



Real Estate: Not Just a Fixed Cost

(ASUG 84031)

Thomas Anderson, SAP
May 9, 2019

CUSTOMER

Leaders are Investing in Corporate Real Estate Management Solutions

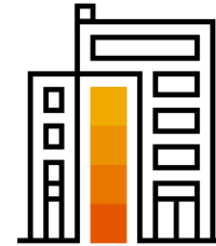
Manage cost efficiency and improve employee productivity



For most organizations, real estate is the **second or third largest expense category.**



Buildings are responsible for **40% of energy** consumption and **36% of CO2** emissions in the EU.



Companies **underutilize** an average of **30-40%** of their **space** on a typical workday

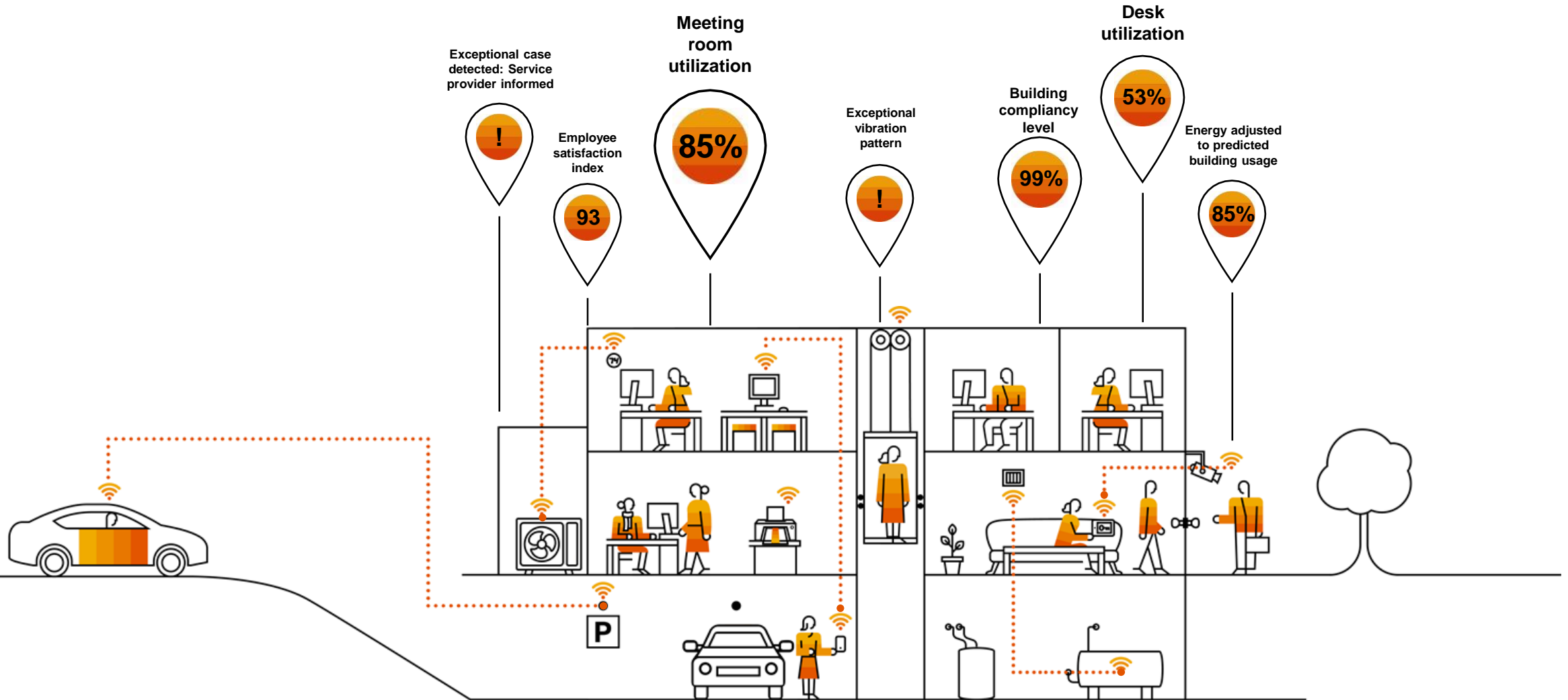


Physical workspace impacts **employee productivity** and wellbeing significantly.

Real Estate isn't just a fixed cost!

Key Trends in Corporate Real Estate Management

Technology is changing the way people live and work with continuous change being the new normal

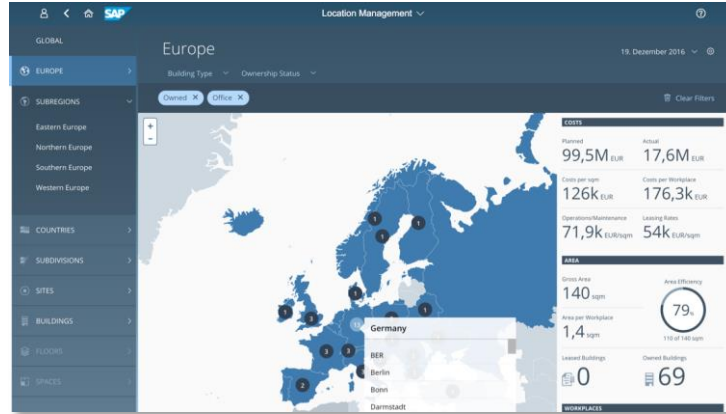


SAP Cloud for Real Estate

Functional Overview

Location Management

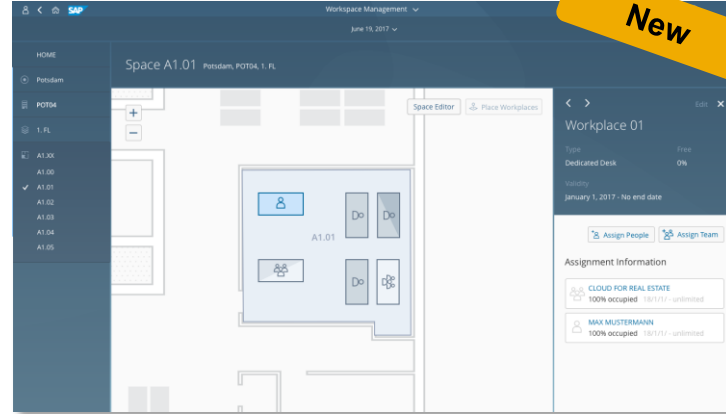
- Capacity, cost data, and space management
- Easy navigation and insights into multinational property portfolio
- Built on industry standards like IFC or International Property Measurement Standards (IPMS)



