



Empowering Next Gen Corporate Real Estate Management with SAP Cloud for Real Estate

Marco Hofmann, Head of LoB Real Estate, SAP
Session ID 84032

About the Speaker

Marco Hofmann, Head of LoB Real Estate

- Marco Hofmann is the Head of Line of Business Real Estate, operating out of the SAP Innovation Center in Potsdam, Germany.
- Together with his team he drives forward and develops innovation in his field while cooperating closely with customers and partners. Based on the SAP Cloud Platform, the team has released a cloud solution for corporate real estate and compliant lease accounting.





Empowering Next Gen Corporate Real Estate Management with **SAP Cloud for Real Estate**

Marco Hofmann, SAP
May 2019

CUSTOMER

Agenda

1. Current Trends in Corporate Real Estate Management
2. Overview SAP Cloud for Real Estate
3. Innovations in Corporate Real Estate Management
4. Roadmap

Current Trends in CREM

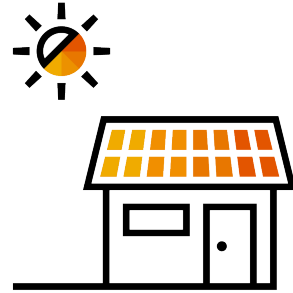


Leaders are Investing in Corporate Real Estate Management Solutions

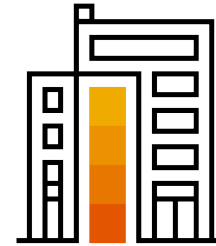
Manage cost efficiency and improve employee productivity



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

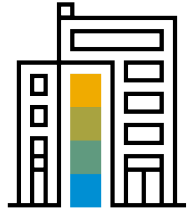


Physical workspace impacts **employee productivity** and wellbeing significantly.

Real Estate isn't just a fixed cost!

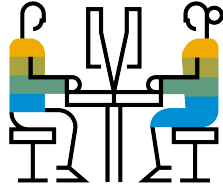
Key Trends in Corporate Real Estate Management

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



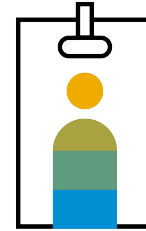
Buildings

...are **getting smarter, autonomous** and will initiate predictive maintenance on their own.



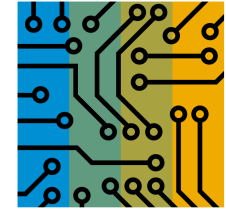
Workspaces

...need to **support new business models** and seamlessly include **sharing** and **co-working** approaches



Users

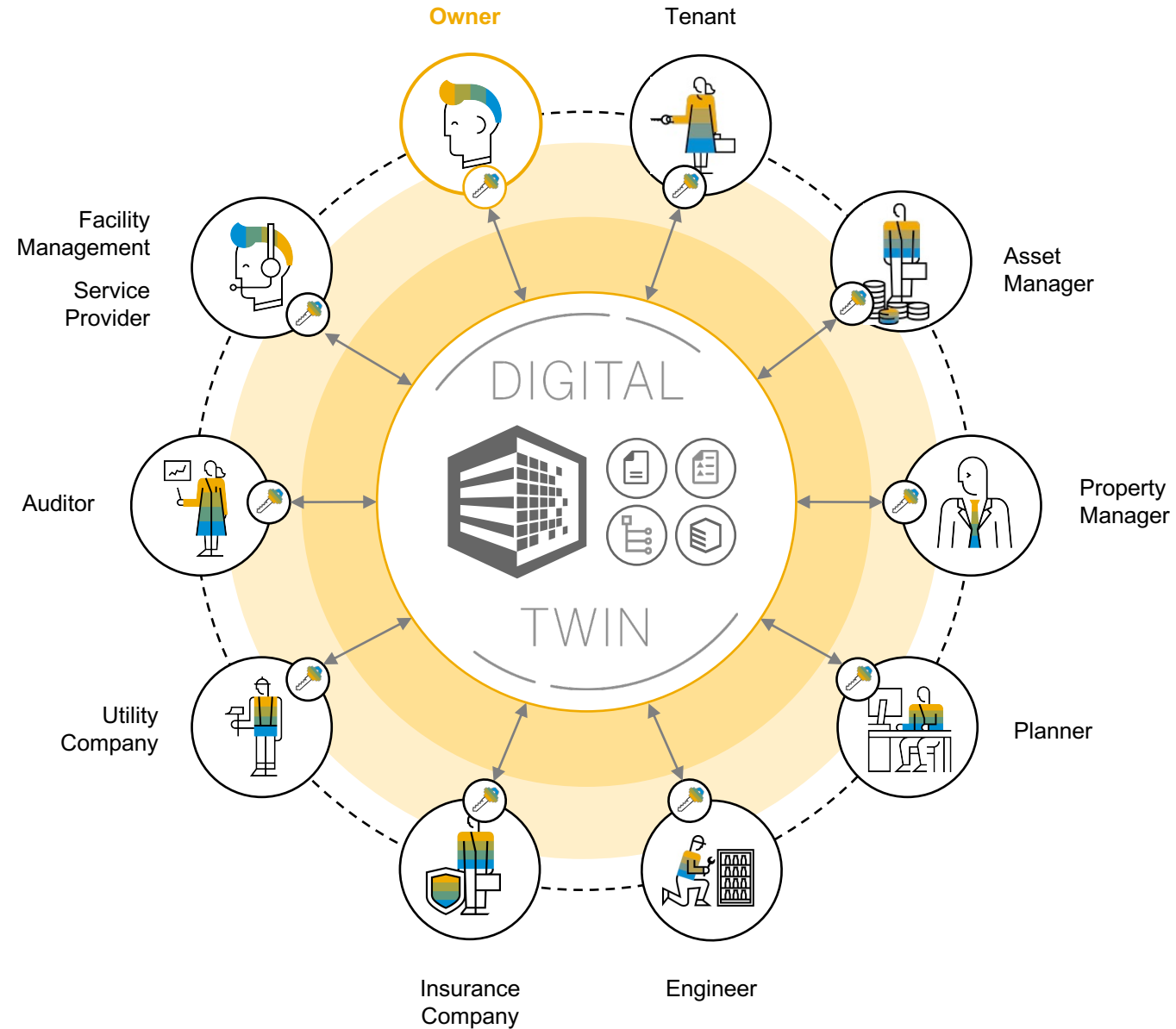
...will be **digitally connected** with the building and related services. **Smart operations increase comfort, security and productivity**



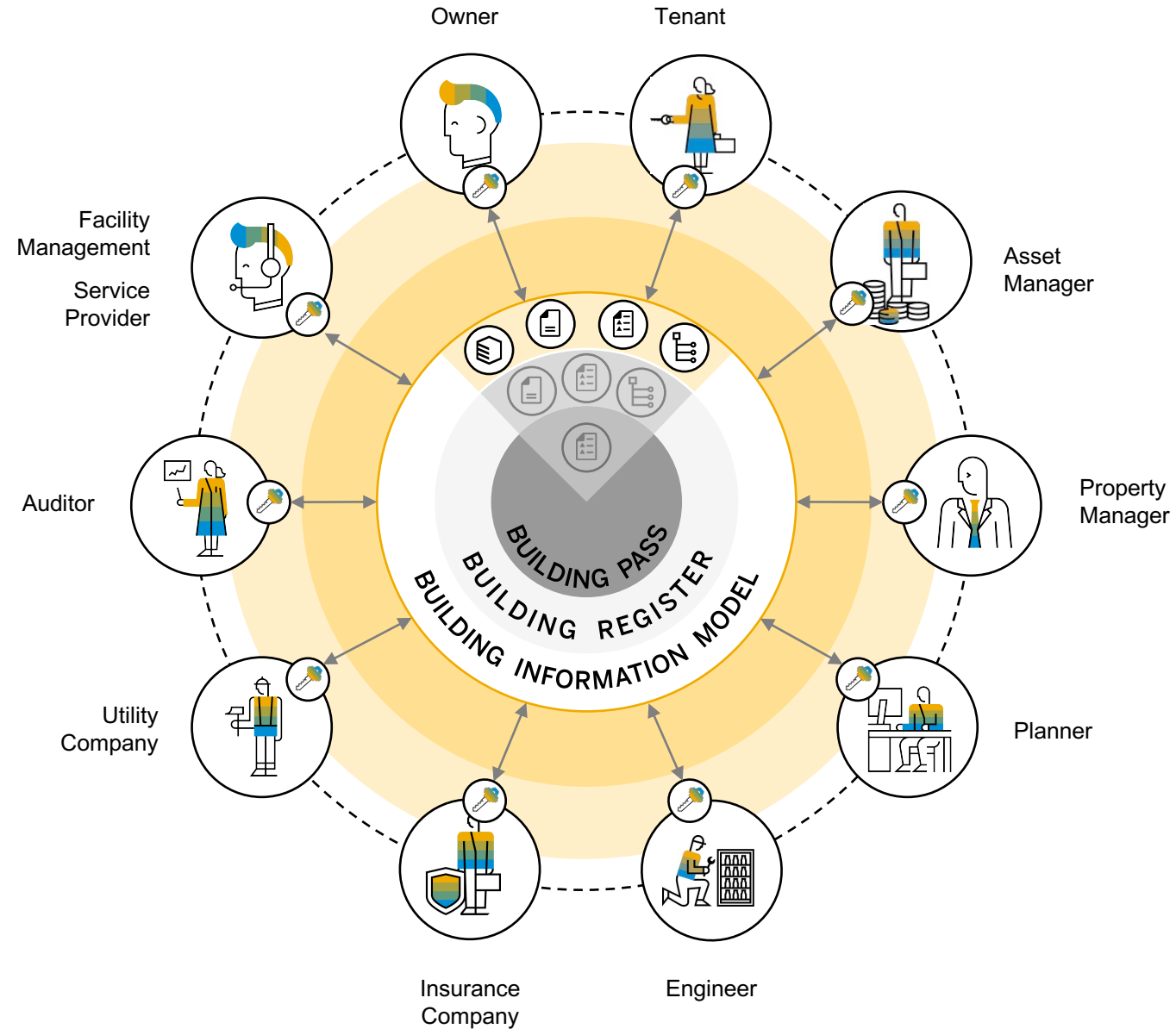
Technology

...will be a **critical factor** of buildings and will influence the attractiveness and **marketability** of future buildings

