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Hilton Realty

Hilton Realty is a privately owned real estate development and management company based in Princeton, NJ. They manage approximately 2,700 multifamily units and 4.4 million square feet of commercial space. With an average of 1,200 monthly utility invoices, they struggled to process them in-house and didn't have bandwidth to monitor vacant unit costs. Zego Utility now frees them from the AP burden and brings enough revenue from Vacant Cost Recovery monitoring to completely offset the service.

Key benefits

- ✓ **Increased efficiency**
Less time spent processing utility bills in house means better utilization of employee time
- ✓ **Vacant unit cost recovery**
Vacant unit costs billed back to new move-ins helps offset cost of AP service
- ✓ **Improved visibility**
Seamless integration with property management software gives visibility into each utility bill received and paid



“Our experience with Zego has always been pleasant. Their system has always been reliable, plus they are responsive and easy to work with. Because of our existing relationship, it seemed natural for us to entrust them with our utility management.”

— Bill Chast, Controller of Hilton Realty

The client



Location

New Jersey



Total units

2700



Industry

Multifamily
Commercial



Zego solutions

Payments
Resident Billing
Expense Management



Accounting software

AMSI

The challenge

1. One full-time employee at Hilton handled the task of receiving and processing all utility bills, taking up 65% of her time.
2. Thousands of bills each month meant inputting the charges into a spreadsheet, hours spent on the phone with utility providers regarding billing errors and questions, and then sending checks to each utility provider.
3. Because of the time and manpower it took to process and pay the utility bills, Hilton was not able consistently focus on vacant unit cost recovery.

Hilton Realty was processing utility bills for all of their multifamily properties in-house. When the utility bills arrived in the mail, it was a race to ensure each one was paid on time. Bill Chast, Controller of Hilton Realty, recalled their previous billing process.

“Managing our utility AP was extremely laborious,” said Chast. “We had one full-time person on our team handling the task, and it took up about 65% of her time.”

Each month, the process began by opening all of the bills and inputting the charges into a spreadsheet that could be analyzed month-over-month. There were also several hours spent on the phone each month with their utility providers. “With over a thousand bills each month, we always had questions on a few invoices or found billing errors,” said Chast. Once their billing questions were answered, checks had to be printed, signed and mailed to each utility provider. “There were too many steps from start to finish and we wanted to make the process much more efficient. We overheard another property management company speaking highly of Zego’s Utility Expense Management solution, which ended up being exactly what we needed,” said Chast.

Coincidentally, Hilton Realty had already been using Zego to process rent payments for some of their multifamily properties. “Our experience with Zego has always been pleasant. Their system has always been reliable, plus they are responsive and easy to work with. Because of our existing relationship, it seemed natural for us to entrust them with our utility management.”

“The process is all electronic now, which has taken a tremendous amount of hours away from our utility AP. Before Zego, managing our utility AP had been one employee’s main focus. Now we can utilize her time in much better ways.”

— Bill Chast, Controller of Hilton Realty

The solution

Hilton Realty chose to implement Zego’s Utility Expense Management solution at all 19 of their multifamily properties. The solution automates the accounts payable process for utility invoices, eliminating the need to perform this task in house. Utility invoices are reviewed and paid by Zego’s team, with details about each invoice appearing in the user’s property management software. Custom reports to help analyze month-over-month costs can also be generated through this solution. Additionally, Utility Expense Management identifies and recovers vacant unit costs - something Hilton Realty hadn’t consistently been doing.

Zego’s team spearheaded the implementation, which was completed in a matter of weeks. “Transitioning to Zego was easy and we had to change very little on our end,” commented Chast. “With most of the vendors we’ve worked with, it seems they tell us that we have to conform to their processes. But with Zego, they were able to handle most of the implementation themselves while still working around our needs.”



One of their needs included a custom integration with AMSI, Hilton Realty's property management software. The custom built integration imports the details of every utility bill into AMSI, eliminating the need for manual data entry. Images of each bill are stored in AMSI and can easily be accessed by Hilton Realty's staff. "Having images of our bills centralized in AMSI was very appealing because of how easy it makes auditing our bills. If we ever have a question about the data in our system, or need to see more detail about the amount due, we can easily locate and view an image of the bill," said Chast.

The result

- 1. Time spent managing utility payments has decreased, allowing employees to better utilize their time.**
- 2. Thanks to a seamless integration with Hilton Realty's management software, visibility into utility data has increased.**
- 3. 100% of billable vacant unit costs are being assessed back to new move-ins, offsetting the costs of their AP service.**

Since entrusting their utility invoice processing to Zego, Hilton Realty's time handling of utility payments has dramatically decreased. "The process is all electronic now, which has taken a tremendous amount of hours away from our utility AP. Before Zego, managing our utility AP had been one employee's main focus. Now we can utilize her time in much better ways."

Utility Expense Management has also improved visibility into the utility bills they receive each month. "All of the bill images are there within AMSI. I think some companies fear that there will be more errors when outsourcing their utility billing, or that they'll end up paying invoices that don't belong to them. But Zego's integration with our management software is seamless. I can easily see copies of each bill, so I know it's ours and that what's being paid is properly allocated to the correct property and the correct general ledger account."

Additionally, they now have peace of mind that 100% of their billable vacant cost is being monitored and assessed back to new move-ins. Chast noted, "We didn't have the time or manpower to consistently focus on vacant cost recovery. We were more concerned about paying the utility bills we were receiving and making sure everything on that end was accurate and timely."

In the first month alone, Hilton Realty managed to significantly offset costs of the AP side of the program thanks to Zego performing vacant cost recovery on their behalf. "These were dollars we never would have seen, or have had the opportunity to collect. Right now, the vacant cost recovery pays for a significant portion of our AP service and we anticipate it to completely offset that cost within a year," said Chast.

Hilton Realty has now elected to move all of its 40+ commercial projects onto Zego's Utility Expense Management solution as well. Chast explained their decision to implement Zego among their commercial properties. "We are so pleased with how efficient Zego made our utility management. Zego showed performance and loyalty by doing everything they said they would for us. We feel confident they will replicate this for us on the commercial level too. The whole headache of utility AP is gone, and that has been a huge advantage for us."