New

Workspace Management

- Assignment of teams and individuals
- Visualization of floor plans, areas and workspaces
- Identify free seats and optimize seating
- Basis for smart occupancy management (IoT)



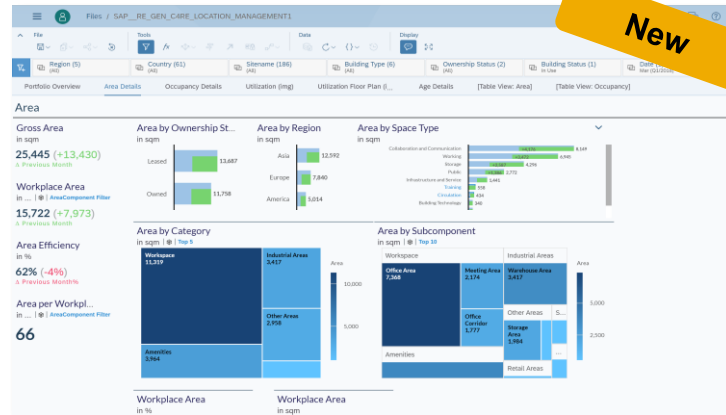
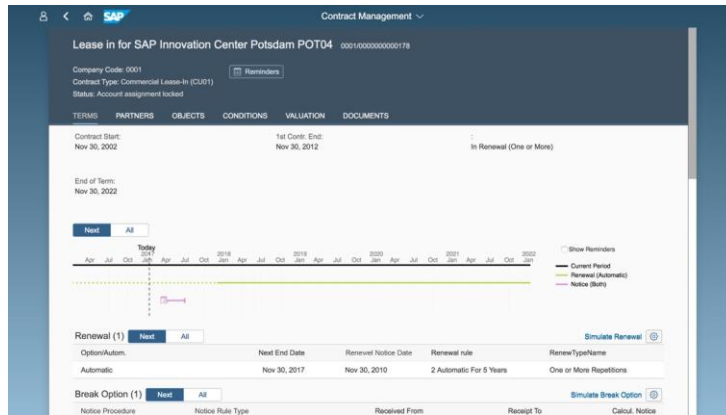
New

Advanced Analytics

- SAP Cloud for Analytics for detailed real estate data
- Overall building portfolio
- Area efficiency
- Workspace Occupancy
- Variances and trends

Contract Management

- IFRS 16 / US GAAP 842 compliant
- Integration into SAP Financials
- Easy to use, personalized, and simplified user experience with SAP Fiori