The SAP Digital Twin – Your Single Version of Truth



The SAP Digital Twin – Your Single Version of Truth



Overview

SAP Cloud for Real Estate Management



SAP Cloud for Real Estate

Reducing spend, staying compliant and improving business processes



Reduce Spend

Lower operating cost with improved transparency in planned and actual expenses



Increase Contractual Transparency

Analyze contract details to improve leasing decisions and make payments according to terms and conditions



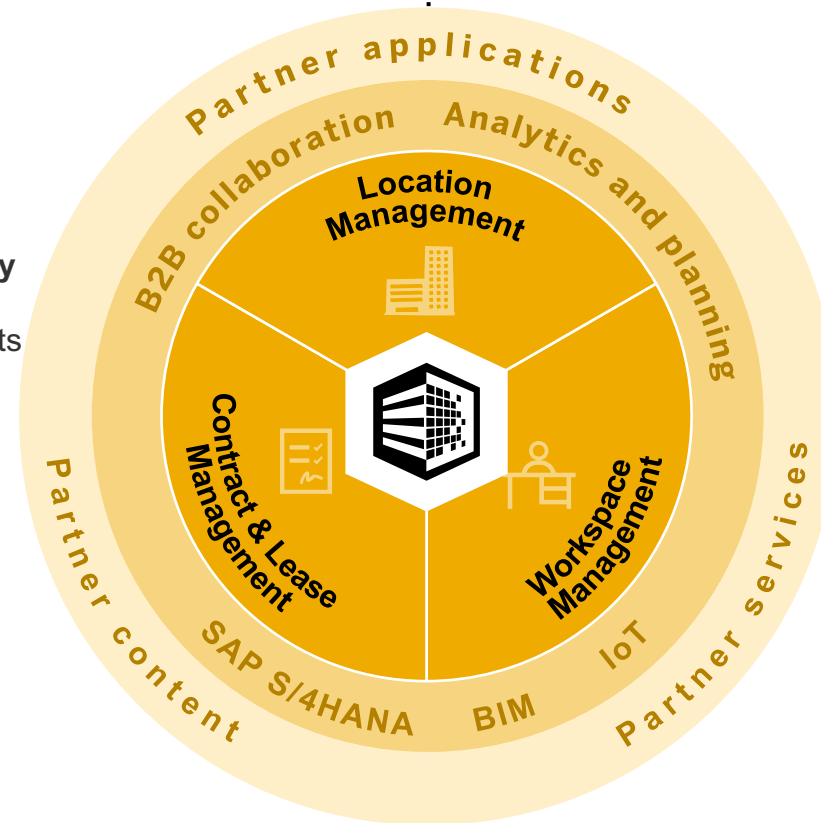
Stay Compliant

Comply with new lease accounting standards (IFRS16/ASC842) with native integration into SAP Finance



Improve Capital Allocation

Reallocate investments to optimize your return on assets (ROA)



Create Future Workspaces

Optimize utilization of workspaces and improve employee productivity



Reducing Maintenance Costs

Reduce costs by improving equipment availability and predictive operations



Investment & Construction

Strategically plan investments and continuously monitor construction projects



Improved Collaboration

Use the power of a business network to collaborate and understand asset performance



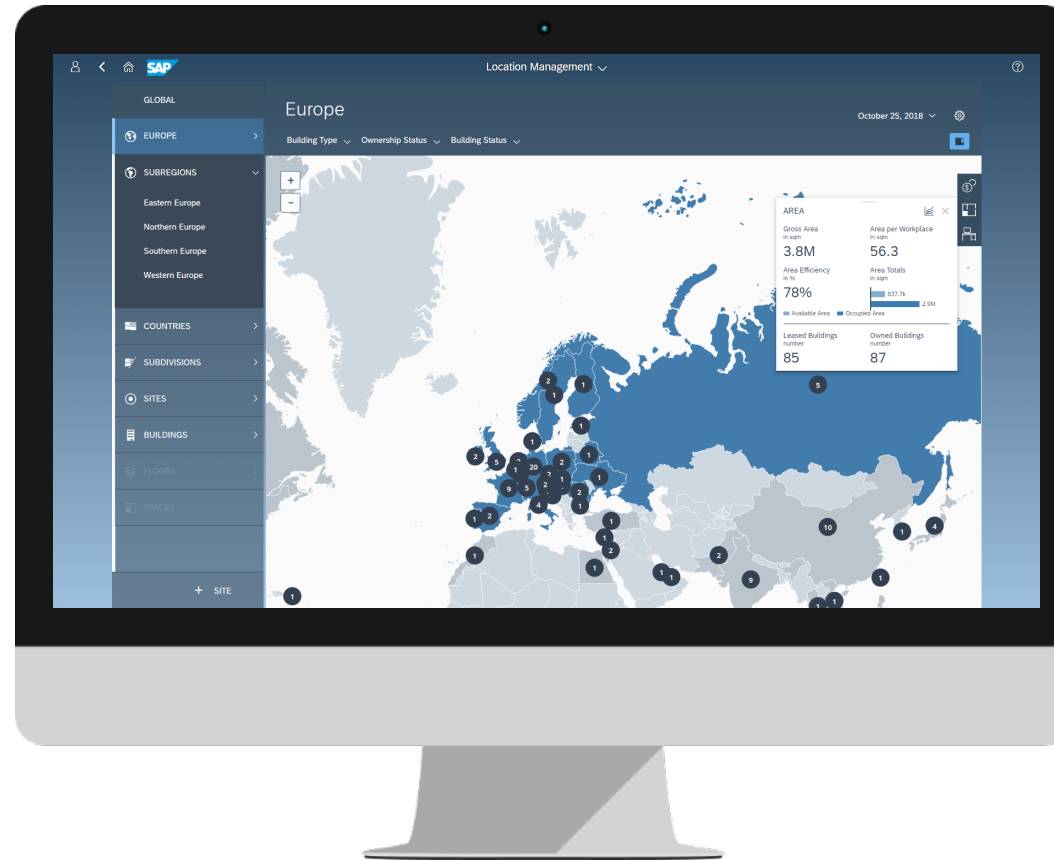
Natively integrated to SAP S/4HANA Cloud & SAP S/4HANA

Location Management

Benefits and capabilities of leveraging your Digital Twin

Benefits

- Easy navigation and insights into multinational property portfolio
- Open, flexible, expandable solution that supports on-trend functionality
- Overview of building and space utilization
- Assessment of operational versus actual financial costs
- Compliance with current local and international standards



Capabilities

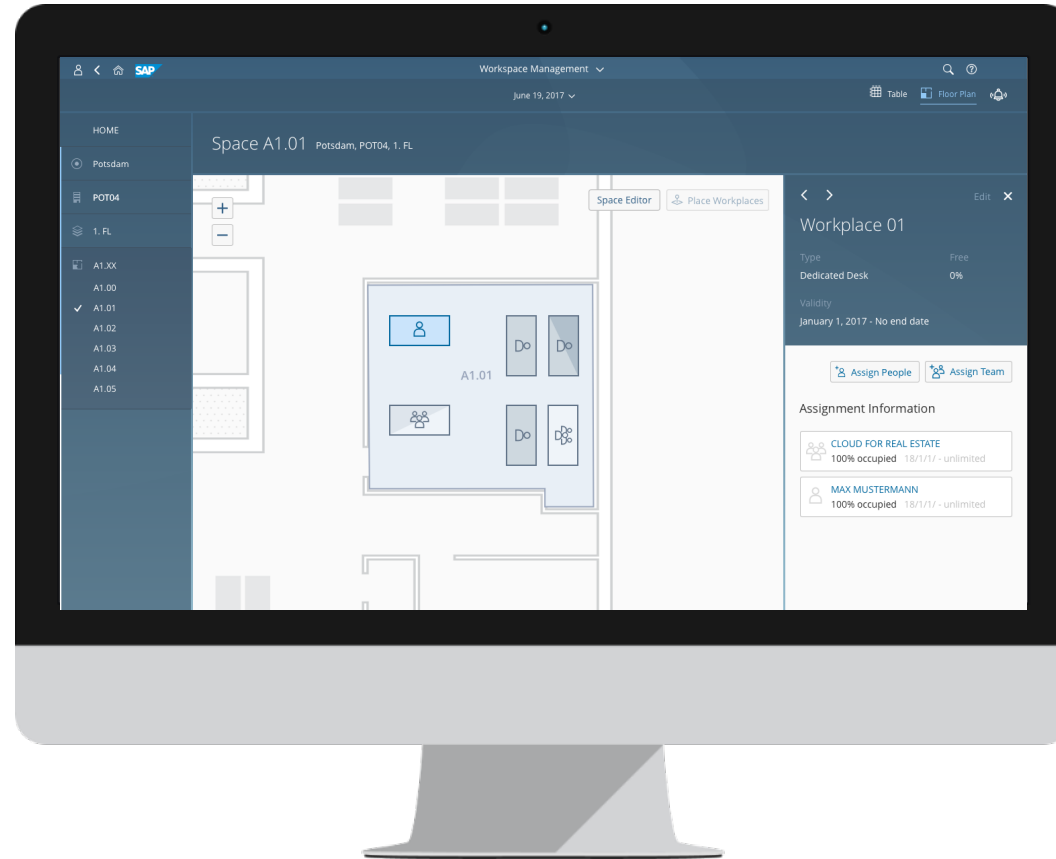
- Fast insights into contextual space information without searching
- Extension with partner applications and technologies like the Internet of Things, virtual reality, and sensors
- Access to capacity, cost data, and space productivity
- Real-time insights into financial performance
- Built on industry standards like IFC or International Property Measurement Standards (IPMS)

Workspace Management

Efficiently assign workplaces to teams and individuals

Benefits

- Set-up floorplans and create workspaces
- Visualize and analyze the occupancy of your workspaces
- Reveal free desks and availability
- Match workspaces with teams or individuals
- Plan and analyze your current team situation
- Align workspace demand with capacity



