

New Thinking – New Solutions Real Estate Lifecycle Management with SAP



Christian Krämer
Director Solution Management

Nov 11, 2009

THE BEST-RUN BUSINESSES RUN SAP™



Agenda



1. **Key trends in the real estate world**
2. End-to-end real estate life-cycle management
3. Customer cases

Real Estate Life-Cycle Management becomes a strategic discipline for senior management



All involved parties have to align their efforts to optimize the Real Estate Life-cycle Management



Control spiraling facilities costs

Global crisis and demographic change force real estate managers to increase visibility of facilities processes and spending – which are second to payroll – and to carefully plan budget and resource allocation.

Reduce energy consumption and CO₂ emissions

To respond to rising energy prices, new Corporate Social Responsibility (CSR) reporting needs, and to comply with LEED* standards, real estate managers are forced to reduce energy consumption and CO₂ emissions.

Adapt portfolios to changing needs

Since new business models, new markets, and mergers & acquisitions increase the need of portfolio changes, real estate managers have to develop, adopt and reshape the property portfolio in a global and flexible way.

Industry data confirm Real Estate Life-Cycle Management challenges

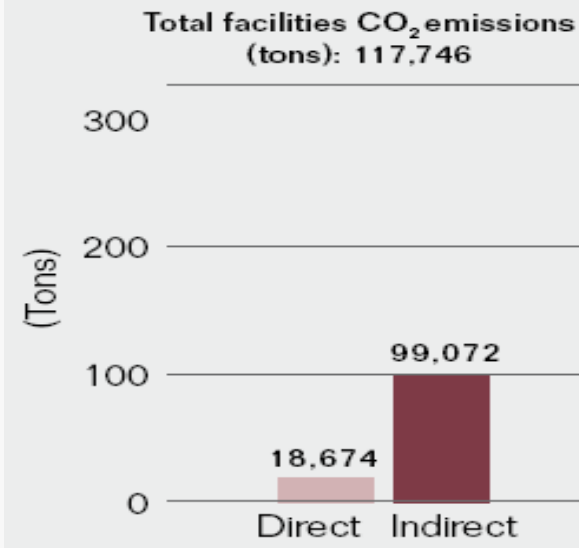


Pressure to reduce facilities spendings



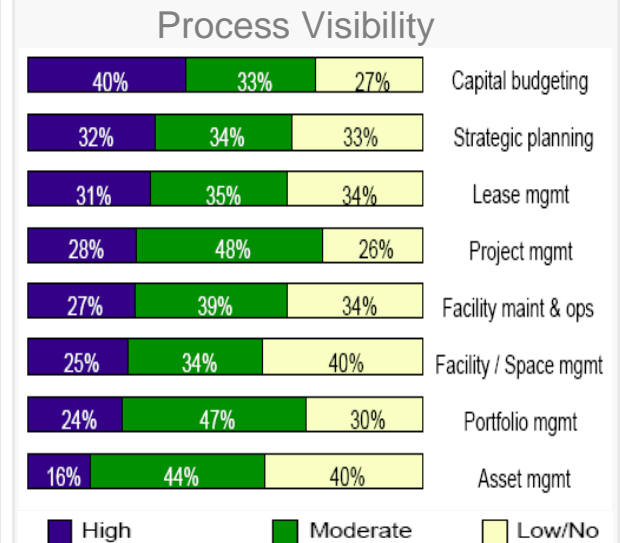
AberdeenGroup: Real Estate and Facilities Lifecycle Management: The Three Keys to Success: Visibility, Visibility, Visibility, June 2007

Companies have to report on CO₂ emissions



SAP Sustainability Report 2007/2008

Poor insight into portfolio



AberdeenGroup: Real Estate and Facilities Lifecycle Management: Strategic Value, Savings, and Efficiencies, June 2008



