
Care for Our Operators

- Shutdown dates
- Reopen dates
- Decreasing restaurant downtime

Care for Our Business

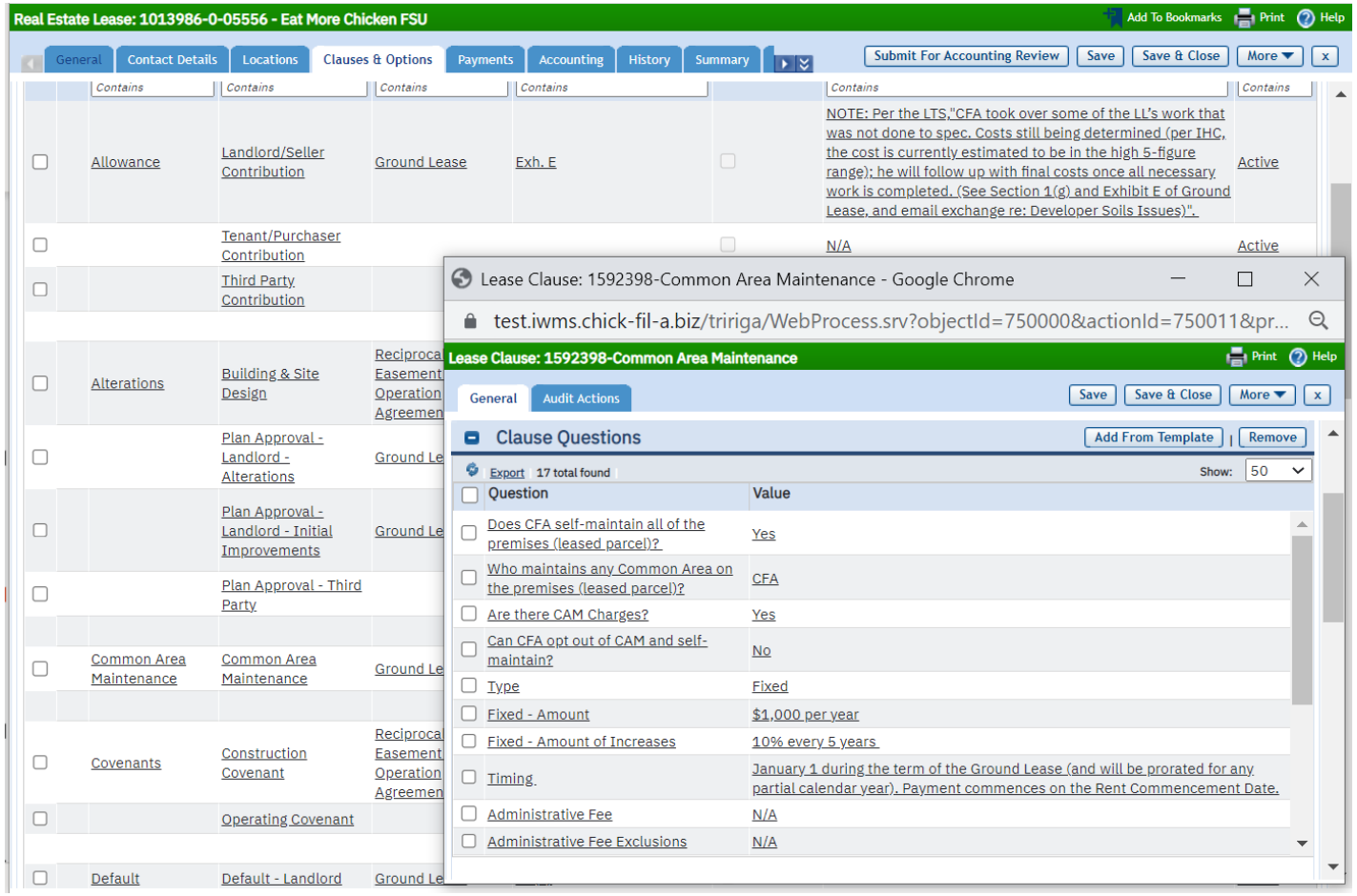
- Attributes, internal & external contacts, key project information
- Historical source of truth