Capabilities

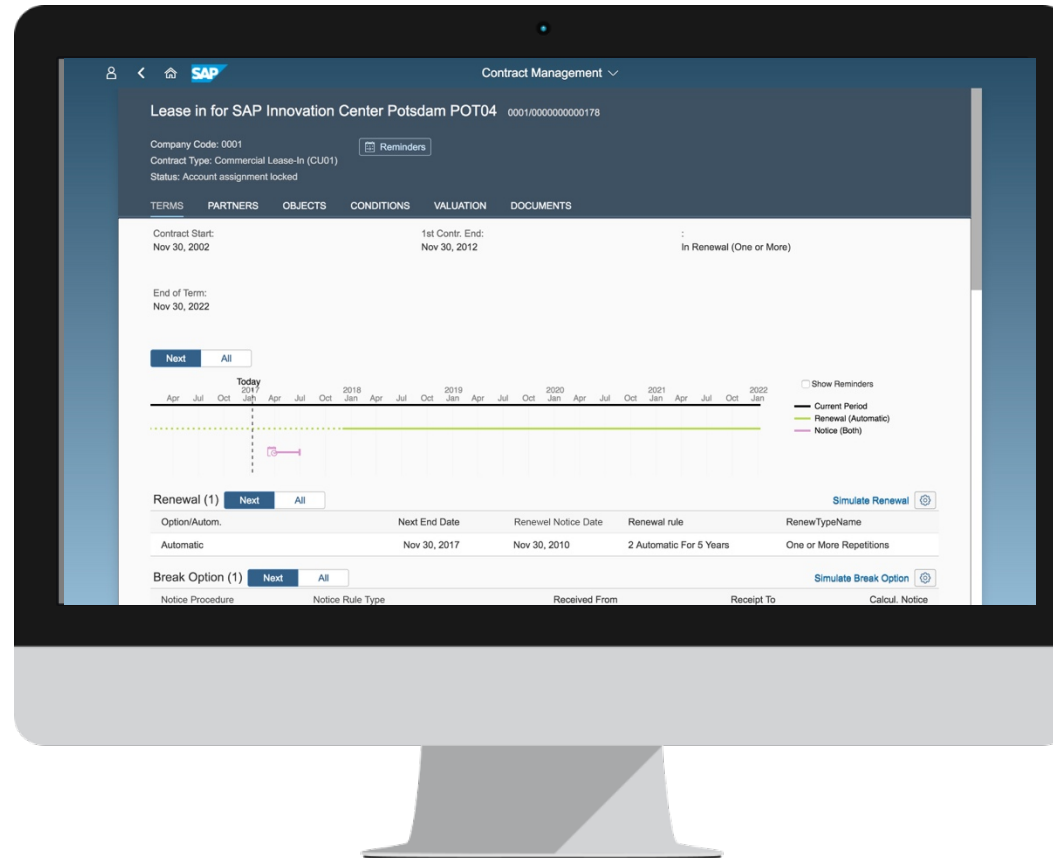
- Assignment teams and individuals
- Connects with your data sources e.g. HR systems and ERP to integrate cost center data
- Basis for occupancy cost allocations
- Create master data by importing floor and CAD plans
- Visual representation of stacking plans within the portfolio
- Georeferenced Geometry for easy reuse in other applications

Contract and Lease Management

Direct integration with SAP Finance to simplify compliance with IFRS16 and ASC 842

Capabilities

- Detailed contract management Solution
- Direct Finance integrated cash flow with tax management and multi-currency functionality
- Support for new leasing regulations with full financial integration
- Integration with SAP S/4HANA to help ensure consistent financial insight
- Integration with Accrual Engine, Cash Management and SAP BI



Benefits

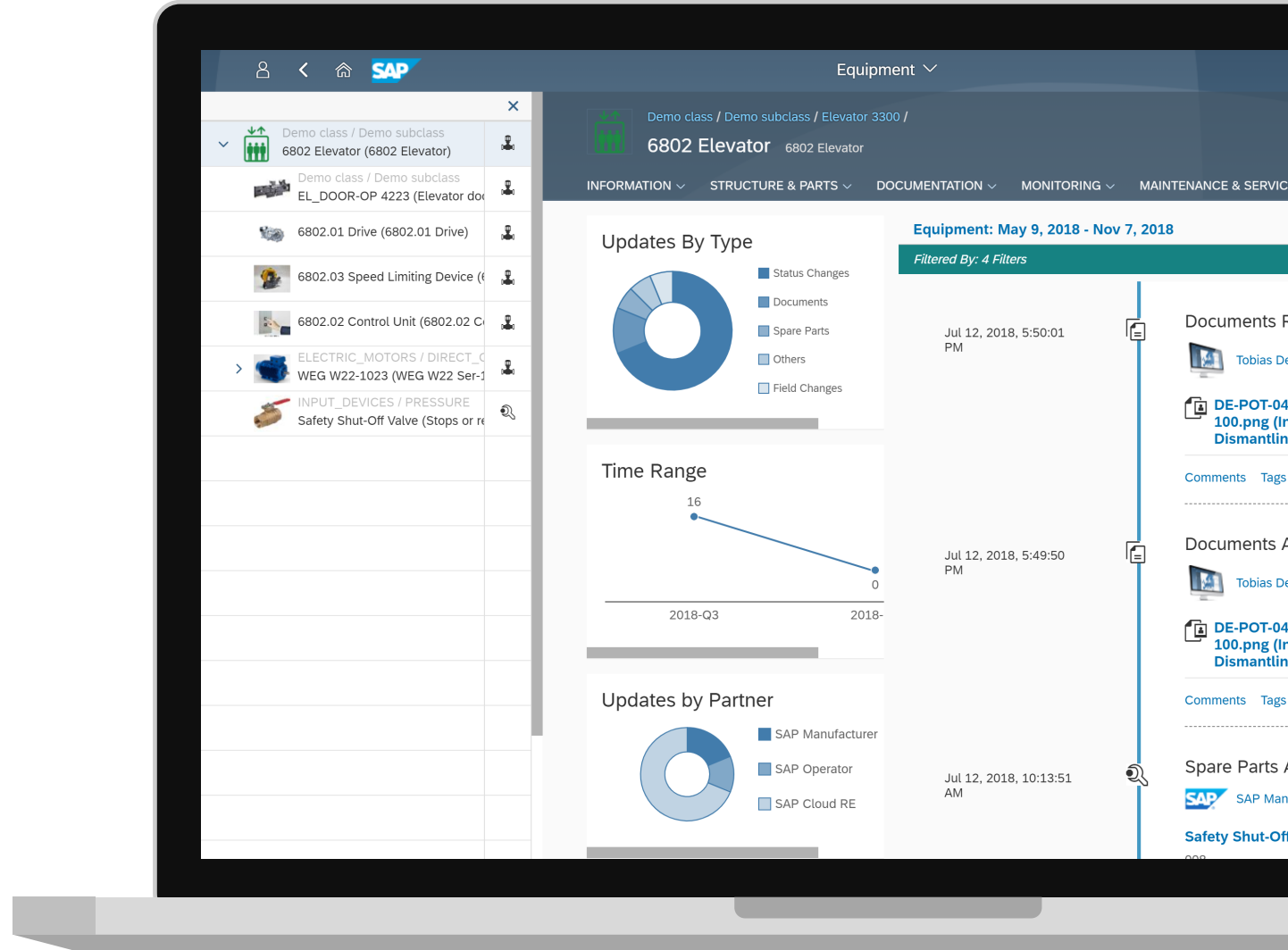
- Easy to use, personalized, and simplified user experience with SAP Fiori
- Open, flexible, and expandable system that supports on-trend functionality
- Flexible, scalable IT infrastructure, and fast, mobile accessibility to Big Data
- Improved user productivity by simplifying day-to-day tasks

SAP Asset Intelligence Network

Seamlessly extend the digital twin to each asset within your buildings

SAP Asset Intelligence Network seamlessly connects to SAP Cloud for Real Estate and allows the extension of the digital twin to each asset within the building

- Powerful business content and analytics
- Introduce a digital twin to represent each physical machine or product along its asset lifecycle
- Standardize equipment management through asset master data and spare-parts information available for update from the network
- Streamline maintenance through access to the latest documents and service bulletins on maintenance strategies
- Designed for manufacturers, operators, EPCs and service providers
- Achieve collaborative design and execution for complex installation or maintenance procedures