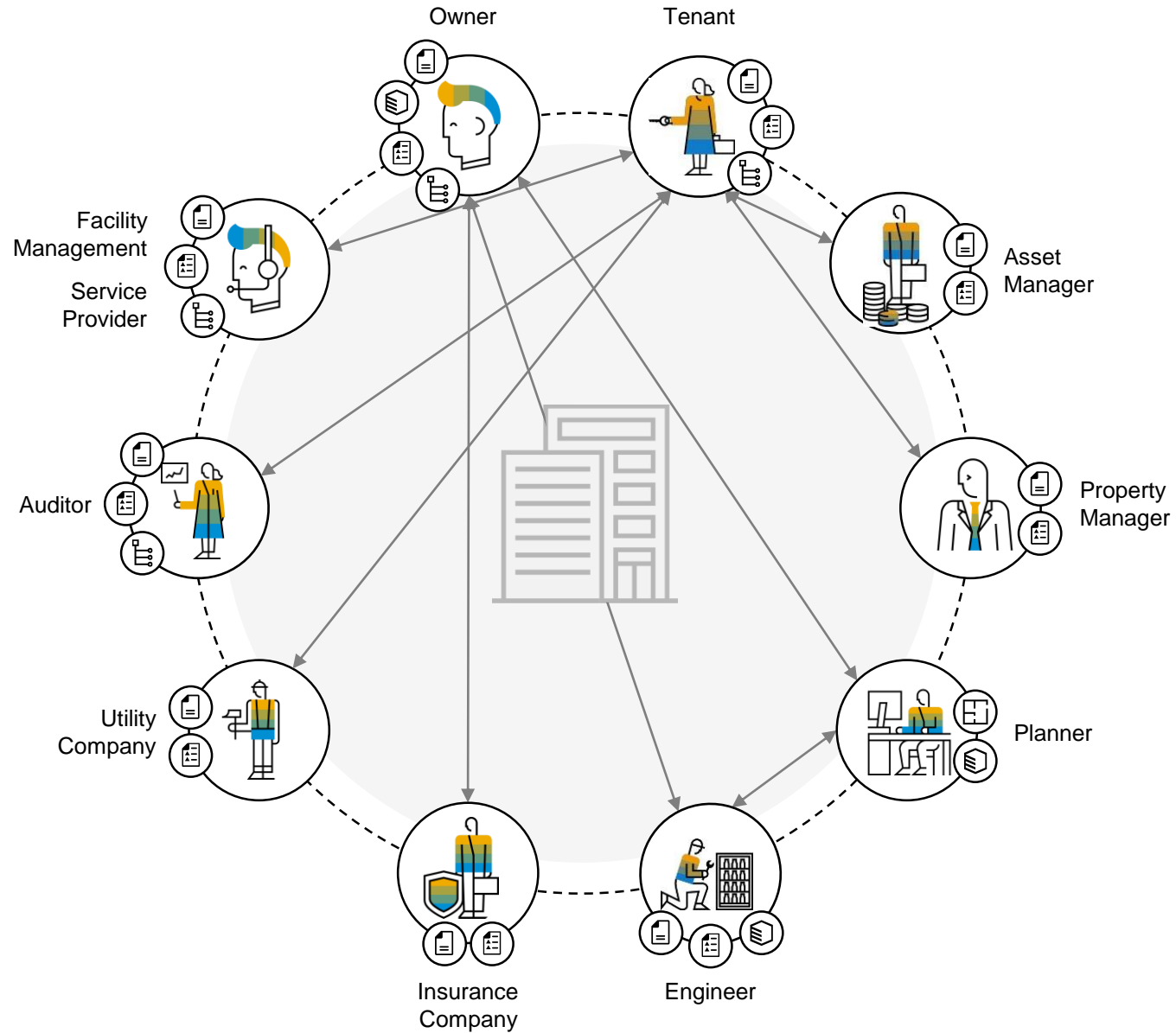
SAP Cloud for Real Estate

Location Management

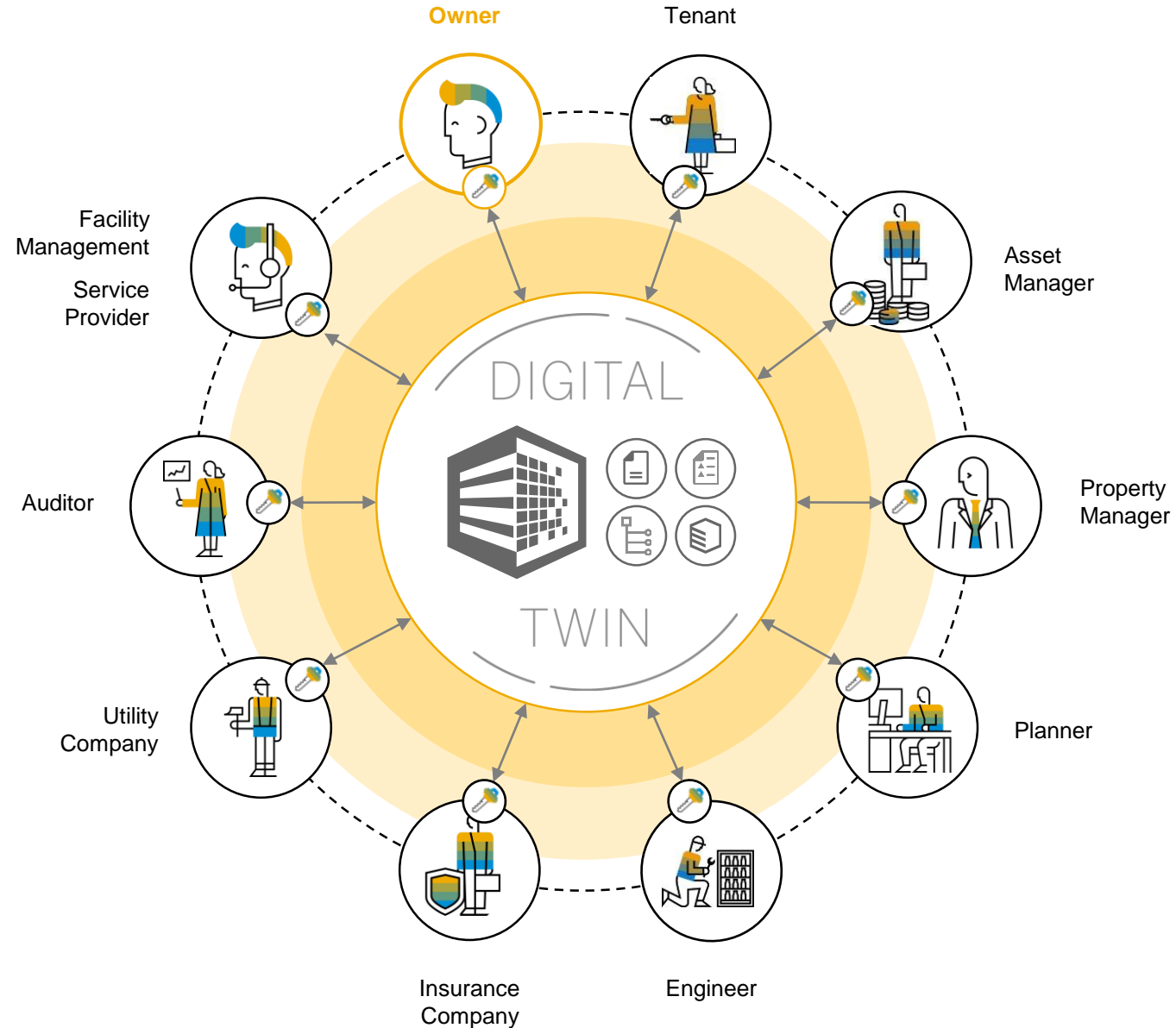


„Digital Twin is a digital representation of a real-world entity or system“

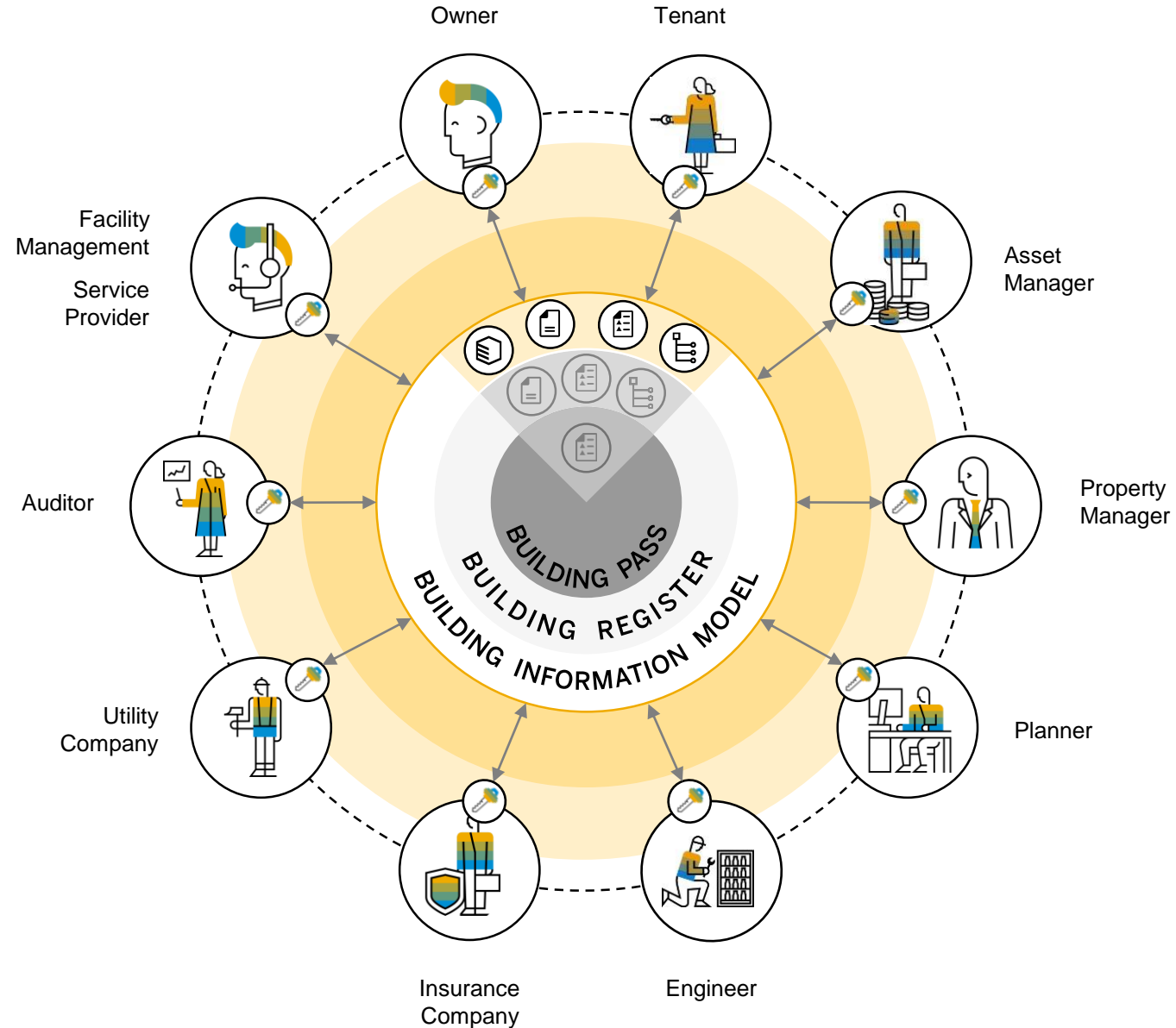
Reality in Real Estate Today



The SAP Digital Twin – Your Single Version of Truth

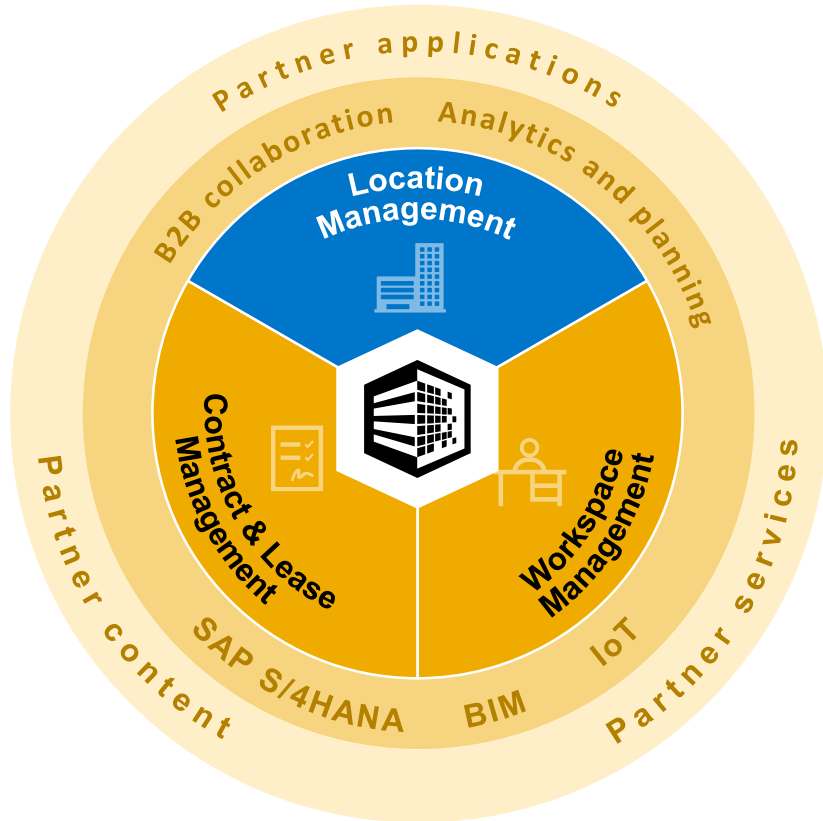


