

SAP Solution Brief | EXTERNAL

SAP Real Estate Management | SAP Cloud for Real Estate

Rethinking Corporate Real Estate Management

SAP Cloud for Real Estate

THE BEST RUN





The Need to **Intelligently Connect** People, Buildings, and Businesses

Real estate is historically considered a fixed cost item on the balance sheet. But in fact, intelligent real estate management provides opportunities to reduce occupancy expense and positively impact employee experience. The experience factor plays a crucial role for companies today, as workspace experience is a major contributor to employee productivity, job satisfaction and influences talent attraction as well as retention.

Leading corporate real estate management organizations intelligently connect people, buildings and businesses:

The Need to Intelligently Connect People, Buildings, and Businesses



People: Understand the needs of customers and employees to provide spaces that enable productivity and wellbeing



Buildings: Integrate the Digital Twin into business processes and foster collaboration with the help of data and insights



Business processes: Enable the intelligent enterprise through automation of repetitive tasks and streamlined processes



Digitized Buildings for Smarter Real Estate Management

Over the past two decades, business processes have evolved. Organizations have found that with the right software, they can significantly improve profitability and business operations. This especially applies to managing real estate facilities and expenses, where software can lead to increased savings.

To support growing technological and digital trends and address current challenges in real estate, SAP has created SAP Cloud for Real Estate, a strategic financial cloud application that provides centralized information about an organization's corporate real estate portfolio.

SAP Cloud for Real Estate enables real estate professionals to manage occupancy, utilization, associated costs and impact employee productivity based on real-time information such as:

- Understand actual office space utilization which drives portfolio decisions like assigning or re-arranging spaces
- Consolidate real estate information and connect facility performance management systems
- Perform advanced reporting and analytics in real time to efficiently manage overall portfolio
- Incorporate sensors into business processes or leverage innovative technologies like machine learning to accelerate processes and identify trends
- Ensure the space meets the needs of employees and measures occupant satisfaction

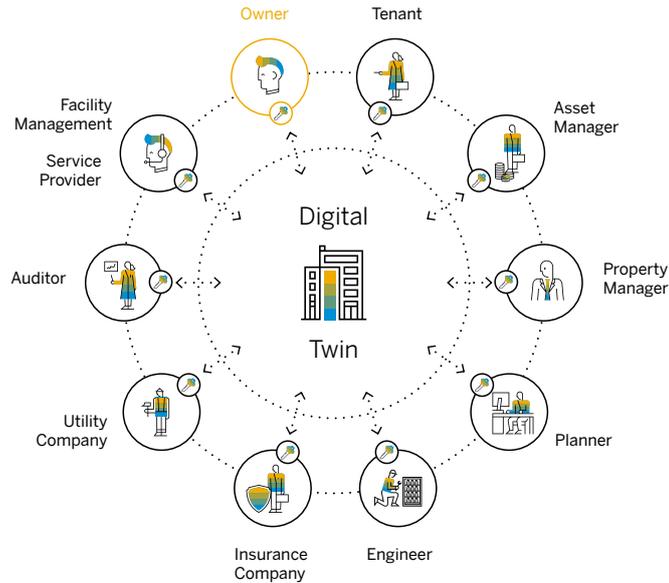
Digitized Buildings for Smarter Real Estate Management

A Modular and Open Platform to Increase Real Estate Performance

Optimize your Portfolio and Employee Productivity



SAP Cloud for Real Estate utilizes the latest visualization technology to create a digital representation of a building which can be shared with other operating systems via APIs. This supports a true Digital Twin of the building, a single version of truth.



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This digitized building combined with location metrics, mapping information and key performance indicators increases workforce and building productivity. Having a digital representation of the corporate real estate portfolio enables occupancy planning with assignment of teams and individuals to workspaces, as well as respective utilization tracking.

This opens new opportunities for corporate real estate professionals to make data driven decisions regarding workspaces, employee experience in those workspaces and ultimately drives strategic portfolio decisions.



With digitalization driving Big Data, there is **growing pressure** to produce and consume more analytics, reports, and information faster and easier than ever before.

Facility managers and lease administrators can also manage their lease agreements within SAP Cloud for Real Estate, with all payment and valuation postings being recorded in real time within SAP S/4HANA. This IFRS 16-compliant solution assists CFOs and corporate real estate managers in answering key questions regarding space utilization, facility costs, portfolio composition, and partner collaboration – supporting the retirement of those spreadsheets.