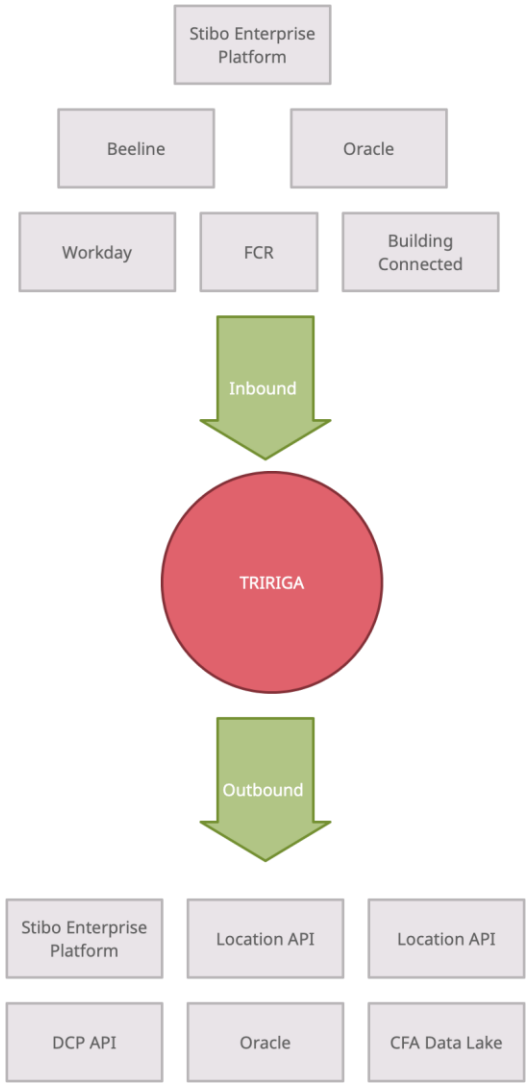


Real Estate Lease Module

- Contract abstraction & revisions
- Rent calculation & payments
- Sales outbound & inbound