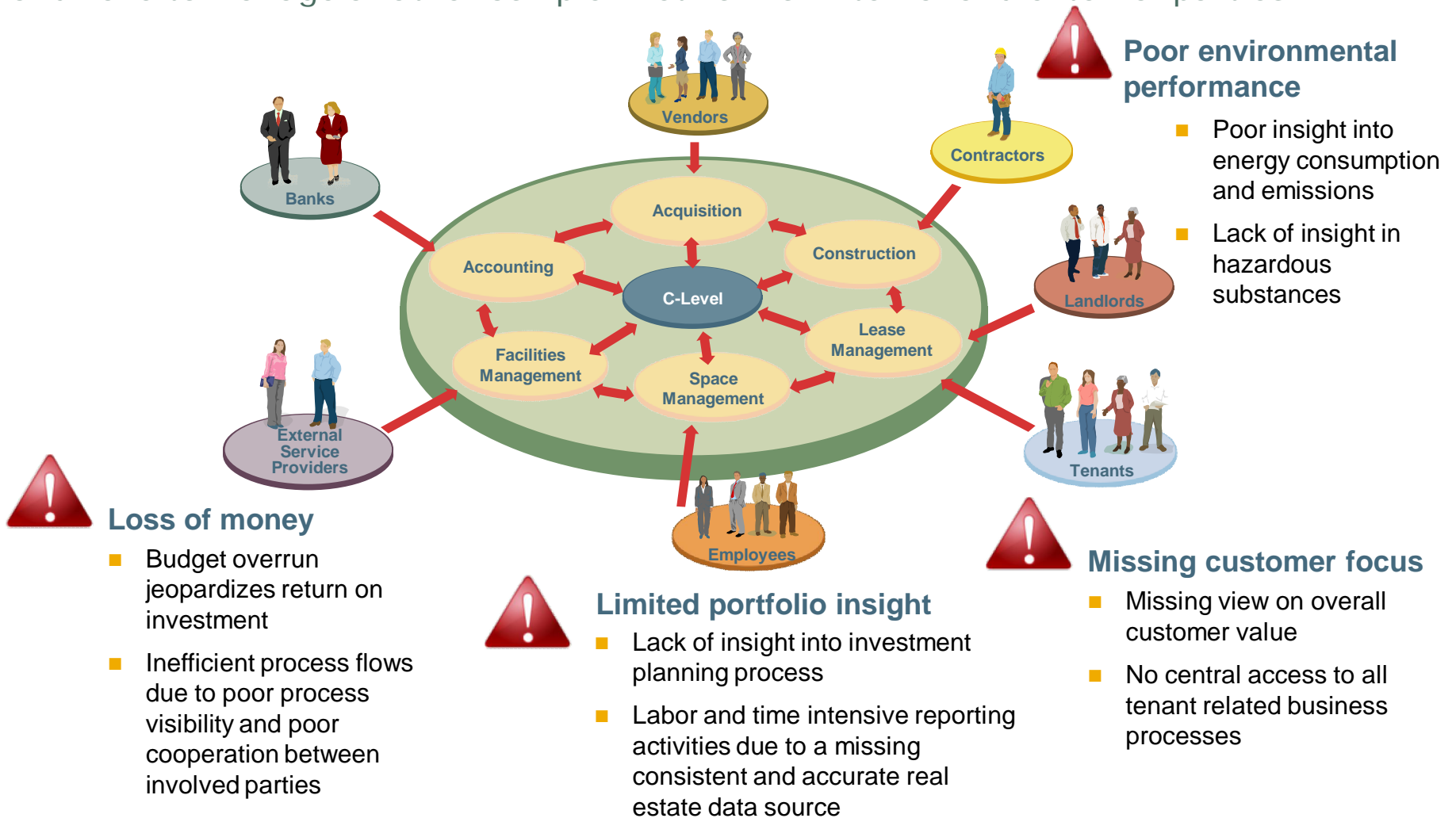
There is a growing awareness of the need to approach facilities management as a strategic discipline, rather than a low-priority operational task.”

Gartner Jack Heine, IWMSs Gain Momentum With Senior Management, ID G00161990

Lack of spend and process visibility leads to poor return on property investments



Real estate managers struggle with a mostly locally dispersed property portfolio and have to manage a rather complex network of internal and external parties



Real Estate Life-Cycle Management is an collaborative end-to-end process



Real Estate Lifecycle Management connects people and processes across departments to maximize the return on property investments



Excel in environmental performance

- Full transparency of energy consumption and emissions
- All hazardous substances under control

Saved money

- Completion of projects in time, scope and budget
- Full control of operational spending
- Higher level of efficiency due automated process integration

