The Intelligent Enterprise for Real Estate Companies

Meeting Dynamic Challenges with Strategies and Technologies That Support the Digital Future

THE BEST RUN **SAP**

An Industry Ripe
for Change

Today's real estate companies are pressured to explore creative ways to unlock new revenue streams and more effectively handle facility management costs. The following trends are creating the greatest changes in the history of real estate.

A mindset shift toward open collaboration to manage tremendous growth and the associated complexity – It's estimated that three-quarters of buildings that will exist in 2050 have not yet been built.[1] This exponential growth brings great complexity. Bigger, taller, greener, and more technologically advanced infrastructure and buildings place real estate companies under constant scrutiny to develop and operate more sustainable and lasting communities, efficiently.

Micro building performance optimization in addition to macro portfolio management – Facilities are one of the major cost drivers for Fortune 500 companies. Addressing and optimizing this cost at a micro level, by combining financial and operational perspectives to enable complete visibility, will allow real estate companies to proactively and efficiently influence the future.

A move toward full customization of services to provide delightful customer experiences instead of providing the same service for all – Some of the key actions taken by industry leaders in recent years include efforts to diversify revenue sources, pursue digital strategies, and focus on the tenant experience. The COVID-19 crisis has accelerated the urgency to digitalize in these areas. Facing an inability for tenants to pay leases, landlords are moving from a portfolio-based decision-making model to one where they make individual tenant-based decisions with agility, which helps them provide distinctive tenant and customer experiences. Huge volumes of data are now available. To avoid a one-action-fits-all approach, companies must be able to make sense of this information and develop meaningful insights. This knowledge will be even more important as the pandemic drives a long-term shift in leasing and shopping behavior.

Automating and Centralizing Processes for a Better Customer Experience

Al Tamouh Investments Company LLC strives to add value to its communities by delivering superior-quality infrastructural developments that enable a lifestyle of luxury and comfort.

Read the full story here.

"Cash is king in the real estate business. With SAP S/4HANA, we have significantly enhanced control over cash."

Mansoor Ali Khan, Group IT Director, Al Tamouh Investments Company LLC

Benefits

Increased
liquidity aided by a 25% reduction in DSO to 90 days

1 billion
pages of paper saved annually

97% reduction
in annual IT outsourcing services costs

1. Aurora Almendral, "75% of the Infrastructure That Will Exist in 2050 Doesn't Exist Today," Next City, October 2014.

Strategies for Real Estate Companies to Run as Intelligent Enterprises

The digital economy is disruptive. Real estate companies need strategic priorities that drive transformation. At SAP, we envision a reimagined set of business scenarios to support the strategic priorities required for your company to work in a digital environment.

Provide a great customer experience by understanding customer profiles, pinpointing buying habits, and learning from their interactions by integrating experience data with operational data. Use a tenant portal to enhance the customer experience by providing a single point of entry for their engagement, offering personalized services based on individual customer and tenant needs.

Create connected facilities by leveraging the digital twin concept in combination with mobile and Internet of Things (IoT) technologies. Enhance efficiencies in the areas of asset operations and maintenance by tying work orders directly to the model and by having visibility into the metadata around parts required for maintenance.

Achieve better cost optimization by boosting control and visibility over organizational spend. Improve operational efficiency, in turn enabling smart buying for operations by taking advantage of organization-wide discounts. Reduce time in inventory for spare parts by creating efficiencies in the buying process and improving the supply chain.

Leverage digitalization of expertise and knowledge to make up for the experience gap resulting from a new generation entering the workforce and the retirement of more experienced professionals. A shift toward on-demand learning using students' medium of choice and supporting the ability to design their own learning plan will be critical in providing a new generation of employees with the experience they need to be successful over the course of their careers. These tools can also offer workers the opportunities to learn and grow intellectually.