Digitized Buildings for Smarter Real Estate Management

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A Modular and Open Platform to Increase Real Estate Performance

SAP Cloud for Real Estate contains four components: Location Management, Workspace Management, Contract & Lease Management and Embedded Real Estate Analytics.

Location Management

Location Management tracks and manages the Digital Twin, i.e. the digital representation of a building, as well as the major mechanical systems of the building.

This open, flexible, and expandable system equips corporate real estate and location managers with:

- Easy navigation and insight into multi-national property portfolios
 - Overview of buildings and space availability
 - Assessment of operational versus actual financial costs
 - Compliance with current local and international standards
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Workspace Management

Workspace Management helps organizations to efficiently manage space occupancy by visually assigning teams or individuals. Occupancy planning can be supported by IoT sensor-based workspace utilization transparency. The visualization of the floorplan allows easy navigation and assignment of resources.

It also enables the user to:

- Set up floorplans, create workspaces and assign teams and individuals
 - Visualize and analyze the occupancy of workspaces
 - Align workspace demand with capacity
 - Connect data sources, e.g. HR systems and ERP to integrate cost center data
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Contract & Lease Management

Contract & Lease Management offers improved contract performance with real-time lease reporting and analytics. Its simplified view makes it easier to navigate to the most relevant lease components such as key contract dates, renewals, notice dates, and options. The system supports the IFRS 16 and ASC 842 lease accounting standards.

Lease administration tasks are reduced, making it more efficient to:

- Evaluate lease performance
 - Gain quick access to contract and attachments
 - Perform contract simulations for renewals and break options
 - Access cost data associated with each contract
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Embedded Real Estate Analytics

Embedded real estate analytics enables data driven facility management. This is the use of data and data analysis as the basis for decision making in the operations of facilities. It helps organizations to make insightful, data driven strategic decisions. Instead of focusing on historical results, managers can adopt predictive processes.

The embedded real estate analytics within SAP Cloud for Real Estate provides:

- Simple access to detailed information for most critical key performance indicators
 - Efficient analysis of portfolio operating performance
 - Detailed information on financial performance, utilization and location metrics based on the digital representation of the building
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Optimize your Portfolio and **Employee Productivity**

SAP Cloud for Real Estate provides an opportunity for organizations to have one connected solution for all its corporate real estate requirements. Due to its cloud environment, the solution is easy to use and is quickly implemented with updates being continuously installed without intensive IT efforts or downtime.

The solution offers the ideal state of corporate real estate management through:

- Compliance with the latest IFRS and US-GAAP leasing standards

- Simplified user interface, making it easy for users to access critical information about corporate building portfolios
- Reduced vacant and redundant space within the portfolio, allowing teams to right size the real estate portfolio for the business
- Connection to the powerful SAP S/4HANA platform for quick, seamless integration of internal and external data, such as HR, finance and third-party applications
- SAP Cloud Platform which supports partners in building add-ons and connecting existing solutions

Digitized Buildings for Smarter Real Estate Management

A Modular and Open Platform to Increase Real Estate Performance

Optimize your Portfolio and Employee Productivity



Get real-time occupancy planning, workspace utilization transparency, lease data, and financial analytics for **on-the-spot answers** that help you optimize your portfolio.



Summary

SAP Cloud for Real Estate gives you the insight you need to expertly manage your enterprise real estate operations with the latest visualization technology to create a Digital Twin of a building. Combined with location metrics, mapping information, and key performance indicators, the solution helps increase workforce and building productivity.

Scope

SAP Cloud for Real Estate has four components:

- **Location Management** provides the Digital Twin with information about the real estate portfolio, as well as building details like structure and measurements
- **Workspace Management** helps companies to efficiently manage space occupancy and utilization by assigning teams or individuals
- **Contract & Lease Management** helps companies comply with IFRS 16/US-GAAP leasing requirements and efficiently manage commercial processes of the building
- **Embedded Real Estate Analytics** enables data-driven facility management for each location in the real estate portfolio

Key Benefits

- Improve workspace utilization by tracking occupancy, managing lease data, and analyzing financial performance in real-time
- Enable data-driven corporate real estate decisions and strategic portfolio planning by bringing together building, financial, HR, occupancy, utilization and workspace experience data
- Compliant leasing solution to meet IFRS 16 lease accounting standards
- Out of the box integration with SAP S/4HANA
- Supporting partners to build add-ons and connect with existing solutions
- Award-winning application with graphics & visualization for easy navigation

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