Complete portfolio insight

- Full control of investment planning process
- Faster creation of reports and higher data quality
- Close monitoring of all critical dates

Customer centric view

- Full insight into customer relations
- Central launch of all tenant-related activities via customer interaction center

Agenda

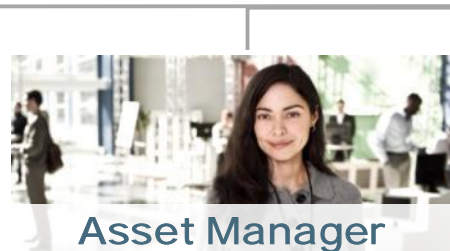


1. Key trends in the real estate world
2. **End-to-end real estate life-cycle management**
3. Customer cases

End-To-End Real Estate Life-Cycle Management leads to better decisions, saved money and energy



Effective acquisition, construction, lease, space and facilities management requires alignment between several stakeholders with differing objectives



Acquisition & Construction Management

Lease & Space Management

Facilities Management

**How do I optimize the portfolio and keep projects under control?
How do I keep customer focus?**

- Return on investment
- Projects in scope and budget
- Customer focus

**How do I make the right investment decisions?
How do I keep my construction projects under control?**

- Projects on track
- Asset value
- Budget utilization

**How do I increase rental income/decrease rental expenses?
How do I increase space utilization?**

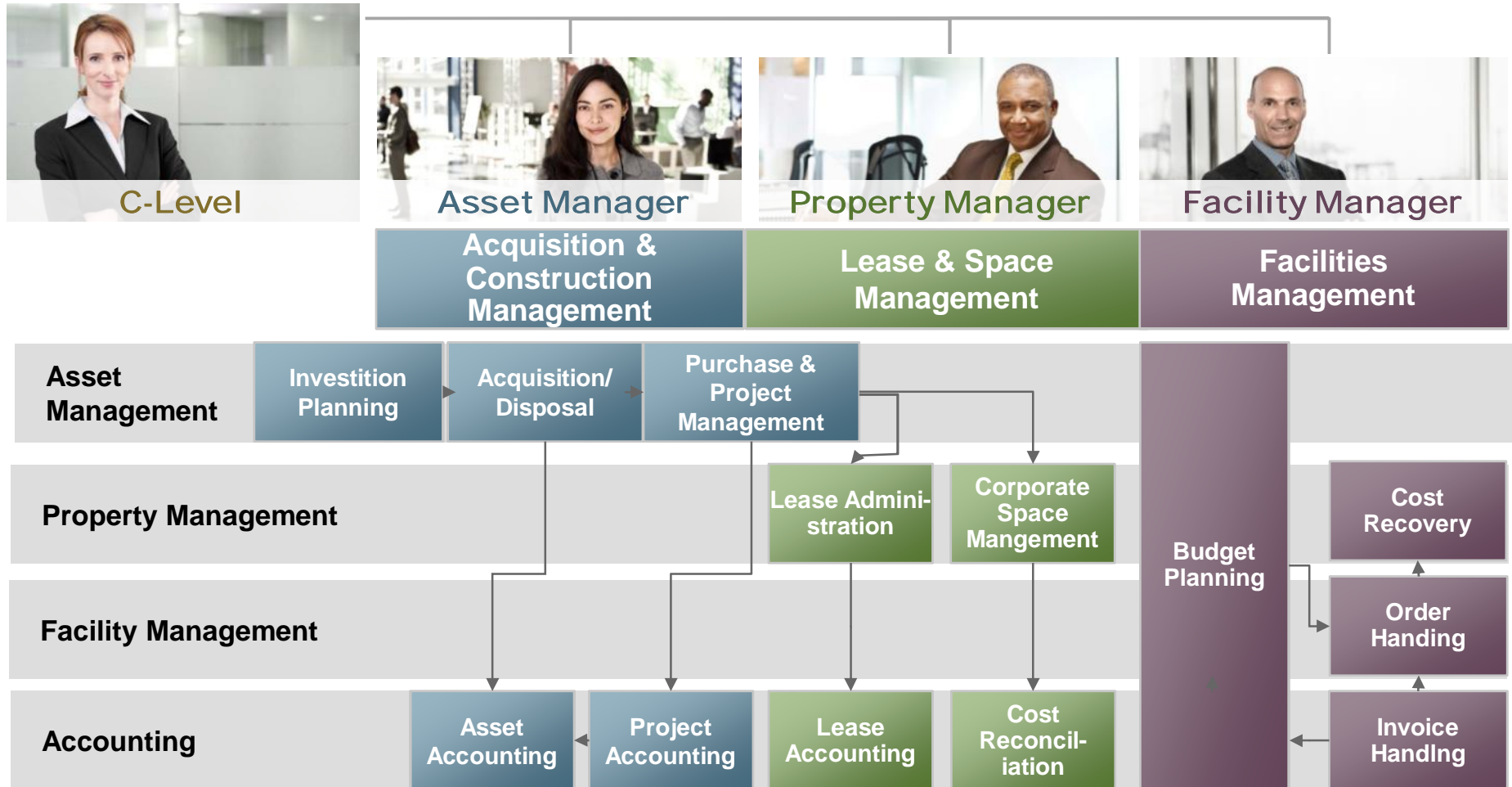
- Lease income/expenses
- Level of space utilization
- Controlled critical dates