The SAP Digital Twin – Your Single Version of Truth



SAP Cloud for Real Estate **Location Management**

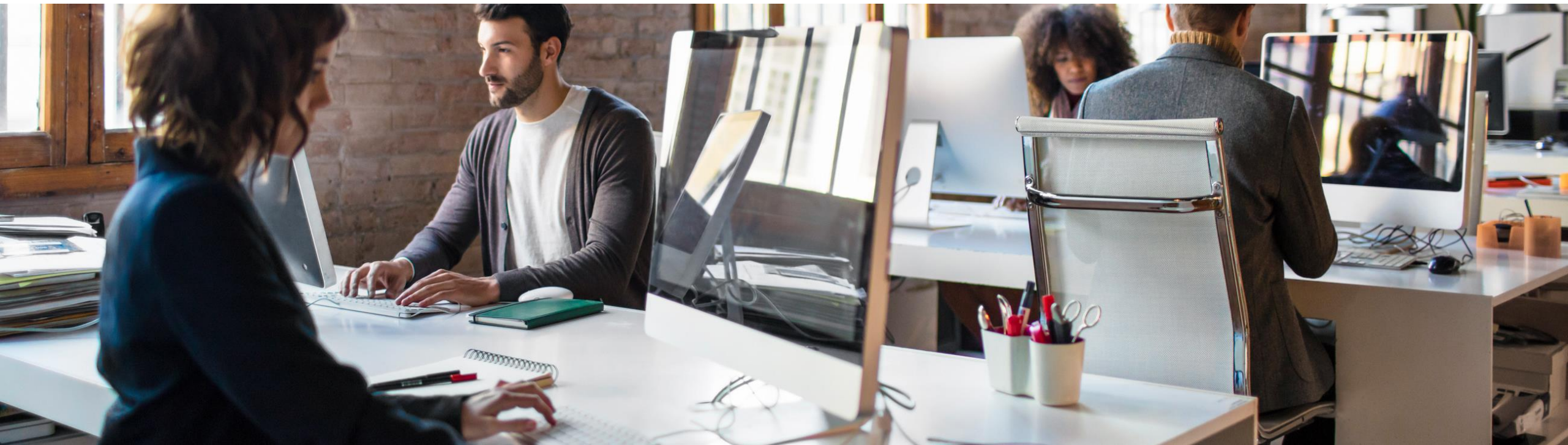
Improve your real estate portfolio with implementing a Digital Twin



- Better **managing space**
- Quickly evaluating the **financial performance** of the building
- Understanding the **physical characteristics** of each location.



