

Q&A with Paul Muessig, president, Leo Software



At one point in his real estate career, interruptions were a 24/7 proposition for Paul Muessig. Managing a portfolio for his Chicago-area commercial real estate firm, Muessig was constantly bombarded with calls from colleagues, usually looking for information on things like lease abstracts and floor plans that the callers could have found for themselves — if given the right property information management system.

So in 2002, Muessig decided to create his own system to help property managers and other commercial real estate players address the age-old question, “What do we need to know about our properties today?” The 54-year-old Muessig, a self-described non-linear thinker, created Chicago-based Leo Software in 2004 with a distinct user’s perspective in mind. Less than three years after its founding, Leo is becoming Lion-esque. The firm’s simple yet innovative data-management products recently earned Leo the 2007 Premier Award for Technology from the Chicago chapter of the Institute of Real Estate Management.

NREI: What was the founding ideal behind Leo Software?

Muessig: We want to make it easier for commercial real estate people to do their jobs without so many interruptions. This business isn’t like Wal-Mart where you track millions of transactions every day. Information in real estate really doesn’t change that often. But the data does begin to stack up on you. So Leo gives you a lens into your enterprise to more easily view that data. You could say our goal is to democratize data like Southwest Airlines democratizes the sky.

NREI: How does Leo work?

Muessig: Leo extracts information out of your accounting system and other places to make it readily available through an interactive stacking plan. In an intuitive format like Leo, most questions can answer themselves. There are fewer interruptions for the property manager and fewer surprises. It’s kind of like getting a universal [TV] remote after having to use five or six different remotes for separate functions. You can access everything. You get a view of all your property’s lease economics and an automated filing cabinet with files, photos and plans and other information — all accessible through the stacking plan screen. And you really don’t have to change anything about your operation to accomplish this. The information is automatically created and updated by your own databases.

NREI: Can you walk us through some of the features of a stacking plan?

Muessig: In what we call our “on-demand property binder,” the stacking plan allows you to easily view the rent roll, vacancies, lease terms, options, encumbrances and other data. There’s also a building card that displays prioritized building statistics such as rentable square feet, floor sizes, parking ratios and so on, plus a bar chart that displays monthly occupancies 12 months into the past and future with a line-graph overlay of your weighted net-rent averages. By adjusting this for a target date, users can get the lease economics of the building for any two-year period and base their business decisions accordingly.

NREI: Who is your target market?

Muessig: People at some large companies are using Leo software, but we are focusing mostly on small companies. You just need a computer and the Internet to do this. And our low price points — which can range from \$39.95 to \$99.95 per month per user depending on the service — help the little guys compete. We are following the software-as-a-service business model, in which users subscribe to Leo, download the application online, receive automatic updates whenever they connect with Leo’s servers, and access their data remotely from any location.

NREI: Who is your competition?

Muessig: Commercial real estate has always been cautious about adopting new technology; so in that respect, we are really competing with the pencil. You could say this is as much about influencing human nature as it is about delivering technology.

NREI: You recently introduced a free version of the Leo Stacking Plan. How do you make out on a freebie?

Muessig: We’re branding it as Free:Leo and making it available on our new commercial real estate portal site called LeoBlvd.com. The idea is kind of like the Google model — give people limited and free functionality to get them familiar with the idea and the name. In other words, we give them something useful, treat them nicely and then, we hope, they will embrace our other services.

NREI: What’s next for Leo Software?

Muessig: We have a new 3.0 version coming out in few months that’s even more efficient. We’ve tried to incorporate changes based on customer suggestions. But we’re keeping it simple. ●

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