Integration with SAP Project Intelligence Network for Construction

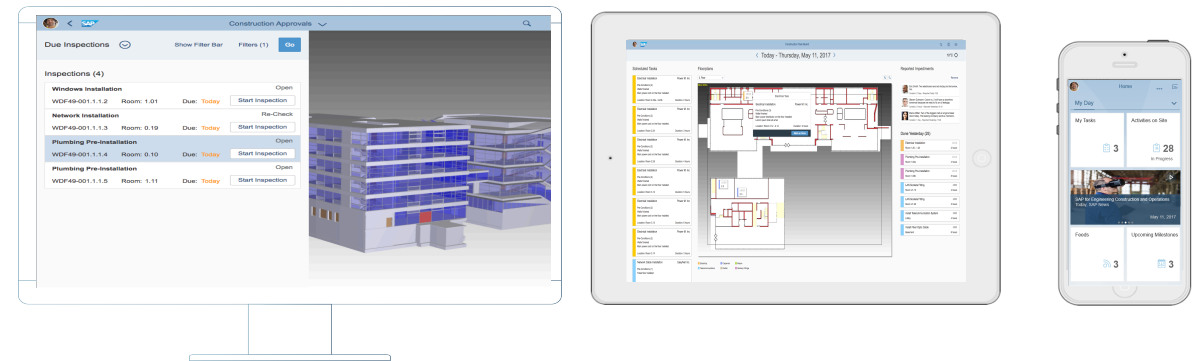
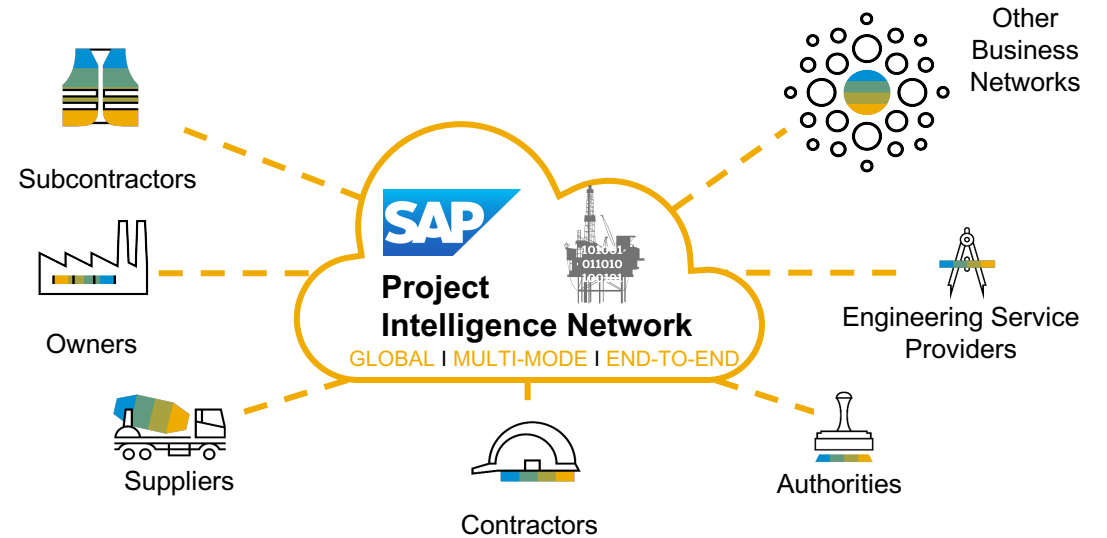
The true digital construction experience

Ease of use

SAP Project Intelligence Network is a cloud-based business network with a consumer-grade user experience, smoothly integrated with SAP Fiori and SAP Fiori Launchpad.

Foundation Capabilities

- ✓ Connects e.g. Clients, Contractors, Subcontractors and Suppliers in a cloud based collaborative platform to jointly work together in construction projects & capital projects in the design, plan and build phase.
- ✓ Utilize network approach to enable E2E direct integration scenarios into SAP solutions and non SAP applications (by partners).
- ✓ Share, submit and collect documents and models within an intercompany environment.
- ✓ Provide one common intercompany Virtual Object Model (Digital Twin in plan and build phase)
- ✓ Manage tasks, deliverables, issues and related RFI & submittal processes across company boundaries to track the progress of joint activities. Integrate with our PS/CPM/ PPM offerings and 3rd party.
- ✓ Controlled and standardize exchange of information between the participants/applications utilizing standards (e.g. ISO 16739 & 15926)



Workspace Management

Efficiently manage different types of workspaces

Workspace types

Dedicated desk space

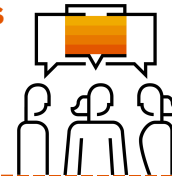


Shared/ flex desk space



Meeting rooms and other spaces

Internal/ external meeting rooms



Other areas



Workspace Management

Floor insights: desk utilization and desk occupancy

Easy navigation

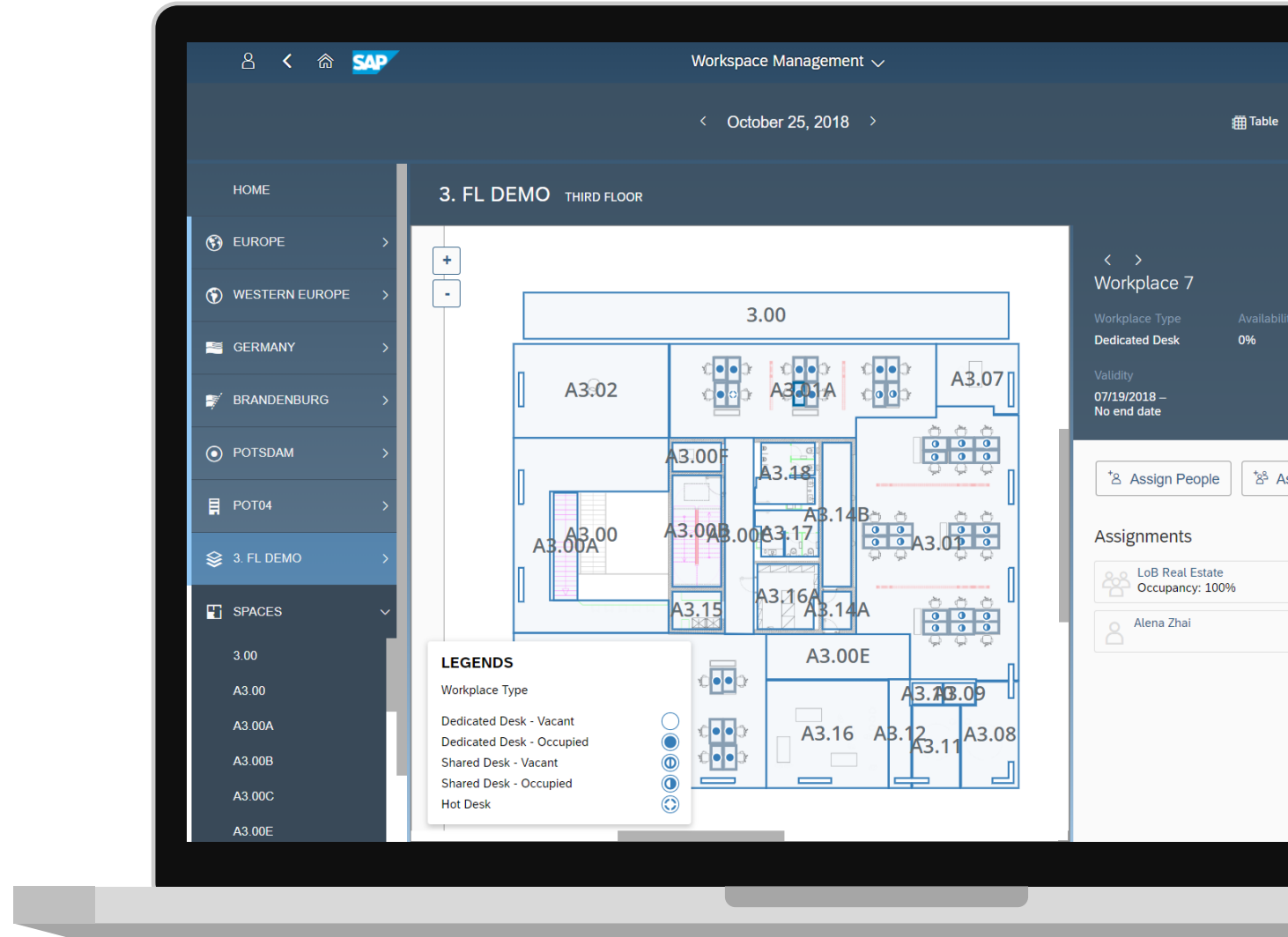
- Region, country, and state subdivision hierarchy on side panel
- Buildings
- Floor and spaces

Desk occupancy & availability

- Get insights if desk is assigned to team, person
- Type of desk: dedicated, flex desk or hot desk
- Create workspaces for each office

Assign people to desks

- Manage assignments of teams and individuals
- Manage time dependencies of assignments
- Who sits on which desk



Workspace Utilization Analytics Example

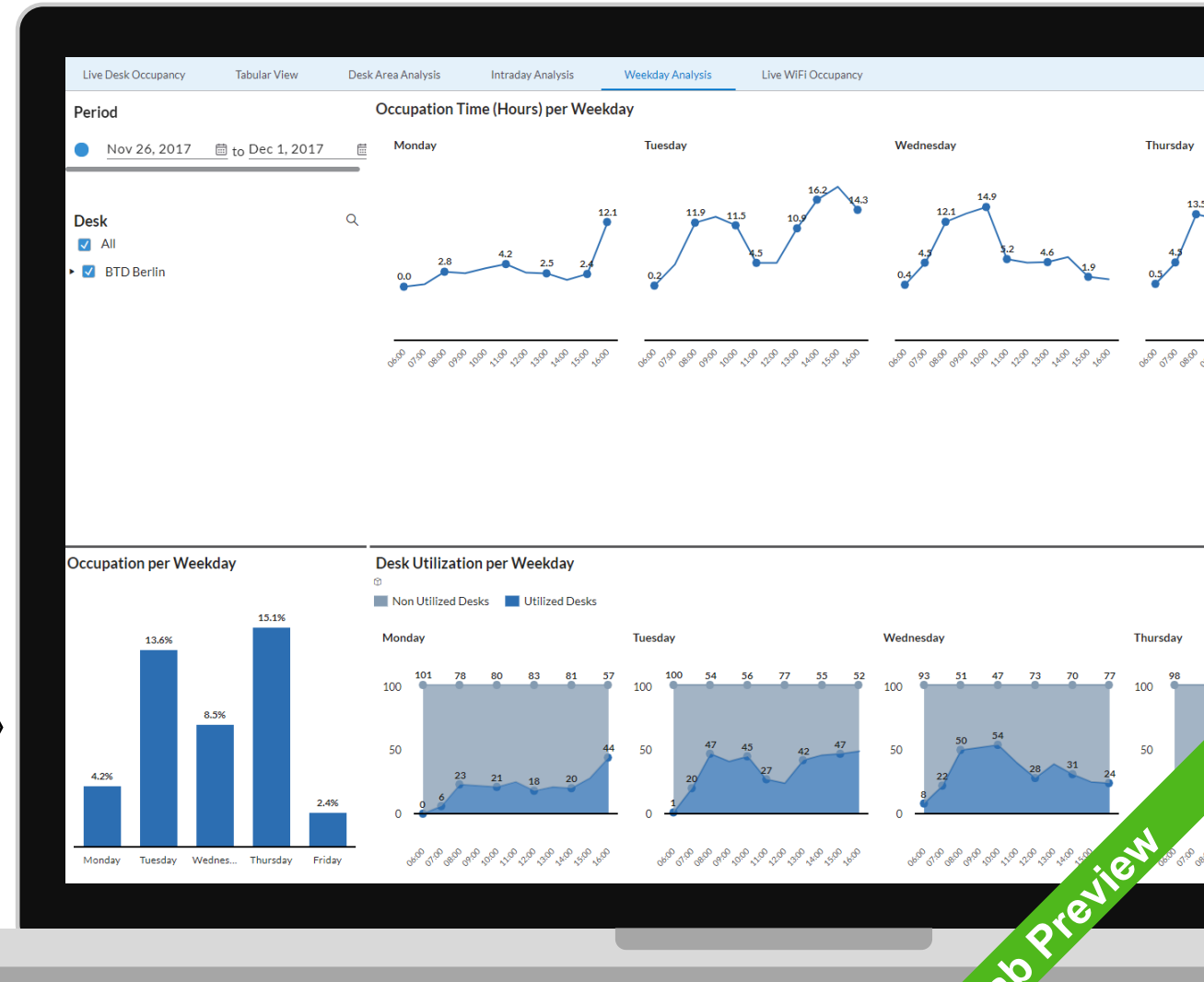
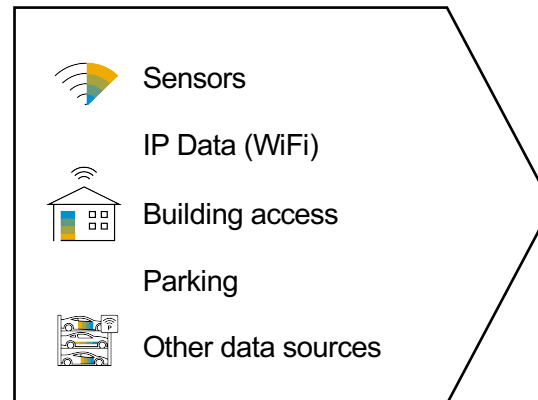
Analyze space utilization