**How do I drive building operations in a more sustainable way?
How do I reduce facilities spending?**

- Facilities spending
- Time to repair
- Energy consumption

Real Estate Lifecycle Management

Process Optimization Cross Departments



Executive Demo



SAP Business Suite7

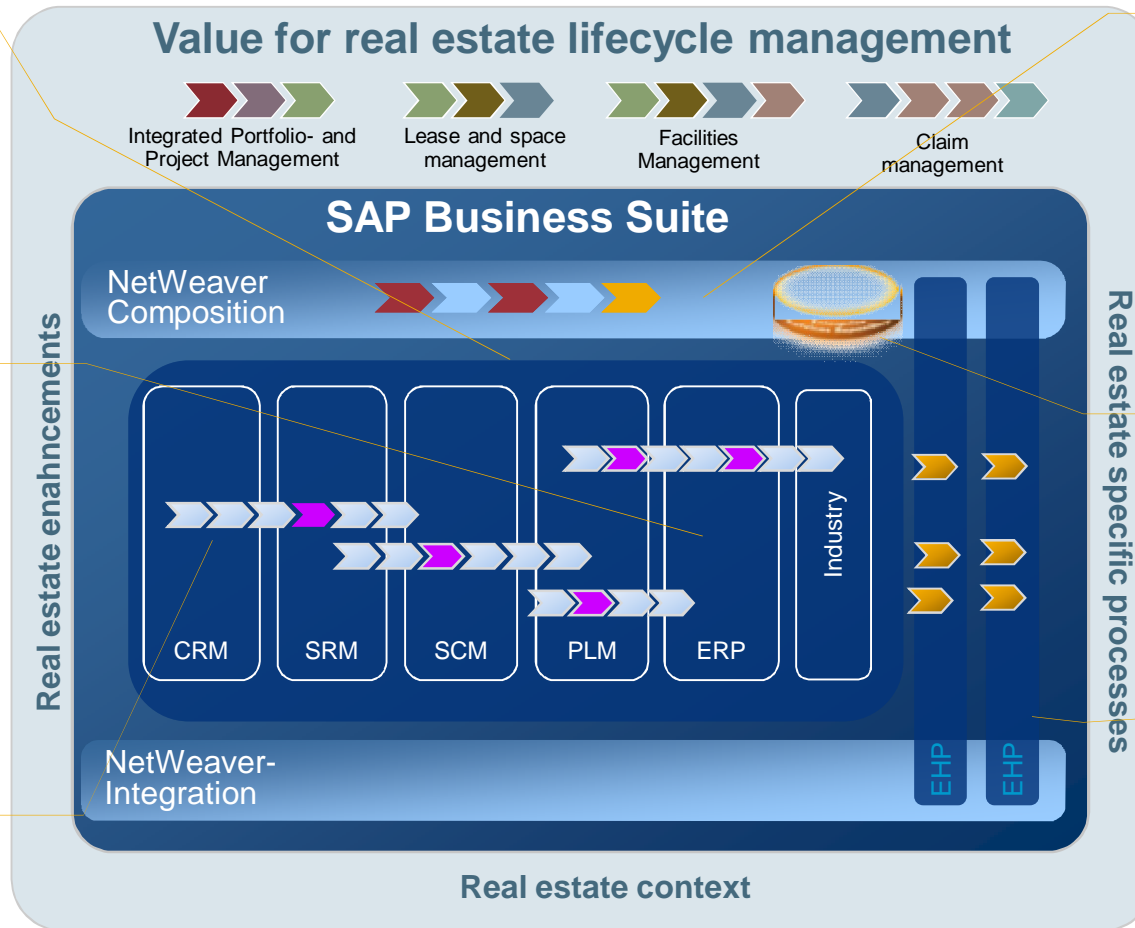
How does the solution supports real estate lifecycle management