SAP Cloud for Real Estate Workspace Management



Workspace Management

Efficiently manage different types of workspaces

Workspace types

Dedicated desk space



Shared/ flex desk space



Meeting rooms and other spaces

Internal/ external meeting rooms

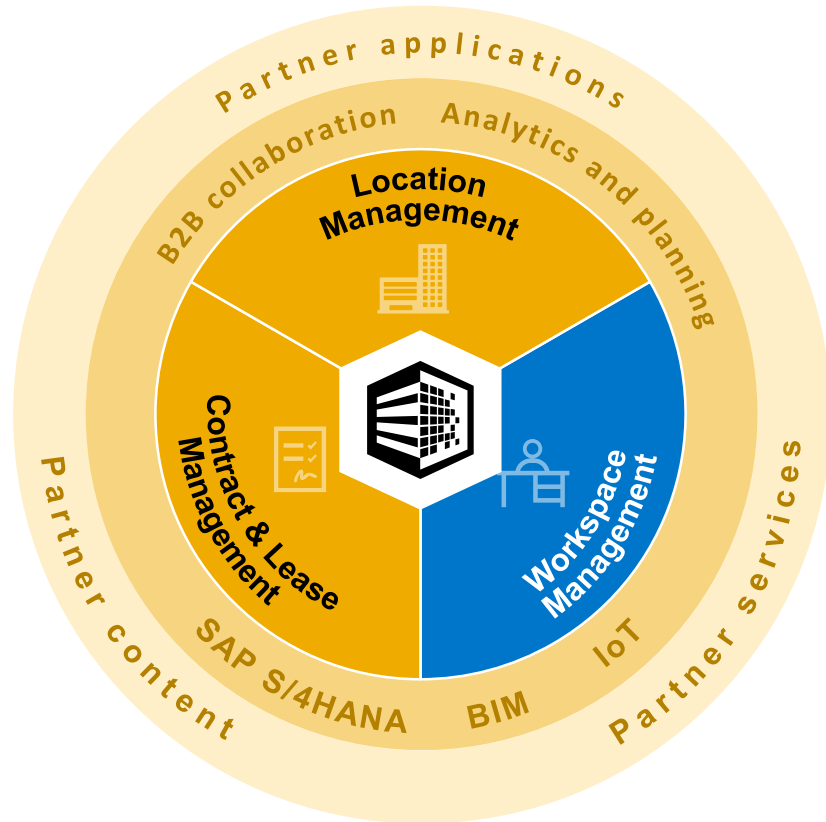


Other areas

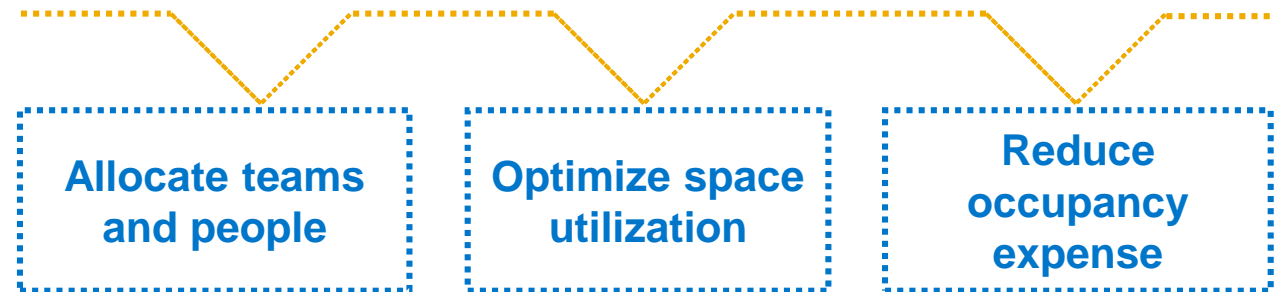


SAP Cloud for Real Estate **Workspace Management**

Improve space efficiency and employee productivity

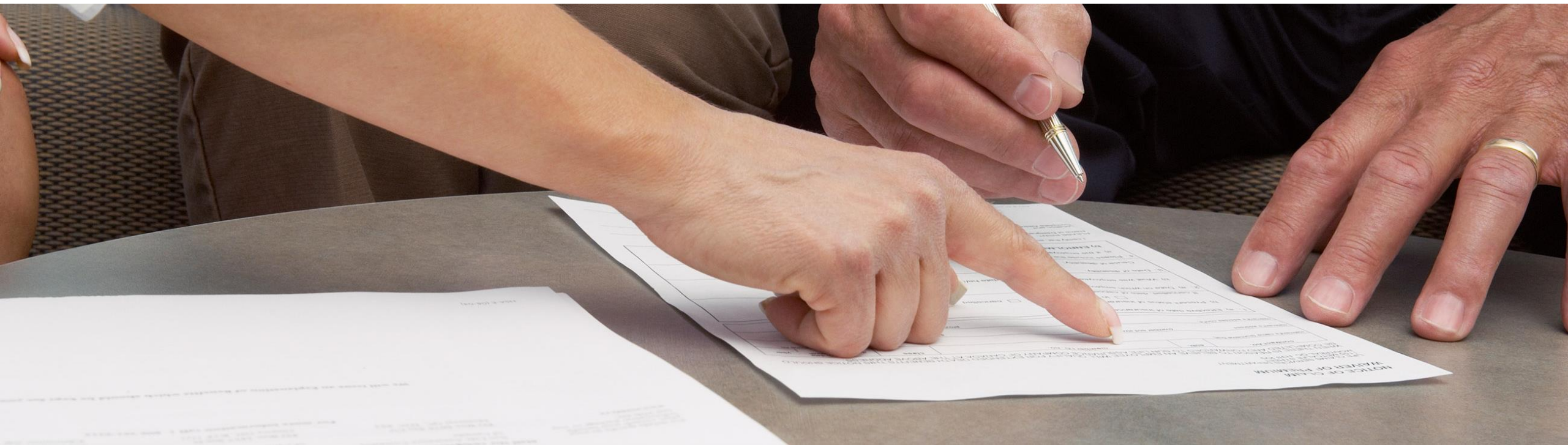


- Efficiently **assign workspaces**
- Reduce **manual work** and **eliminate interfaces**
- Gain insights into the **employee workspace experience**