Data-Driven Insights

- Gain continuous insights of how office spaces are really utilized and plan your workspaces effectively
- Start activity-based workspace planning based on facts
- Maximize office space utilization & minimize real estate expenses

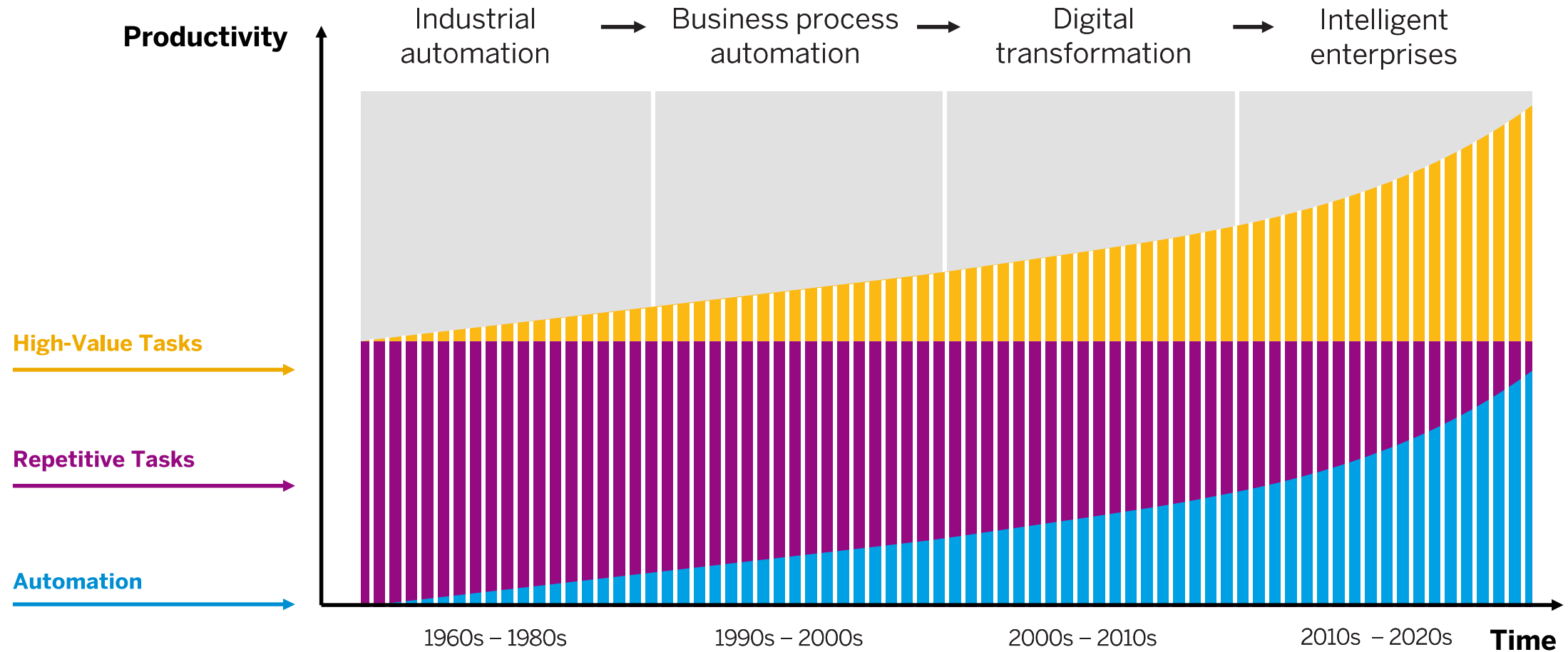
Integration

- Leverage already installed hardware
- Seamless data integration through APIs
- Support by major sensor vendors

