

On Q Financial

Using Visual Lease and its data to support shifting business priorities.

NAME	On Q Financial
INDUSTRY	Banking & Finance
EMPLOYEES	600
REVENUE	\$275 million
HEADQUARTERS	Tempe, AZ
AUDITOR	XX
COMPANY TYPE	Private
LEASES	50
LEASE TYPE	Real Estate
ACCOUNTING STANDARD	ASC 842

How On Q Financial leverages technology to support a shifting business strategy

On Q Financial is one of the top independent mortgage lenders in the United States, with satellite offices across the country. Whether they're occupying traditional office space or retail locations, they rely on those brick and mortar locations to meet with their customers.

But the mortgage industry is undergoing a complete restructure, for even the biggest giants in the space. In the past, it was all about taking up market share—spread out, take up space, and get business in those regions. Now On Q Financial, like many others, are changing their business practices to be more strategic.

What we saw in the past was that we would get a team up and running into a new large office, and

if the overhead-to-revenue ratio wasn't carefully considered, we could quickly get into a hole," Angela Chavarria, Sr. Manager, Corporate Real Estate & Facilities for On Q Financial, said. "Longevity just becomes an issue. The real estate is a heavy part of that, because we are the heaviest cost to those locations outside of compensation every month. We want to grow in a very data-informed and financially savvy way."

No longer are they contracting space that is too big for their needs, or not cost effective from a revenue perspective. The company truly supports their retail business, Chavarria said, and will continue to enter new markets, but wants to do it in a way that makes sense and can ultimately lead to success.



The organization partnered with Visual Lease at a time where they had just under 100 active leases. The goal was to get On Q Financial away from tracking in Excel, organize its portfolio better, and move toward its new smart-leasing strategy.

“The lack of management of our leases led to things like surprising expiration dates, which just should never happen,” Chavarria said. “Missing a couple 5,000 square foot space critical dates... The financial impact is enough to pay for Visual Lease. So it made our organization sit up and take the portfolio more seriously when they saw the downstream effects.”

The enhanced lease accounting standards also played a part in the 2018 push for technology solution for On Q’s lease portfolio. The implementation was fairly straightforward, Chavarria said, and they did it with all internal resources.

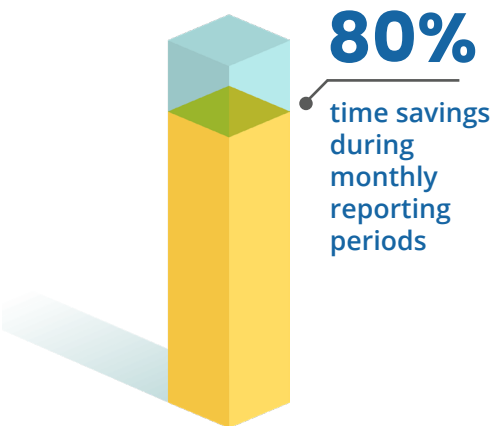
Chavarria and another lease admin are inside the system daily, with the accounts payable team entering the system to pull out rent data monthly. The seamless month-end process and collaboration has truly saved the company time, lessening the monthly reporting time by over 80%.

“I credit Visual Lease for being so intuitive. I ran through how to abstract a lease in a few times, created a how-to playbook for doing so, and then I was off to the races. It was just about creating our internal best practices, then I was able to get up and running with very minimal training.”



Angela Chavarria

Sr. Manager, Corporate Real Estate & Facilities
On Q Financial



“What used to take one person two to three days each month now takes them a couple hours,” Chavarria said. “The accounting team loves Visual Lease from a FASB perspective.”

As the mortgage industry continued to evolve and the retail industry was impacted by the pandemic, that portfolio slipped down to under 50 leases, but On Q is looking to grow its footprint once again – this time with a data-driven approach.

“It allows me to own my data.” Chavarria said. “So that no matter what department is asking me, whether it’s compliance or licensing or accounting, I’m always confident that I can go into Visual Lease and export the data. I am very confident in my portfolio data when we need to make key decisions.”