SAP Cloud for Real Estate

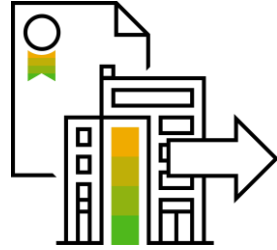
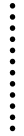
Contract Management



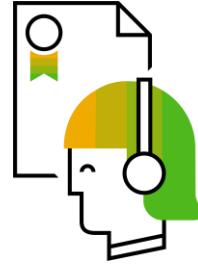
Contractual Relationships Supported by SAP Contract and Lease Management



Lease in
(Supplier or Landlord)



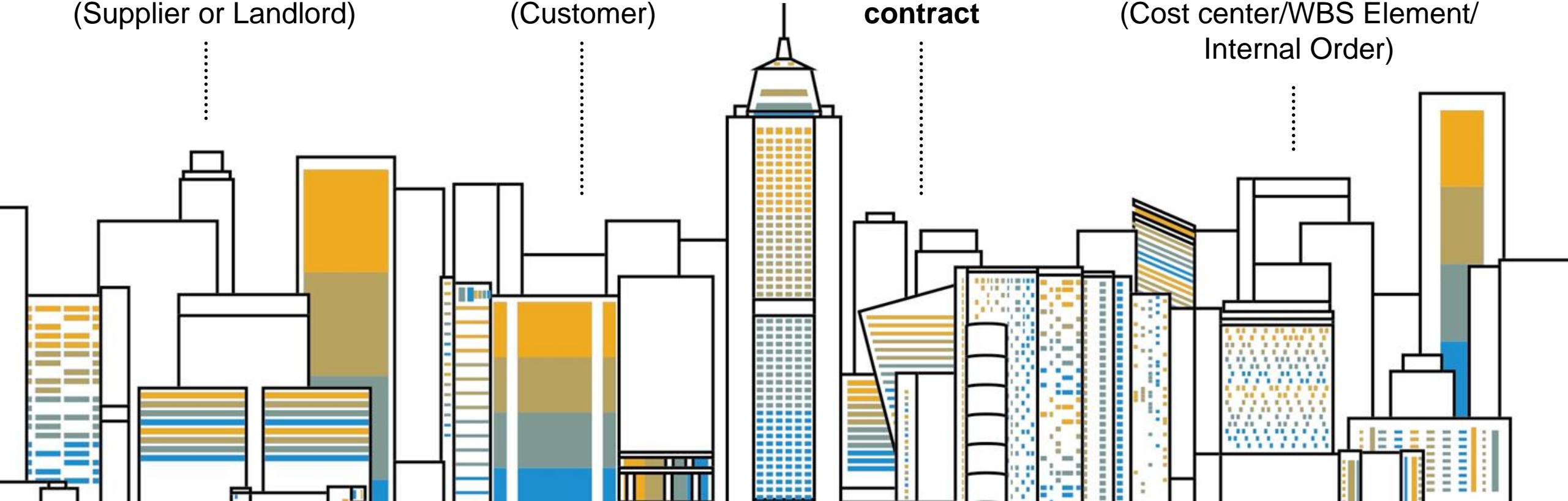
Lease out
(Customer)



Service contract



Internal contract
(Cost center/WBS Element/
Internal Order)



SAP Contract and Lease Management

Supporting the full leasing lifecycle

Contract Close Out /Renewal

- Management of termination options
- Execution of renewal options

Compliance

- Lease classification
- Calculation lease valuations
- Manage valuation modifications



Collaboration and Negotiation

- Structured communication
- Track lease progress
- Document versions and tracking

Contract Execution

- Contract abstraction
- Assignment of CO cost objects
- Document terms and conditions

Administration

- Manage terms and conditions
- Monitor critical dates and options
- Generate letters and correspondence

SAP Contract and Lease Management

Proven solution, built on a certified platform

Developed with four Innovation Customers in different regions and with cooperation with global SAP Partners

2004

2004
GA SAP
Lease
Accounting
with generic
contract
management

2013

October
30th, 2013
Advance
correction
for IFRS16
Simulations
(note
1933458)

2016

January & February 2016
Leasing standards released

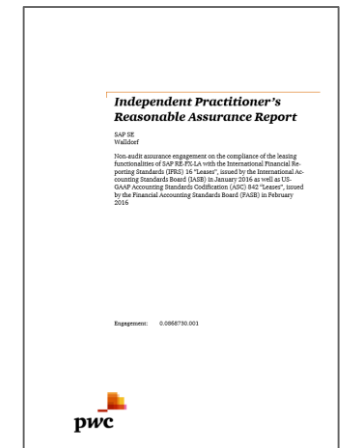


2017

June 28th, 2016
GA Leasing Solution

2018

July 9th, 2018
ISAE Certification

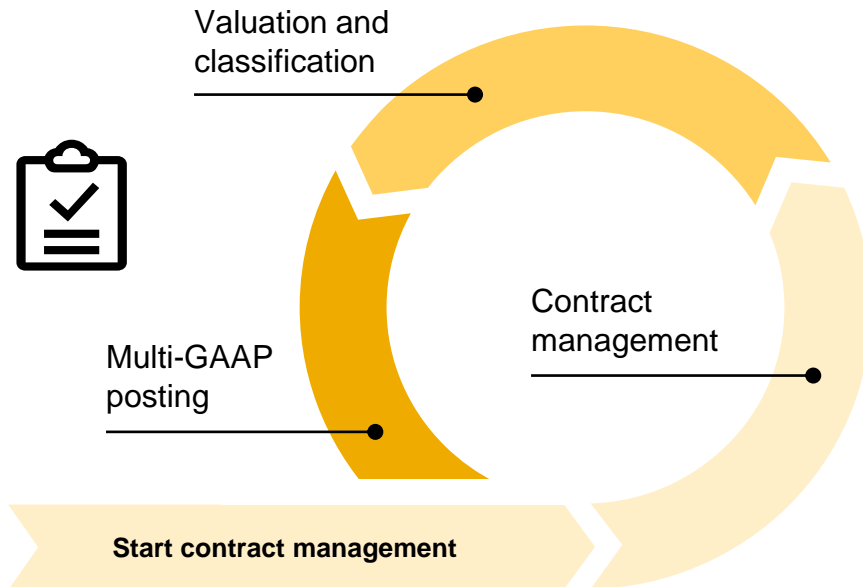


2019

Contract and Lease Management

Supporting IFRS 16 and US GAAP ASC 842 compliance

SAP Cloud for Real Estate is built on the integrated contract management functionality of the SAP Real Estate Management application and leverages IFRS and US GAAP enhancements.