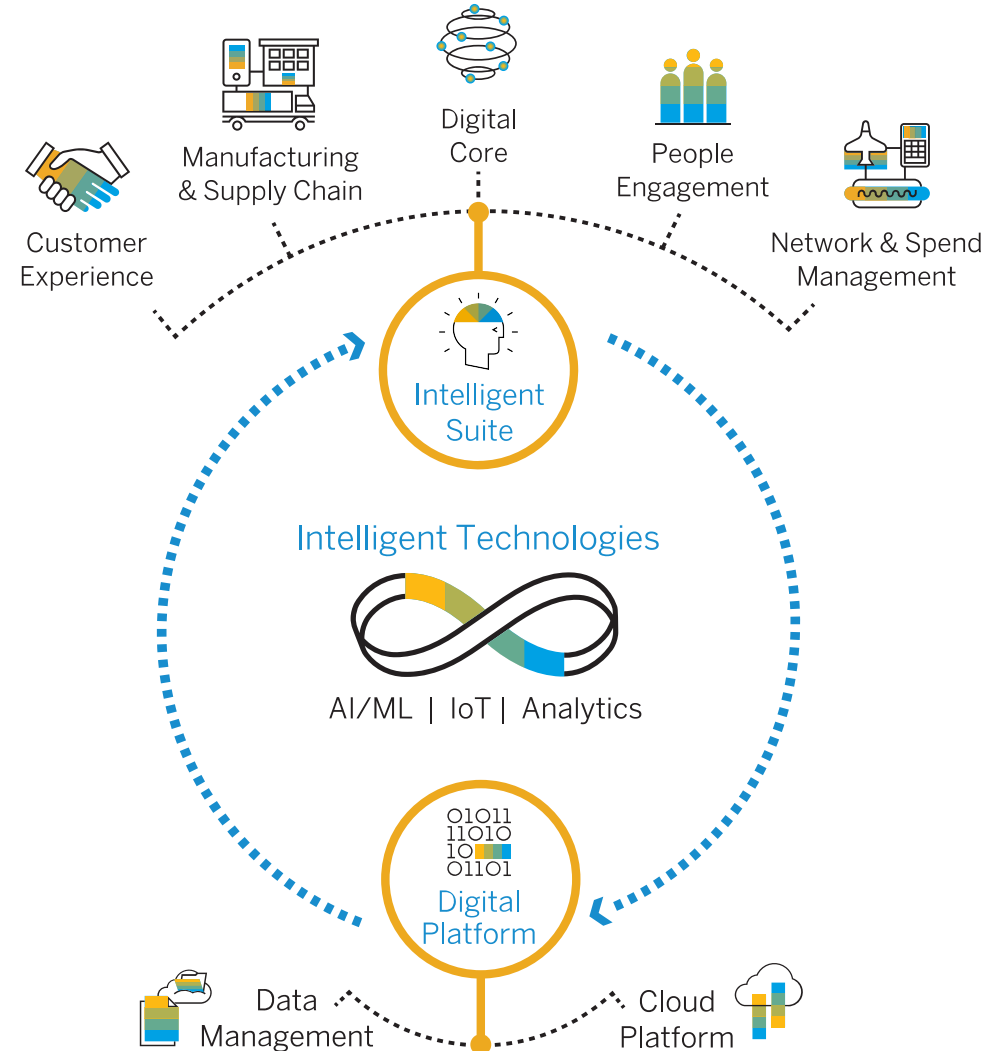


Lab Preview

Intelligent enterprises elevate employees to focus on higher-value tasks



Integration is Key to Deliver the Intelligent Enterprise



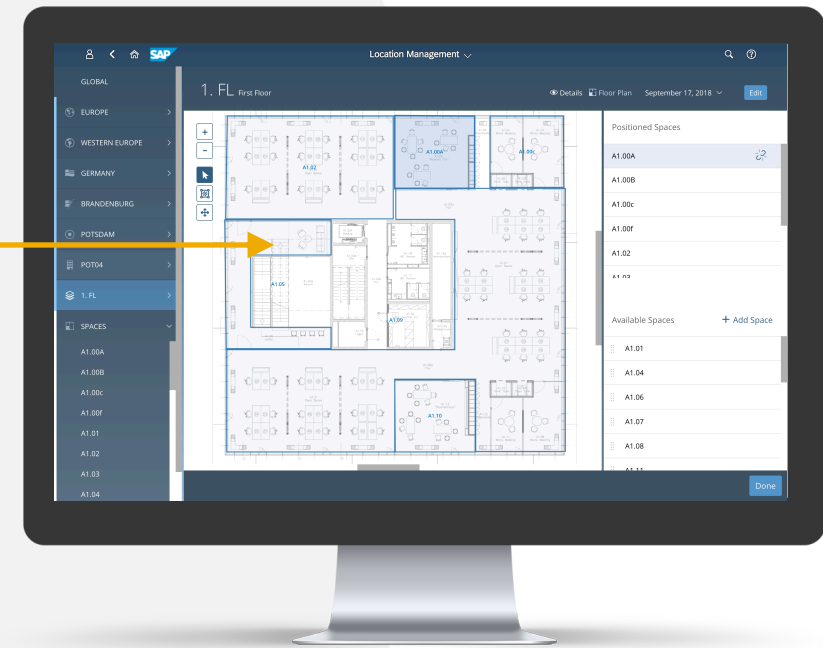
Innovations in CREM



Use ML for Automated Generation of Floorplans

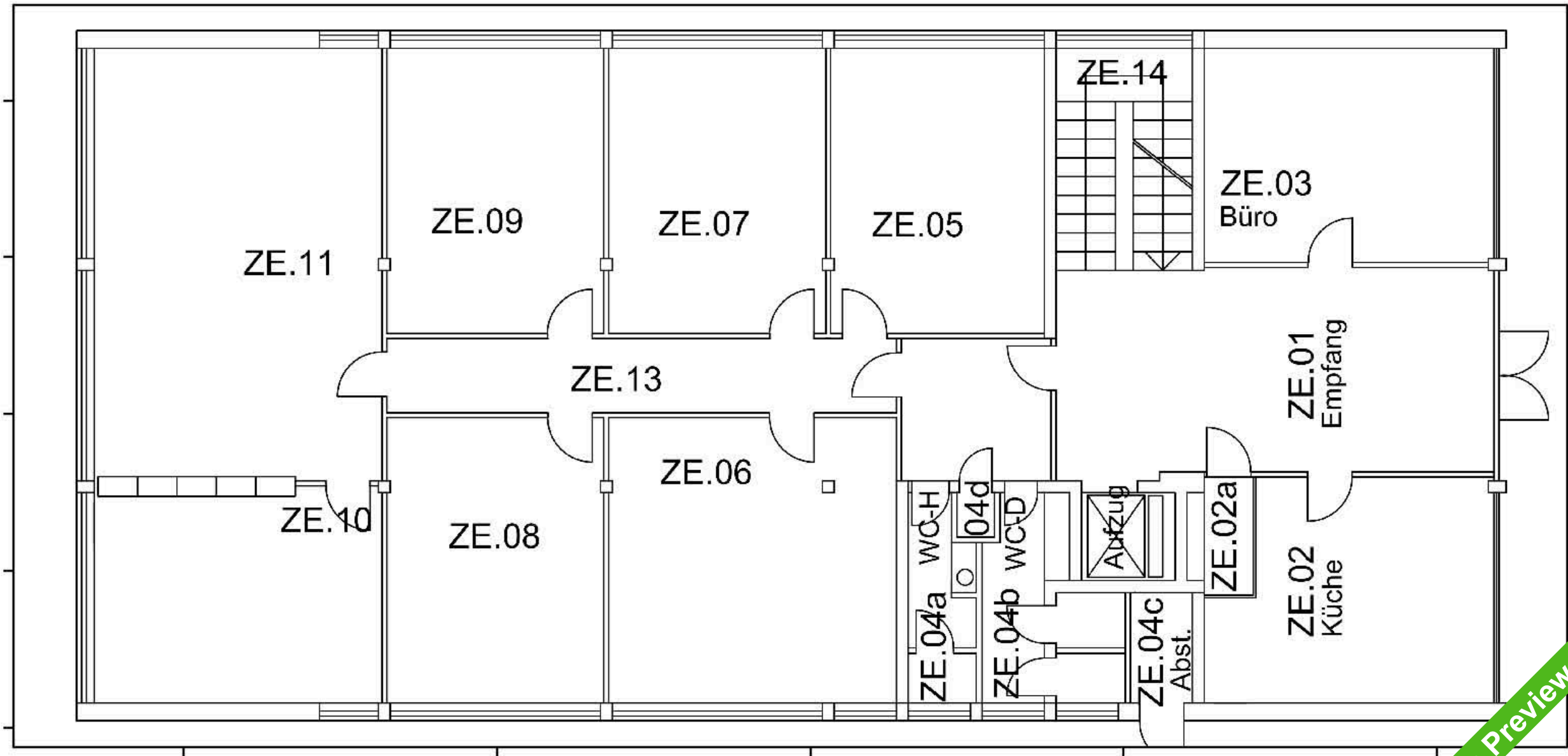


Generation of georeferenced polygons on the basis of **Machine Learning**

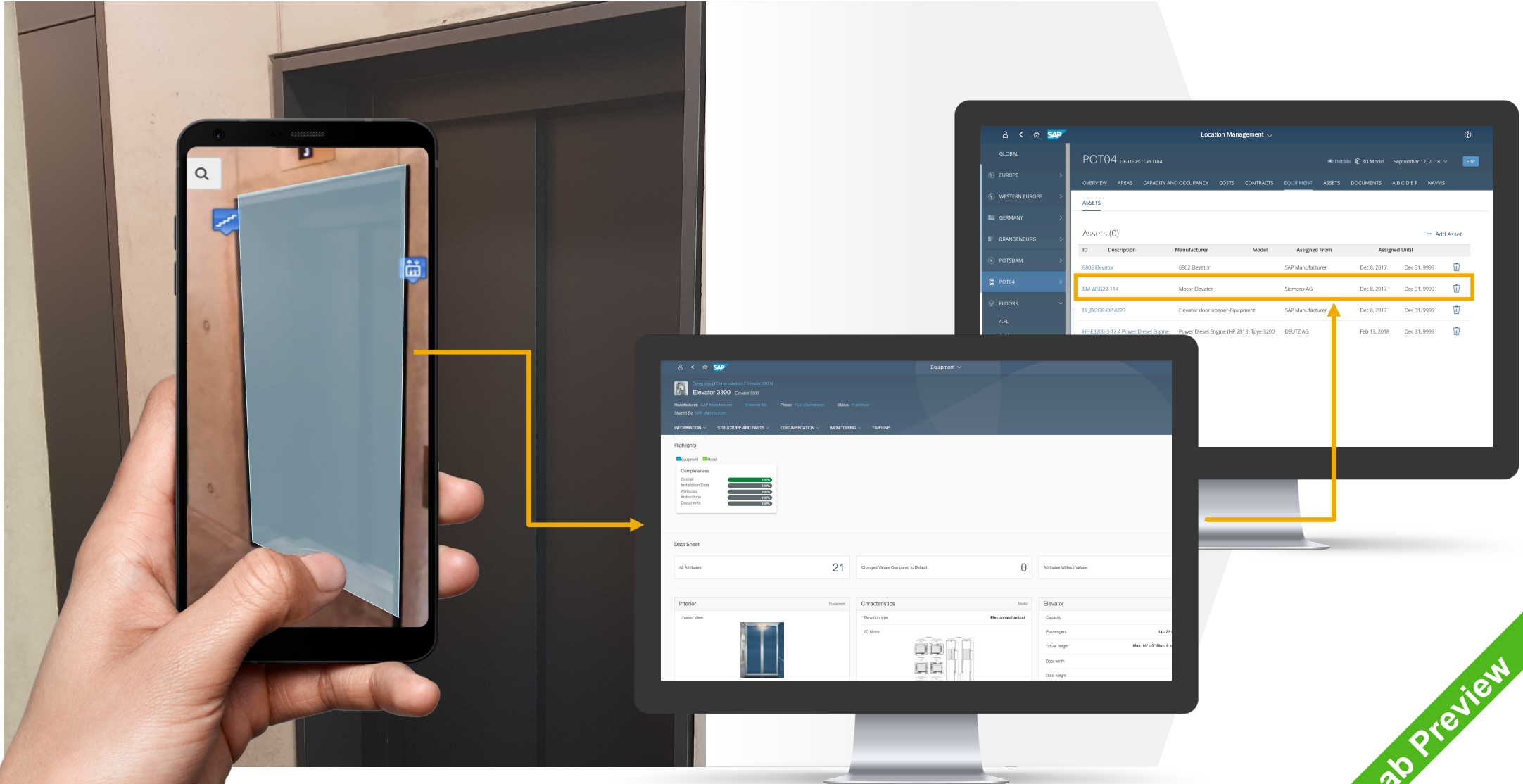


Lab Preview

Junction detection



Object Recognition and Connection to the SAP Asset Intelligence Network



Lab Preview

Object Recognition and Connection to the SAP Asset Intelligence Network



The image illustrates the process of object recognition and connection to the SAP Asset Intelligence Network. On the left, a 3D model of an elevator shaft is shown with several yellow icons overlaid: a lightbulb, a gear, a document, and a storage cabinet. These icons represent different types of objects or data points. On the right, two SAP Asset Intelligence Network (AIN) screenshots are displayed. The top screenshot shows a list of assets, with one asset highlighted in orange. The bottom screenshot shows a detailed view of an elevator asset, with a yellow arrow pointing from the lightbulb icon in the 3D model to the 'Highlights' section of the asset details. Another yellow arrow points from the gear icon to the 'Data Sheet' section, and a third points from the document icon to the 'Interior' section. A fourth yellow arrow points from the storage cabinet icon to the 'Elevator' section. The SAP screenshots show the following data:

SAP Asset Intelligence Network - Location Management

ID	Description	Manufacturer	Model	Assigned From	Assigned Until
6802 Elevator	6802 Elevator	SAP Manufacturer		Dec 8, 2017	Dec 31, 9999
11M WEG22-114	Motor Elevator	Siemens AG		Dec 8, 2017	Dec 31, 9999
EL_DOOR_OP-4223	Elevator door opener-Equipment	SAP Manufacturer		Dec 8, 2017	Dec 31, 9999
HE-E3200-3-17.4 Power Diesel Engine	Power Diesel Engine (HP 2013) Type 3200	DEUTZ AG		Feb 13, 2018	Dec 31, 9999