Harmonized User Interface for all applications

Continued enhancements for business processes and applications

Ready-to-run integration of business processes



Integrated Reporting for faster and better decision making

SOA enablement for flexible process support

Flexible and modular upgrades to minimize disruption and costs

Agenda



1. Key trends in the real estate world
2. End-to-end real estate life-cycle management
3. **Customer cases**

Customers drive value with Real Estate Life-Cycle Management



- Better support for Real Estate Lifecycle Management with SAP
- Tight integration of all data on real estate, maintenance, and financials



- Optimized property portfolio and cost-control with SAP
- Full insight into the size and structure of the Group's real estate portfolio



- Aligned Real Estate Business Processes across departments with SAP
- Greater flexibility for meeting market requirements



SAP Real Estate Management gives us a consolidated view of our entire real estate portfolio while streamlining our business with best-practice processes, cutting overhead, and enhancing client service.”

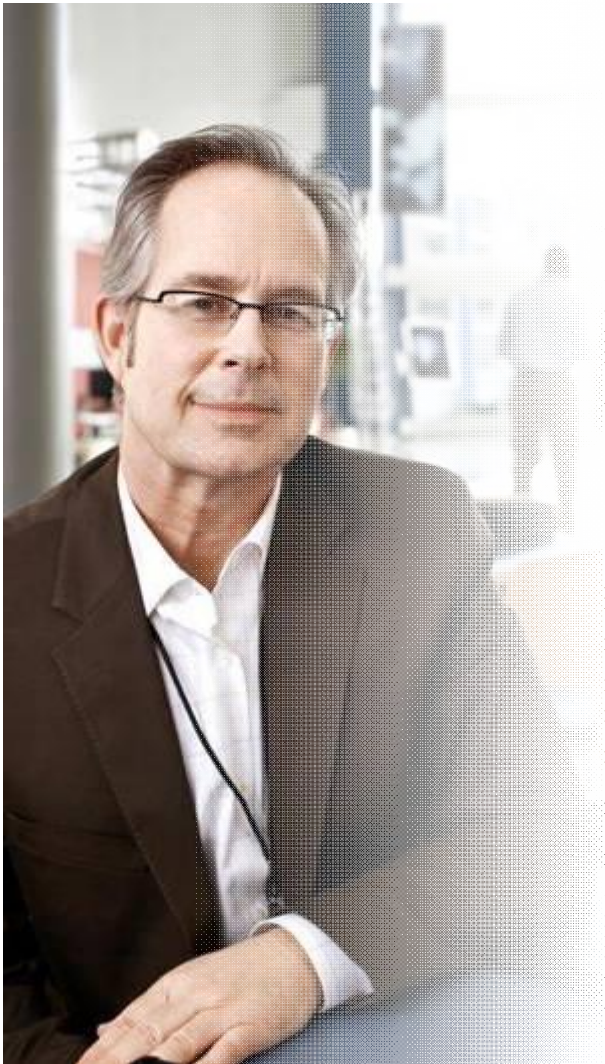


Emanuele Alberto Vecchi, IT Manager
Gruppo Norman

Reference Customers

Customers in 50+ countries & all industries





- ① Real estate is often the biggest asset on companies' balance sheets, and real estate/lifecycle management the second biggest spending item
- ② Real estate life-cycle management gets strategic importance due to cost pressure, sustainability, and growth
- ③ The main challenges are loss of money, limited portfolio insight, poor environmental performance, and missing customer focus
- ④ SAP Business Suite supports all relevant business processes of real estate life-cycle management
- ⑤ SAP Business Suite helps to increase return on investment, keep projects in scope and budget, and focus on customers

Thank you!