Deploy tools that enable model-based digitalization of intercompany collaboration. By connecting project stakeholder teams, members can share the latest information on projects during execution. This collaboration allows project owners to maintain access to the latest version of the truth while eliminating paper-based processes and enabling a seamless, digitalized commissioning and handover process.
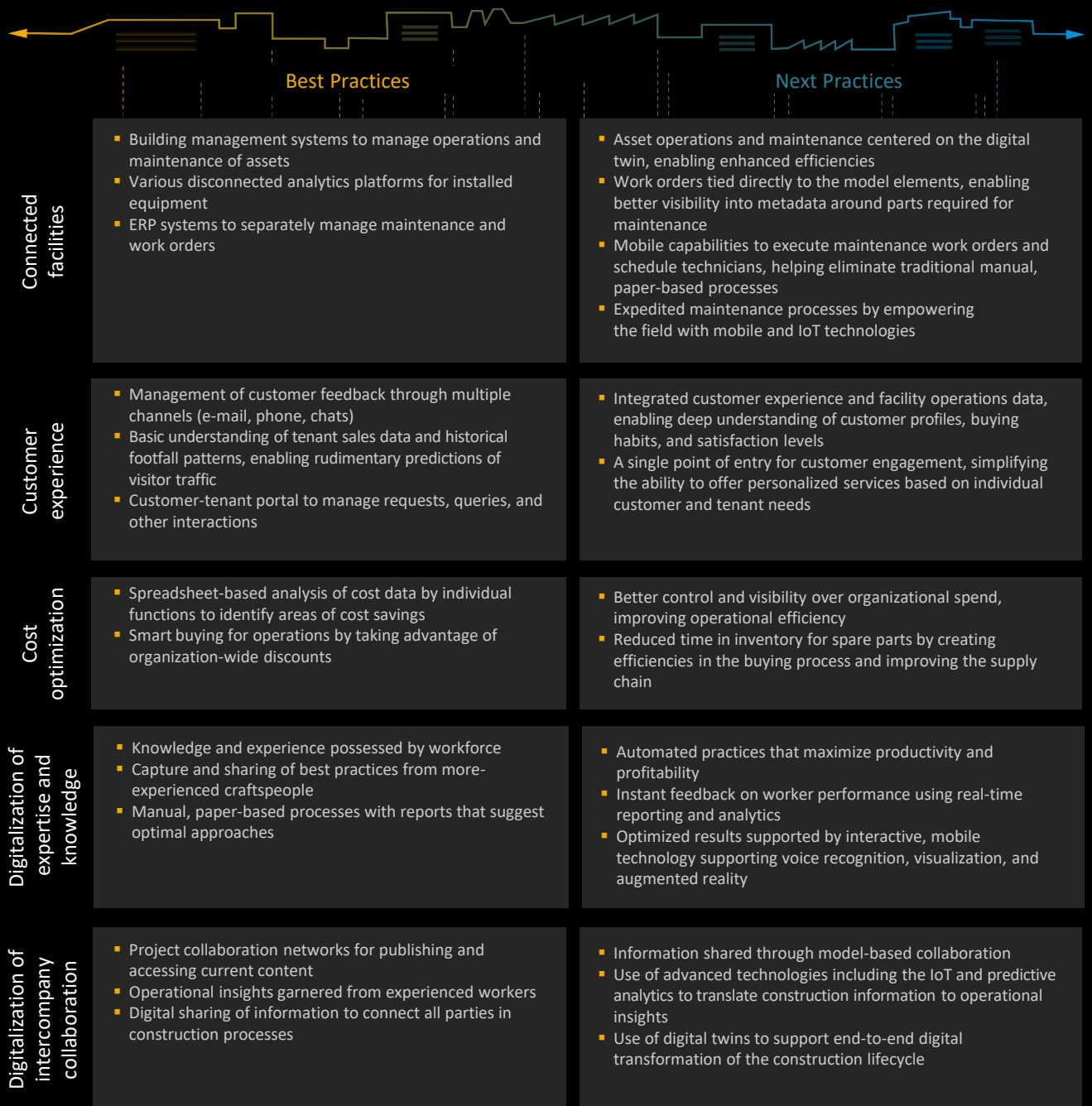
"While Embassy commenced its journey on SAP S/4HANA a couple of years back, we recently upgraded to the 1909 release in March 2020, thereby showing commitment to adapt to the latest stack and lead from the front in the real estate industry in India. SAP software continues to be the backbone of our IT landscape and financial source of truth for the entire group."