SAP Asset Intelligence Network - Equipment

Elevator 3300

Manufacturer: SAP Manufacturer | Status: Published

Information | Structure and Parts | Documentation | Monitoring | Timeline

Highlights

- Equipment: 100%
- Model: 100%
- Completeness: 100%
- Overall: 100%
- Installation Date: 100%
- Attributes: 100%
- Installations: 100%
- Documents: 100%

Data Sheet

All Attributes: 21 | Changed Values Compared to Default: 0 | Attributes Without Values: 0

Interior

Interior View:

Characteristics

Elevation type: Electromechanical

Elevator

Capacity: 14 - 25

Passengers: Max. 9' 9" Max. 9' 9"

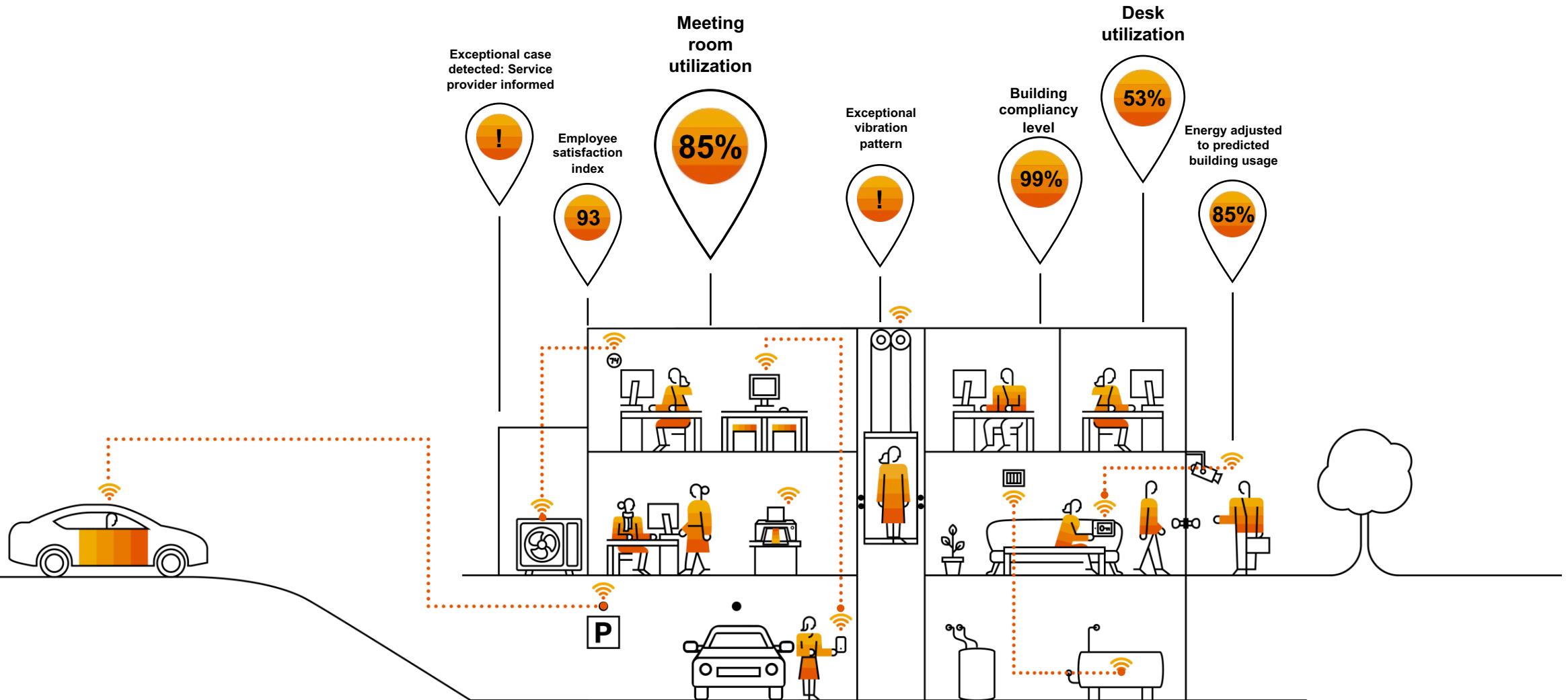
Travel height: Max. 9' 9" Max. 9' 9"

Door width: Max. 9' 9" Max. 9' 9"

Door height: Max. 9' 9" Max. 9' 9"

Digital Evolution in Real Estate Management

Intelligently connecting People, Buildings and Businesses



Intelligent Technologies: SAP Leonardo everywhere

Core Applications SAP Leonardo embedded

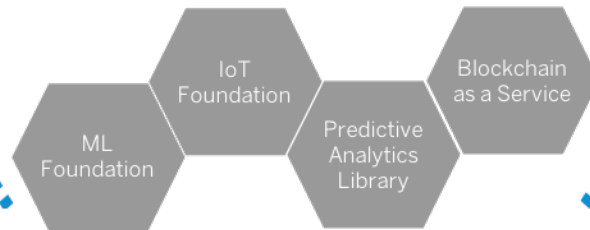


Applications that deliver **intelligence within core business process** (such as intelligent ERP, intelligent HR)

SAP Leonardo



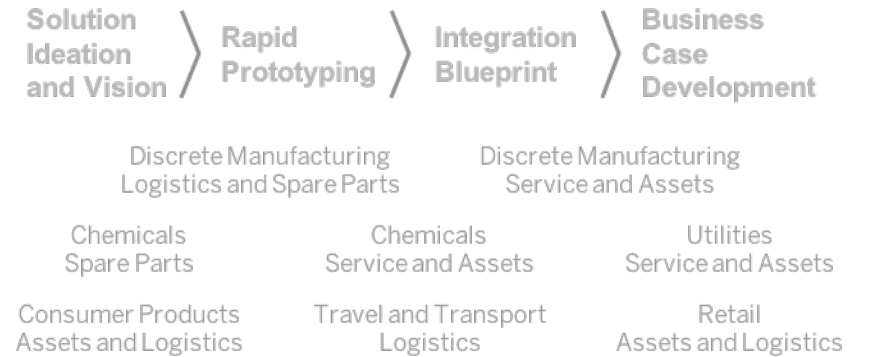
AI/ML | IoT | Analytics | SAP Digital Boardroom



A **toolbox of intelligent technologies** (IoT, AI/ML, and analytics), microservices, and data management tools that will be available over SAP Cloud Platform to deliver intelligence out of the box as well as through co-innovation

Universal analytics and SAP Digital Boardroom solution connecting the enterprise for the CXO

Industry Innovation Kits Industry-led SAP Design Thinking Methodology



Innovation services combining design-thinking and industry accelerators to help ensure customers derive value from innovative new technologies quickly and with reduced risk

Embedded Real Estate Analytics

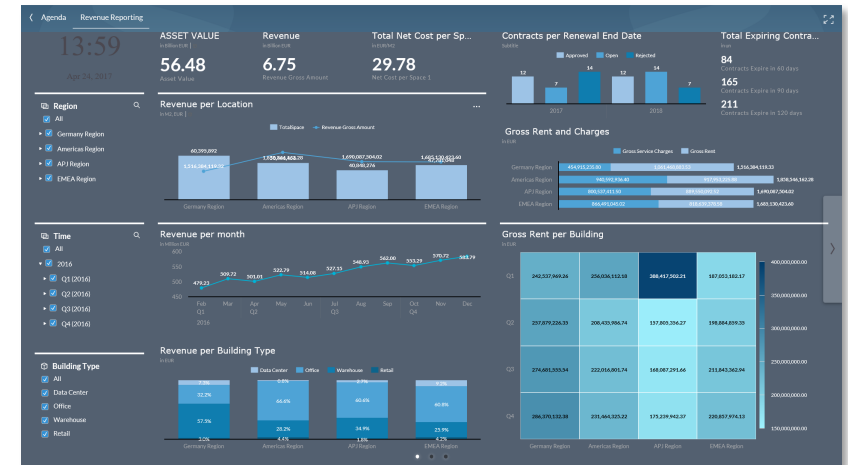
Unleash the power of data driven facility management

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



Tactical
Historical
Gut decisions
Data

Strategic
Predictive
Data based decisions
Insights



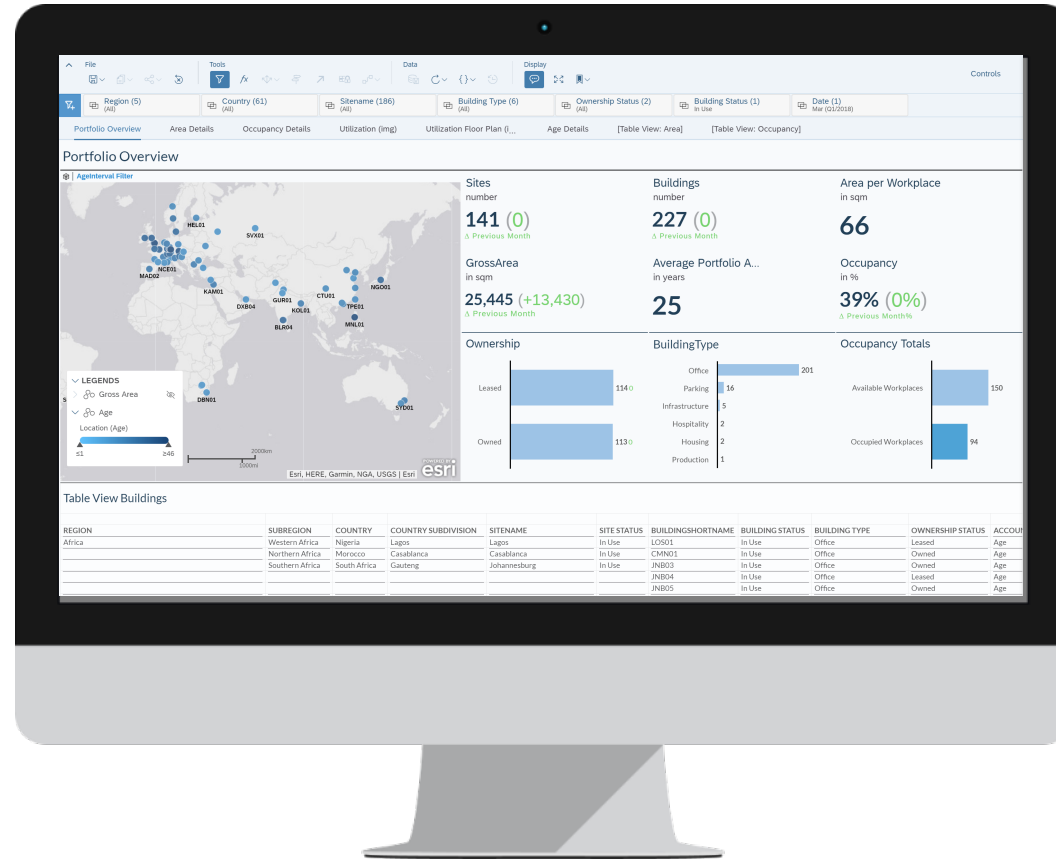
Source: The Facility Manager's Guide to Information Technology, GEFMA/IFMA