Contract Management

Lease in for SAP Innovation Center Potsdam POT04 0001/0000000000178

TERMS PARTNERS OBJECTS CONDITIONS VALUATION DOCUMENTS

CONDITIONS

Conditions (2) Nov 30, 2002 - Dec 31, 2018

Condition Type	Xlocked	ObjID Calc	Valid From	Condvalidto	CalcFormulaName
Credit basic rent		REC 0001/178	Nov 30, 2002	Dec 31, 2018	Fixed Amount
Credit energy supply		REC 0001/178	Nov 30, 2002	Dec 31, 9999	Fixed Amount

VALUATION

Valuation (2)

ValRule Name	Object ID	N. Status Rule
International Financial Reporting Standards (IFRS16)	0010	Incomplete
German Commercial Code	0010	Complete

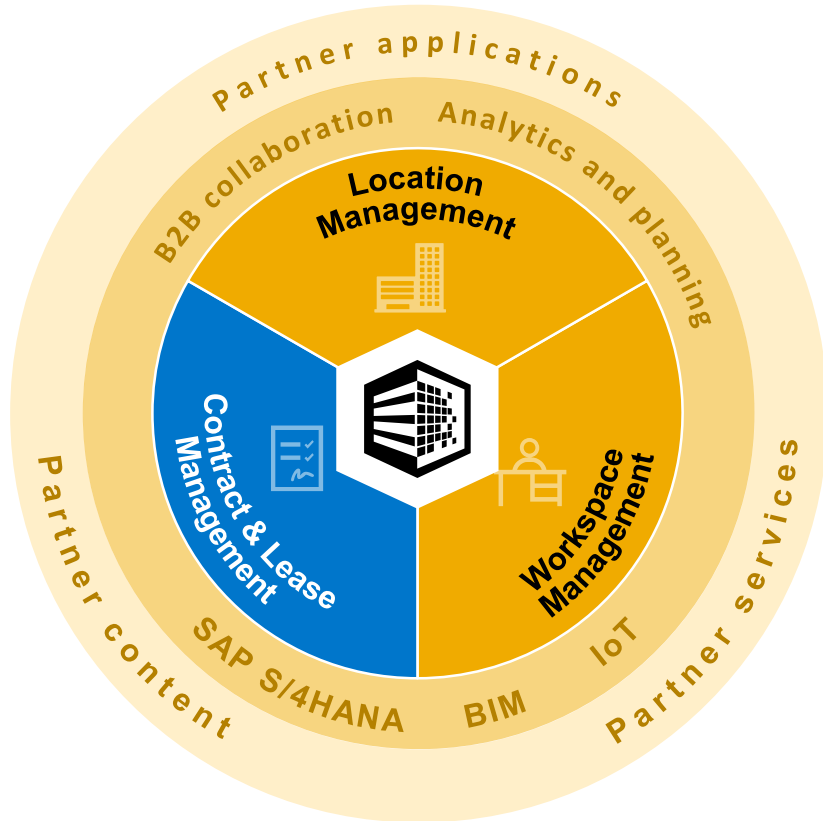
DOCUMENTS

Documents (4)

Original	Document Type	Full Name
Leverton Viewer	URL	D038030
SAP Office Potsdam Contract.pdf	GOS	KRONENBERG
Edit contract in S/4HANA	URL	KRONENBERG

SAP Cloud for Real Estate **Contract Management**

Integrated contract management to improve visibility and simplify leasing processes



- Make **intelligent** leasing decisions
- Proactively **mange** lease agreements
- Comply with **lease accounting standards**
- Analyze **leasing expenses**



SAP Analytics Cloud

Advanced Analytics for Real Estate



Embedded Real Estate Analytics

Unleash the power of data driven facility management

Data-driven facility management is the use of data and data analysis as the basis for decision making in the operation of facilities.