Copyright 2009 SAP AG

All rights reserved



No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP AG. The information contained herein may be changed without prior notice.

Some software products marketed by SAP AG and its distributors contain proprietary software components of other software vendors.

SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, Business ByDesign, ByDesign, PartnerEdge and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned and associated logos displayed are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

The information in this document is proprietary to SAP. This document is a preliminary version and not subject to your license agreement or any other agreement with SAP. This document contains only intended strategies, developments, and functionalities of the SAP® product and is not intended to be binding upon SAP to any particular course of business, product strategy, and/or development. SAP assumes no responsibility for errors or omissions in this document. SAP does not warrant the accuracy or completeness of the information, text, graphics, links, or other items contained within this material. This document is provided without a warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability, fitness for a particular purpose, or non-infringement.

SAP shall have no liability for damages of any kind including without limitation direct, special, indirect, or consequential damages that may result from the use of these materials. This limitation shall not apply in cases of intent or gross negligence.

The statutory liability for personal injury and defective products is not affected. SAP has no control over the information that you may access through the use of hot links contained in these materials and does not endorse your use of third-party Web pages nor provide any warranty whatsoever relating to third-party Web pages

Weitergabe und Vervielfältigung dieser Publikation oder von Teilen daraus sind, zu welchem Zweck und in welcher Form auch immer, ohne die ausdrückliche schriftliche Genehmigung durch SAP AG nicht gestattet. In dieser Publikation enthaltene Informationen können ohne vorherige Ankündigung geändert werden.

Einige von der SAP AG und deren Vertriebspartnern vertriebene Softwareprodukte können Softwarekomponenten umfassen, die Eigentum anderer Softwarehersteller sind.

SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, Business ByDesign, ByDesign, PartnerEdge und andere in diesem Dokument erwähnte SAP-Produkte und Services sowie die dazugehörigen Logos sind Marken oder eingetragene Marken der SAP AG in Deutschland und in mehreren anderen Ländern weltweit. Alle anderen in diesem Dokument erwähnten Namen von Produkten und Services sowie die damit verbundenen Firmenlogos sind Marken der jeweiligen Unternehmen. Die Angaben im Text sind unverbindlich und dienen lediglich zu Informationszwecken. Produkte können länderspezifische Unterschiede aufweisen.

Die in diesem Dokument enthaltenen Informationen sind Eigentum von SAP. Dieses Dokument ist eine Vorabversion und unterliegt nicht Ihrer Lizenzvereinbarung oder einer anderen Vereinbarung mit SAP. Dieses Dokument enthält nur vorgesehene Strategien, Entwicklungen und Funktionen des SAP®-Produkts und ist für SAP nicht bindend, einen bestimmten Geschäftsweg, eine Produktstrategie bzw. -entwicklung einzuschlagen. SAP übernimmt keine Verantwortung für Fehler oder Auslassungen in diesen Materialien. SAP garantiert nicht die Richtigkeit oder Vollständigkeit der Informationen, Texte, Grafiken, Links oder anderer in diesen Materialien enthaltenen Elemente. Diese Publikation wird ohne jegliche Gewähr, weder ausdrücklich noch stillschweigend, bereitgestellt. Dies gilt u. a., aber nicht ausschließlich, hinsichtlich der Gewährleistung der Marktgängigkeit und der Eignung für einen bestimmten Zweck sowie für die Gewährleistung der Nichtverletzung geltenden Rechts.

SAP übernimmt keine Haftung für Schäden jeglicher Art, einschließlich und ohne Einschränkung für direkte, spezielle, indirekte oder Folgeschäden im Zusammenhang mit der Verwendung dieser Unterlagen. Diese Einschränkung gilt nicht bei Vorsatz oder grober Fahrlässigkeit.

Die gesetzliche Haftung bei Personenschäden oder die Produkthaftung bleibt unberührt. Die Informationen, auf die Sie möglicherweise über die in diesem Material enthaltenen Hotlinks zugreifen, unterliegen nicht dem Einfluss von SAP, und SAP unterstützt nicht die Nutzung von Internetseiten Dritter durch Sie und gibt keinerlei Gewährleistungen oder Zusagen über Internetseiten Dritter ab.

Alle Rechte vorbehalten.