Embedded Real Estate Analytics

Leveraging the Digital Twin for data driven insights

Benefits

- Easily view and understand the overall building portfolio
- Analyze area efficiency and available space types
- Optimize workspace Occupancy through assignment of space to teams and individuals



Capabilities

- Geographical view
- Filters by ownership, type, status
- Variances to previous period
- Alternative view in a table
- Extendable with other SAC content

Embedded Real Estate Analytics

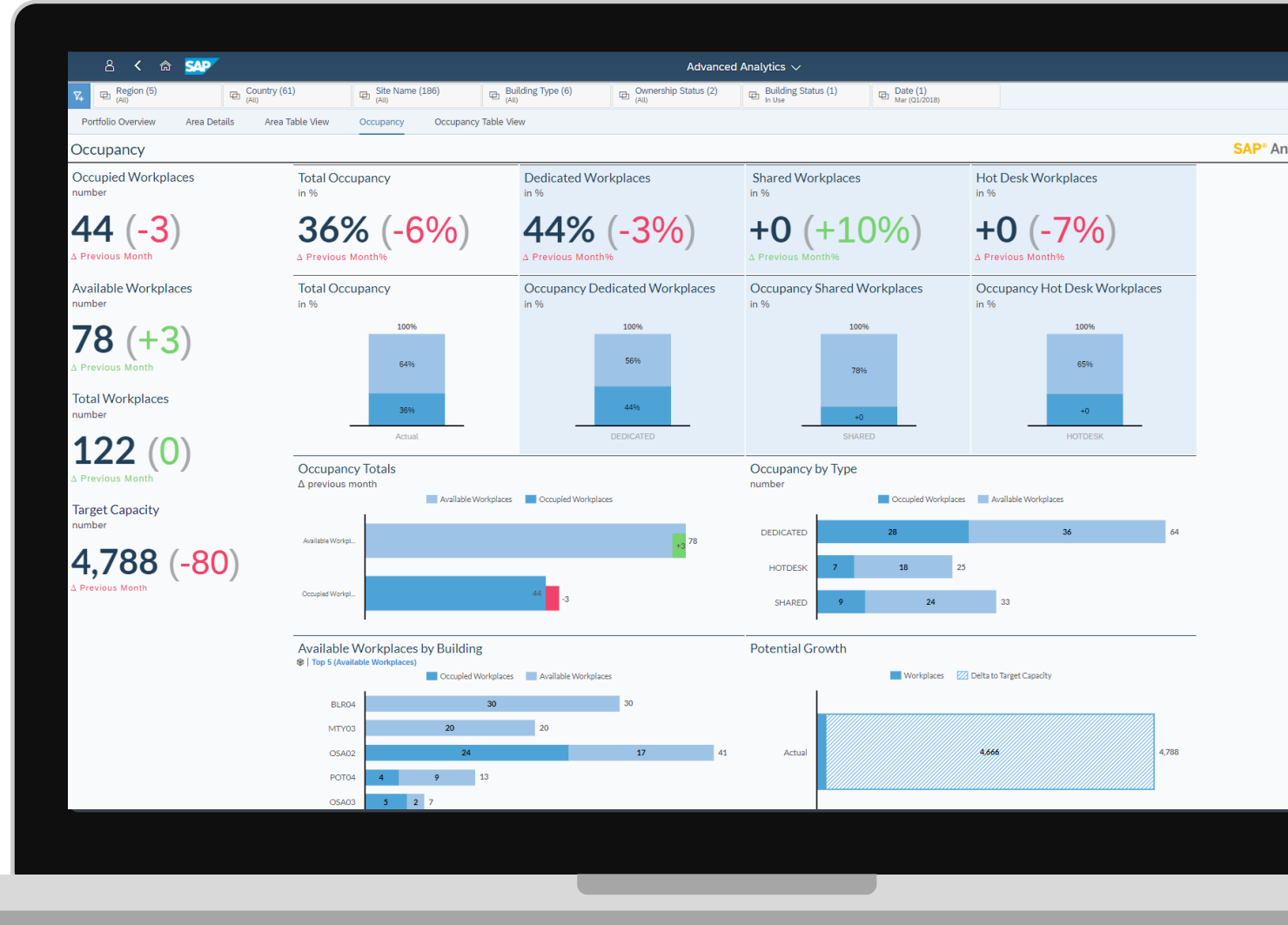
Helping corporate real estate organizations track workspace utilization to right size the portfolio

Occupancy Details

Analyze and manage workspace utilization and compare different workspace types as well as benchmark different locations.

Compare target capacities, trends and changes to support decision making and aid in developing appropriate location strategies.

Ability to accurately report to business units available spaces in different locations and detailed reporting about occupancy levels.



Roadmap

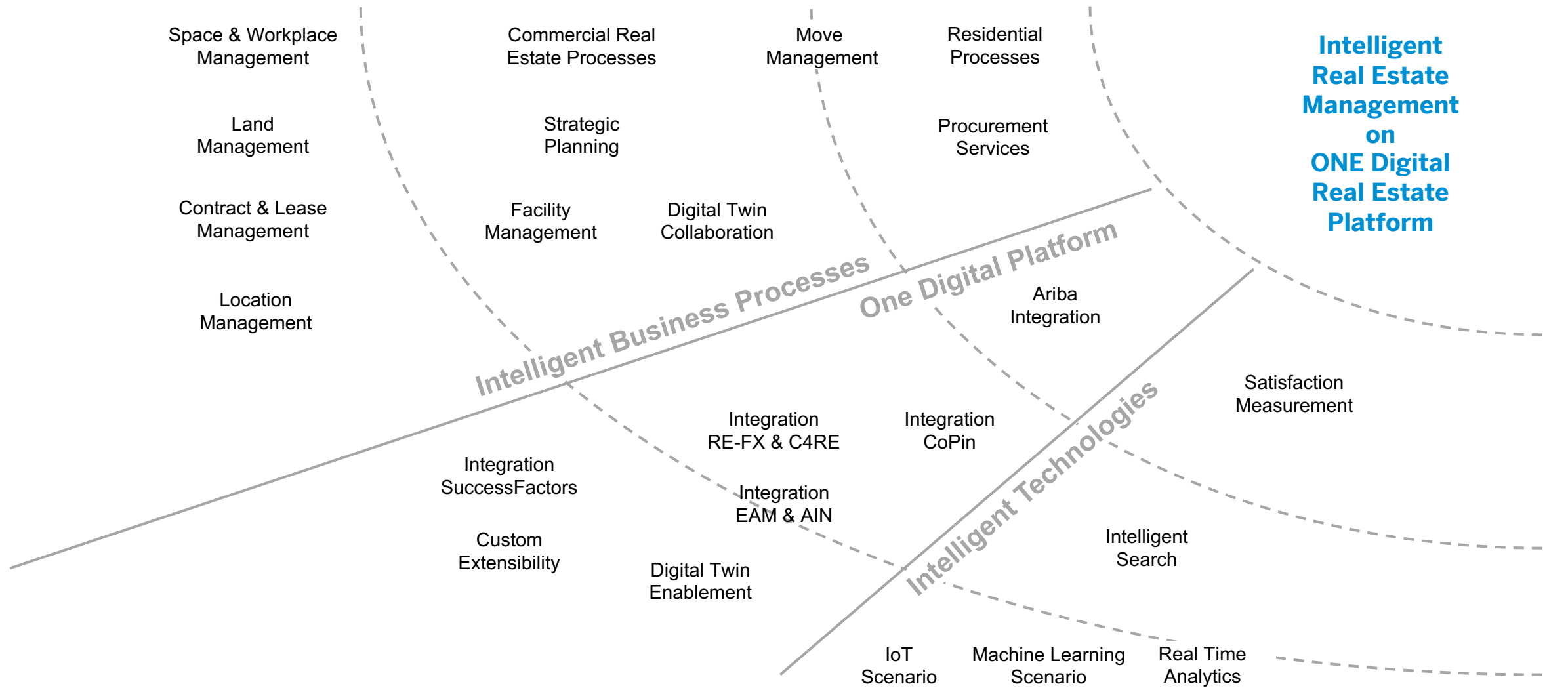


SAP Real Estate Management Roadmap

2019

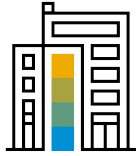
2020

2021



Intelligently connecting People, Buildings and Business

Innovate your business with the help of the Digital Twin



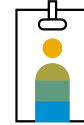
UTILIZATION

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.



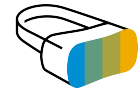
EMPLOYEE PRODUCTIVITY

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.

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



reddot award 2017
winner interface design

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

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



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



Thank you.

Marco Hofmann

Head of LoB Real Estate

SAP, Dietmar-Hopp-Allee 15a, 69190 Walldorf

M +49 160 3603 043

marco.hofmann@sap.com

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Q&A

For questions after this session,
contact us at marco.hofmann@sap.com

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