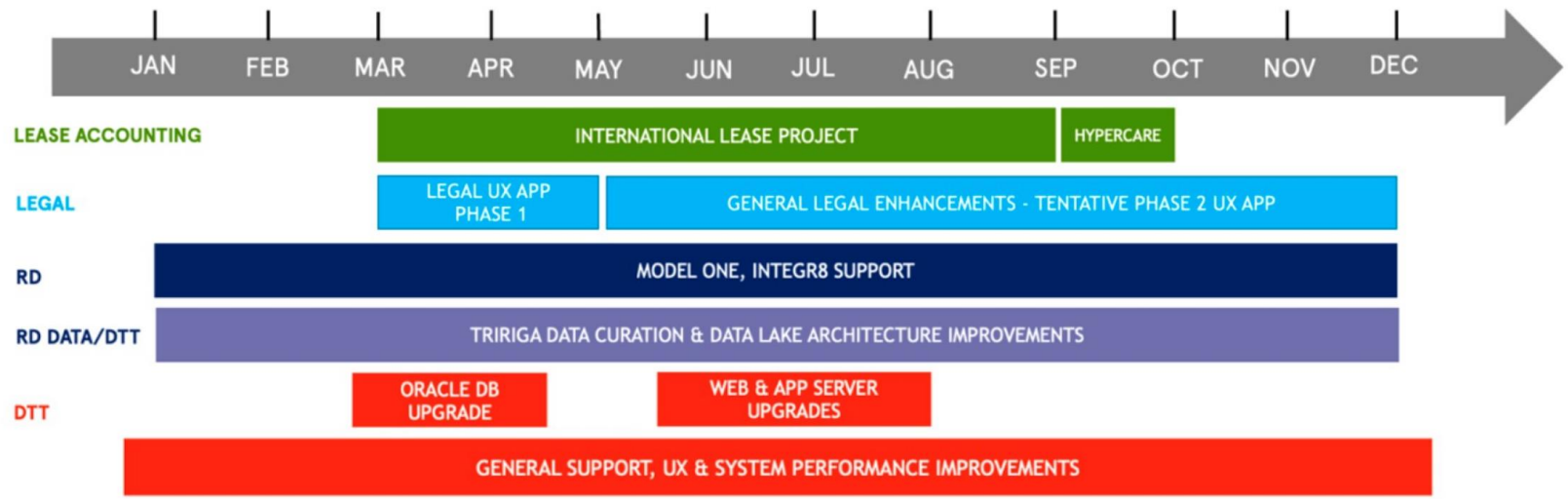
The TRIRIGA Impact



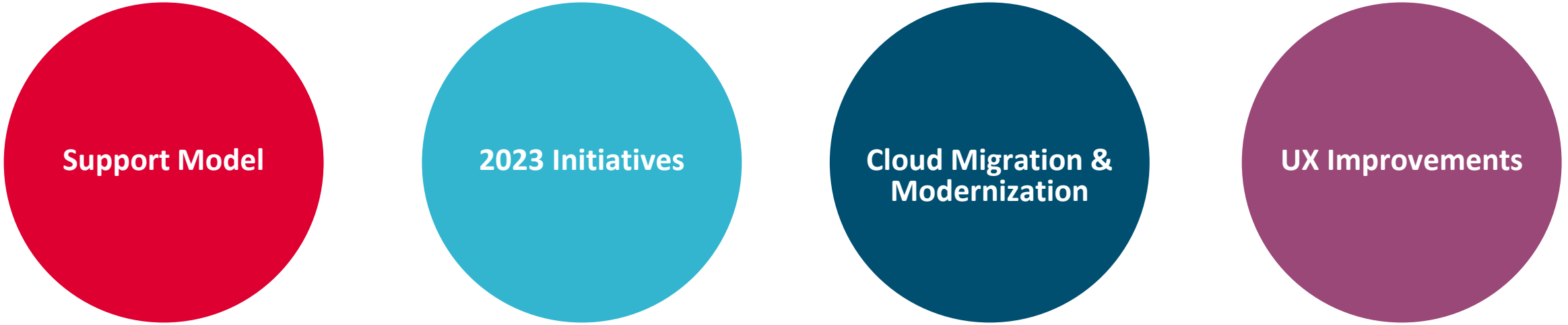
- Customer Facing Systems
- Internal Staff Facing Systems
- Operator Facing Systems

- Average Sales % from Digital Space: **30%**
- New Locations in 2022: **+190**
- Massive Growth and expansion in next 10 years.

2023 Initiatives



What’s Next


Support Model
2023 Initiatives
Cloud Migration & Modernization
UX Improvements

Let’s Connect!

Sharing the Journey

Discussion Topics

1. About Cargill
2. TRIRIGA Journey
3. Successes & Challenges
4. Goals for Roundtable

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About Cargill

Company History:

- Cargill started as a single country elevator over 155 years ago
- Currently, Cargill is the largest privately held company in the US
- Total revenues $165B; total assets $89B

Primary Businesses:

- Commodity sourcing, processing and logistics
- Food ingredients and bio-industrial products
- Animal protein
- Animal nutrition
- Financial trading

of Locations:

- More than 1700 production facilities in 70+ countries

of Employees:

- 155,000 employees

Markets/Countries:

- Customers in 125 countries
- For farmers, we provide feed, inputs and expertise plus we buy their crops and livestock
- We also deliver products/solutions to customers in foodservice, consumer packaged goods and industrial sectors

TRIRIGA Journey

- January 2019 TRIRIGA project plan started
- Approximately $600MM Global lease obligations per year
- Implement Global Centralized Lease Process and team
- Compliance with FASB and IFRS requirements
- June 2020 - Lease Accounting & Administration Go Live
- Real Estate Group building strategy around their services
- July 2022 Upgrade to 11.2 in processes
- Next – How can other modules in TRIRIGA help Cargill's business needs?

Successes & Challenges

Successes

- Built Centralized Lease Processing shared services team
- Outsourcing of Lease Abstraction
- Removed Vehicle leases from portfolio to improve processing times
- Using Open Text for document storage
- Integration with Ocean Transport contract management system
- Integrations with multiple systems
- Centralized and standardized creation of PO's for lease payment outside of Tririga.

Challenges

- Reporting – operational portfolio analysis
- Reporting FX
- Data maintenance - who responsible?
- Lease Volumes – processing times in general – currently we have fixed costs only.
- Leases spread across the world – physically in different places
- Testing prior period changes
- Unable to leverage Tririga Payment process

Goals

- How are other companies addressing similar challenges we are facing?
  - Upgrade to 11.2
  - FX and General Reporting efficiencies
  - Global Lease Processing and data maintenance
- Learn from other companies – Networking
- Adding TRIRIGA modules – how to best leverage data between modules
- IBM TRIRIGA Roadmap - input and visibility
- Leveraging OOB functionality vs customizations
- Lease Accounting – best practices

Bloomberg

Discussion Topics

1. About Bloomberg
2. TRIRIGA Journey
3. Successes & Challenges
4. Goals for Roundtable

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About Bloomberg

Company History:

- Founded October 1, 1981

Primary Businesses:

- Fintech / Financial Data

of Locations:

- 200+

of Employees:

- 20000+

Markets/Countries:

- Global

TRIRIGA Journey

- IWMS Evaluation (May 2021)
- Decision to Upgrade (August 2021)
- Out of Box Install vs. Update Existing Infrastructure
- Funding (October 2021)
- Upgrade Planning
- Workshops, Testing, Cutover, Go Live (Dec 2021 – July 2022)
- Post-Go Live (Oct 2022 – Present)

Successes & Challenges

Successes

- Depreciation of Webmethods; rebuilt integration landscape to include file drops and real time events
- Resolved 100+ pain points
- Rolled back customizations to OOB where possible
- No operational down time
- On time / on budget
- Overall positive reception from stakeholders and Senior Management

Challenges

- Time
- Conflicting stakeholder interests
- Waterfall approach
- Large number of requirements addressed at once
- Learning curves with new tools / functionality
- Lack of ‘tribal’ knowledge
- Post-Cutover fixes

Goals

- Network with other users/admins
- Understand how other companies use the system
- Tips, tricks, best practices
- Future roadmap considerations
- Good night's sleep for three parents!