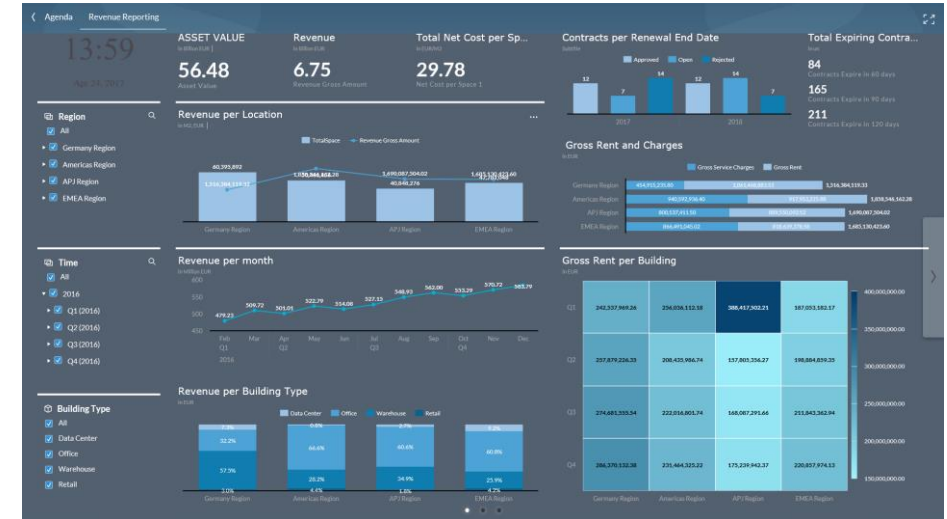


Strategic

Predictive

Data based decisions

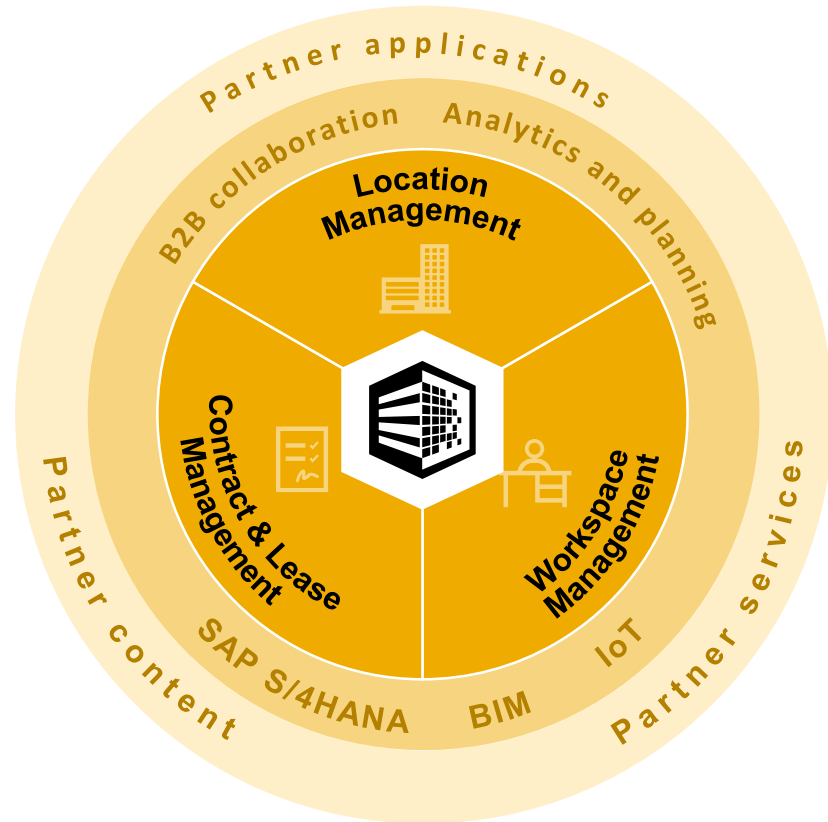
Insights



Source: The Facility Manager's Guide to Information Technology, GEFMA/IFMA

SAP Analytics Cloud with **Embedded Real Estate Analytics**

Unleashing the power of data driven facility management



- Simple access to **detailed information** for most critical Key Performance Indicators by clicking on the KPI tile in SAP Cloud for Real Estate.
- Efficient analysis of **portfolio operating performance**.
- Leverage the Digital Twin for detailed information on **financial performance, utilization and location metrics**.



Enhancements

With additional SAP solutions and partner add-ons



SAP Cloud for Real Estate is Build on SAP Cloud Platform Supporting Partners to Build Add-Ons and Connect with Existing Solutions

Application partners

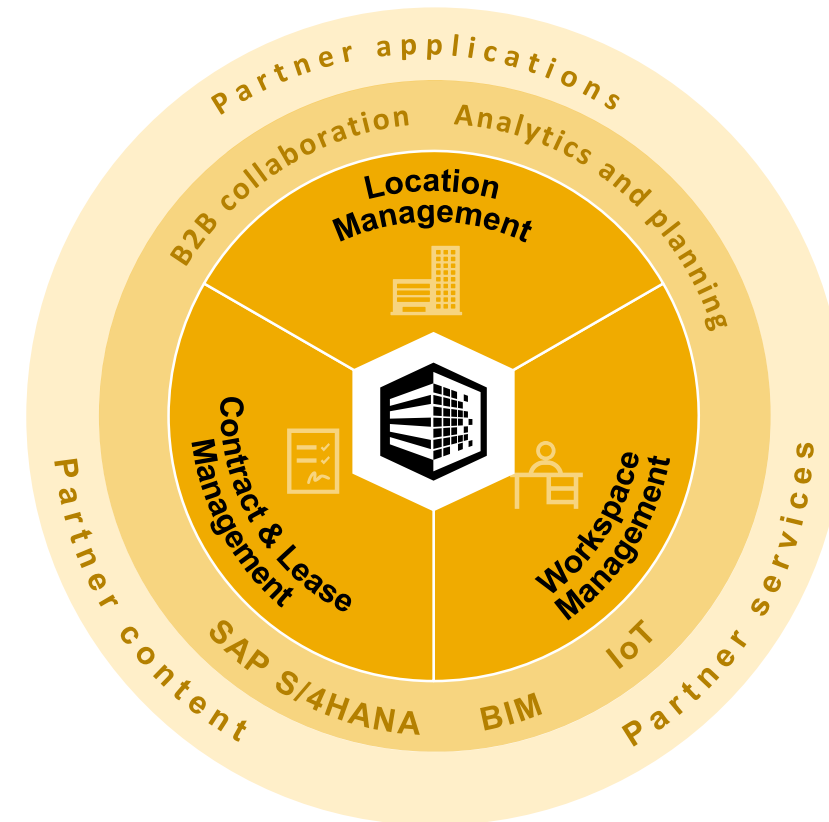
Extending the scope of SAP Cloud for Real Estate with add-ons and extensions. Many of them are listed at [SAP Appcenter](https://www.sap.com/appcenter)

Service partners

Providing predefined consulting services to help ensure fast implementation and business process optimization

Content partners

Enriching SAP Cloud for Real Estate with external data such as market data, benchmarking data, and many others



Intelligently connecting People, Buildings and Business

Innovate your business with the help of the Digital Twin



UTILIZATION

Improve **resource utilization** by combining real-time **occupancy insights**, **cost drivers** and business **KPI's**.



COMPLIANCE

Comply with new **IFRS/ US-GAAP** leasing regulations seamlessly integrated into finance operations.



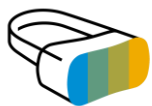
EMPLOYEE PRODUCTIVITY

Increase employee productivity supporting **new working environments** and superior **user-centric** services.



OPERATIONAL EXCELLENCE

Implementing **consistent data models** (digital twin/ BIM) to streamline processes with internal and external **business partners**.



INNOVATION

Build and consume next generation apps with **SAP Leonardo** leveraging latest **technology** like IoT, Blockchain, VR and Intelligent Data.



reddot award 2017
winner interface design

SAP Cloud for Real Estate won the **Red Dot Design Award 2017** for Communication Design



German Facility Management Association



Die Immobilienwirtschaft



GLOBAL



The Global Association for Corporate Real Estate

Partnerships' with top associations of the real estate industry to support the **industry's digital transformation**

SAP PartnerEdge

Global SAP Partner ecosystem with more than **15.000 partner** companies worldwide

More than **20 years' experience** in housing, commercial and corporate real estate management

Thank you.

Contact information:

Thomas Anderson

Real Estate Solution Owner Line of Business Finance

3410 Hillview Avenue, Palo Alto CA USA

(M) +1.801.425.6570

Follow us



www.sap.com/contactsap

© 2019 SAP SE or an SAP affiliate company. 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 SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.

See www.sap.com/copyright for additional trademark information and notices.