15 Minute Break

Sharing the Journey Session II:

Penske, McDonald’s

Sharing the Journey

Discussion Topics

1. About Penske
2. TRIRIGA Journey
3. Successes & Challenges
4. Goals for Roundtable

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About Penske

Company History:

- Founded Dec. 1, 1969 by Roger Penske
- Joined with Hertz Truck Division in 1982 to form Hertz-Penske Truck Leasing
- Acquired Goldston in 1983 and Leaseway Transportation's truck renting and leasing business in 1986
- Hertz exited the business in 1988 and Penske Corp. entered a joint venture and formed Penske Truck Leasing Co., L.P.
- In 2019, a new brand was created, Penske Transportation Solutions, which is the umbrella brand for Penske Truck Leasing, Penske Logistics, Epes Transport Systems, and Penske Vehicle Services.

Primary Businesses:

- Rental
- Leasing
- Logistics

of Locations:

- In 1986, there were 102 locations and annual revenue of $200 million
- Today we have >1100 locations and approximate annual revenue of $11 billion USD.

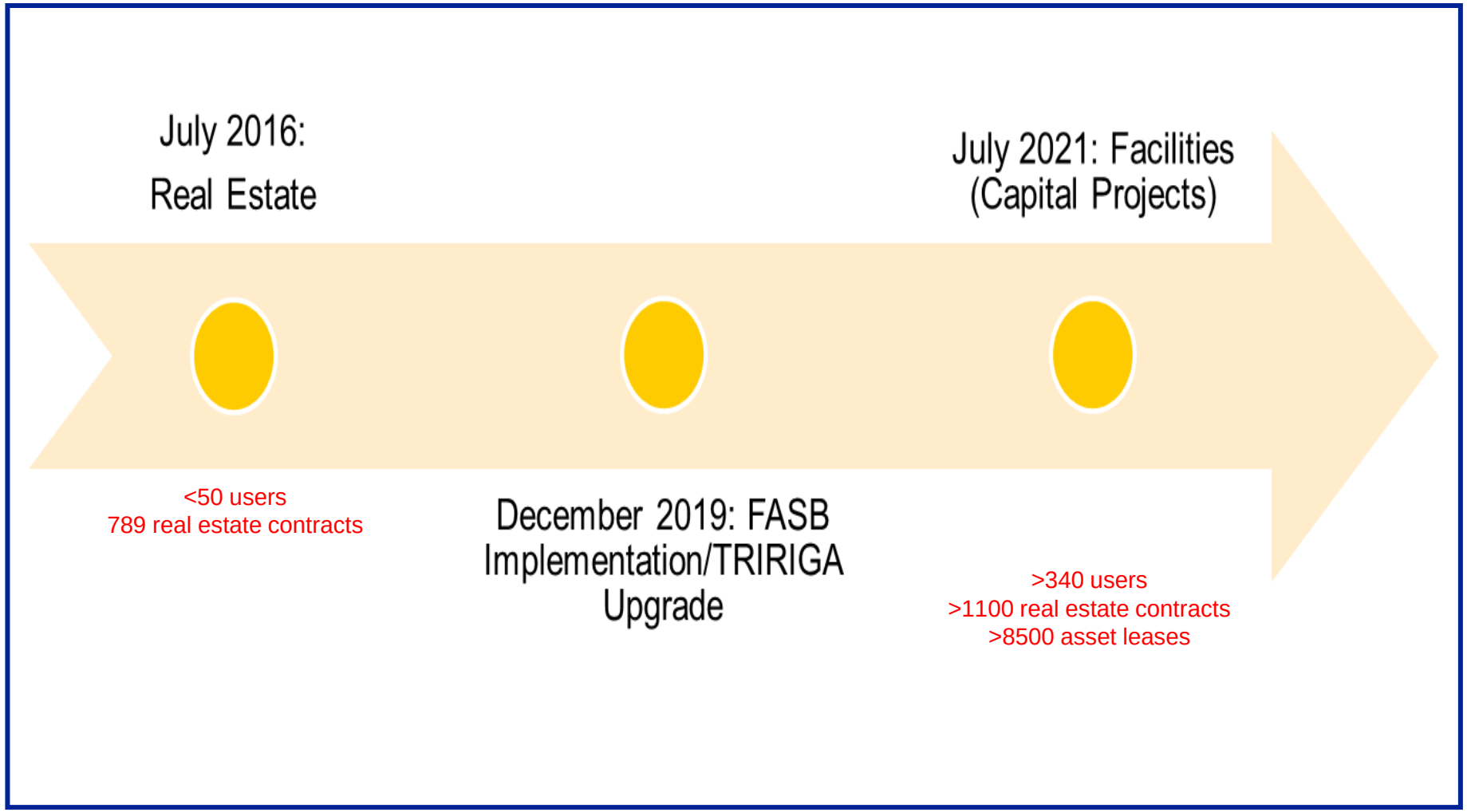
of Employees:

- 2,300 associates in 1986 to approximately 40,000 associates worldwide today

Markets/Countries:

- Global

TRIRIGA Journey



Successes & Challenges

Successes

- Reduced processing time for monthly rent and tenant invoicing
- Increased user engagement over the last few years
- In-house designed custom enhancements to improve user experience
- High level of collaboration between IT and the business users
- Interfaces between TRIRIGA and legacy Penske systems

Challenges

- Implementation delays
- Learning curve
- Reporting/getting usable data out of the system
- User interface
- Lift and time required for upgrades
- Cost of licensing
- Accounting challenges after lease modifications

Goals

- See how other companies are using TRIRIGA today in ways that we are not.
- Gauge the magnitude of other installations and user acceptability of the software.
- What pain points are other companies experiencing and what may we encounter as we expand our system?
- Which licensing model are most companies utilizing today?
- What does the future of TRIRIGA look like?
- Are other companies using the TRIRIGA Advanced Reporting Tool? And what feedback do they have?
- What types of reporting are other companies utilizing with TRIRIGA? Are other companies experiencing challenges getting data out of the system?

Sharing the Journey

Discussion Topics

1. About McDonald’s
2. TRIRIGA Journey
3. Successes & Challenges
4. Goals for Roundtable

JACKSON CROSS PARTNERS®

About McDonald's

Company History:

- 1940 McDonald Brothers create concept
- 1955 Ray Kroc founded present corporation

Primary Businesses:

- Quick Service Restaurant (QSR)
- Franchise Model
- Select and Control Real Estate

of Locations:

- Approx 36,000 worldwide
- Approx 14,000 USA

of Employees:

- Approx 3,000 corporate employees

Markets/Countries:

- 120 Countries/Territories
- 68 million customers per day

TRIRIGA Journey

We are here

PHASE 1
Build the Foundation

- ✓ **TRIRIGA Global System Implementation for Lease Contracts**
- ✓ Global, standardized design and requirements
- ✓ Data load from legacy systems or abstraction from paper records for 20+ markets
- ✓ Retirement of legacy real estate solutions in market
- ✓ New way of working with standardized roles & processes

PHASE 2
New Lease Accounting Compliance

- ✓ **Adopt standard and ensure compliance with ASC 842 across all markets (Jan. 2019)**
- ✓ Turned on Journal Entry functionality
- ✓ Integration to GL in all markets
- ✓ Implementation of several significant upgrades from IBM for new lease accounting
- ✓ Introduction of dashboards for portfolio management in real estate

PHASE 3
Payment Processing

- ✓ **Lease payment processing and integration into AP/AR**
- ✓ Sales integration, calculation of complex rent structures
- ✓ Add franchise contracts into TRIRIGA; calculation of partnering, relief, etc.
- ✓ Enable Income SL accounting
- ✓ Eliminate dual entry and retire legacy lease accounting systems (mainframe in the US; MSIS/other/excel outside US)

2015	2016	2017	2018	2019	2020	2021->

Successes & Challenges

Successes

22	Markets - FASB
6	Markets – Expense / Income (incl. USA)
$12B (approx.)	Asset/Liability
$1.5B (approx.)	Lease Expense
$6B (approx.)	Franchisee Revenue
800+	Global Users
15+	Integrations
1	Global Instance /IBM TRIRIGA v10.6

Challenges

- Data
- Functionality Gaps
- Technical monitoring
- Reporting

Goals

- How are other companies organized to input data into TRIRIGA?
- Is there any technology or software solutions that would require less manual data entry? OCR solutions/capabilities in use?
- How do other companies store digital copies of documents?
- As BIRT has limitations, have other companies found tools to easily generate documents from TRIRIGA?