– Chirag Boonlia, CTO, Embassy Group

From Best Practices
to the Vertical Edge

In a digital world, innovation is no longer just the domain of the R&D teams. Innovation must become an integral part of each department and discipline, so they all contribute to the evolution from today's industry best practices to the future's next practices. This enables cross-functional teams to experiment with new ways to create unique value for customers, thus generating top-line, bottom-line, and green-line improvements.

	Best Practices	Next Practices
Connected facilities	▪ Building management systems to manage operations and maintenance of assets ▪ Various disconnected analytics platforms for installed equipment ▪ ERP systems to separately manage maintenance and work orders	▪ Asset operations and maintenance centered on the digital twin, enabling enhanced efficiencies ▪ Work orders tied directly to the model elements, enabling better visibility into metadata around parts required for maintenance ▪ Mobile capabilities to execute maintenance work orders and schedule technicians, helping eliminate traditional manual, paper-based processes ▪ Expedited maintenance processes by empowering the field with mobile and IoT technologies
Customer experience	▪ Management of customer feedback through multiple channels (e-mail, phone, chats) ▪ Basic understanding of tenant sales data and historical footfall patterns, enabling rudimentary predictions of visitor traffic ▪ Customer-tenant portal to manage requests, queries, and other interactions	▪ Integrated customer experience and facility operations data, enabling deep understanding of customer profiles, buying habits, and satisfaction levels ▪ A single point of entry for customer engagement, simplifying the ability to offer personalized services based on individual customer and tenant needs
Cost optimization	▪ Spreadsheet-based analysis of cost data by individual functions to identify areas of cost savings ▪ Smart buying for operations by taking advantage of organization-wide discounts	▪ Better control and visibility over organizational spend, improving operational efficiency ▪ Reduced time in inventory for spare parts by creating efficiencies in the buying process and improving the supply chain
Digitalization of expertise and knowledge	▪ Knowledge and experience possessed by workforce ▪ Capture and sharing of best practices from more-experienced craftspeople ▪ Manual, paper-based processes with reports that suggest optimal approaches	▪ Automated practices that maximize productivity and profitability ▪ Instant feedback on worker performance using real-time reporting and analytics ▪ Optimized results supported by interactive, mobile technology supporting voice recognition, visualization, and augmented reality
Digitalization of intercompany collaboration	▪ Project collaboration networks for publishing and accessing current content ▪ Operational insights garnered from experienced workers ▪ Digital sharing of information to connect all parties in construction processes	▪ Information shared through model-based collaboration ▪ Use of advanced technologies including the IoT and predictive analytics to translate construction information to operational insights ▪ Use of digital twins to support end-to-end digital transformation of the construction lifecycle

Customer Experience:
Managing Individual Tenant Needs and Expectations

COMMON PRACTICE

Discrete communication channels and nonintegrated data can prevent real estate companies from providing optimal service to customers and tenants.

Management of customer feedback occurs using multiple channels (such as e-mail, phone, and chat).

A basic understanding of tenant sales data and historical footfall is needed to roughly predict visitor traffic.

A customer or tenant portal can help companies manage requests, queries, and other interactions.

NEXT PRACTICE

To create a more satisfying, engaging experience for customers and tenants, companies need to make fuller use of their digital assets.

Integrating customer experience and facility operations data enables deep understanding of customer profiles, buying habits, and satisfaction levels.

A single point of entry for customer engagement makes it simpler to offer personalized services based on individual customer and tenant needs.

"Implementing SAP S/4HANA was a pivotal step toward building our intelligent enterprise and becoming future-ready."

– Sanjay Sharma, CFO, TATA Realty

Read the full story.

Connected Facilities: Creating a Single Version of the Truth

COMMON PRACTICE

Many real estate companies rely on individual systems and applications to manage various operational and financial aspects of their facilities.

Building management system (BMS) solutions are used to manage operations and maintenance of assets.

Various disconnected analytics platforms help track installed equipment.

ERP systems help companies manage maintenance and work orders.

NEXT PRACTICE

Integrated asset operations and maintenance data is centered on the digital twin. By providing a single version of truth for all facility-related data, digital twin technology enables enhanced cost and process efficiencies.

Work orders are tied directly to the model elements, enabling better visibility into metadata around parts required for maintenance.

Mobile capabilities to execute maintenance work orders and schedule technicians help eliminate traditional manual, paper-based processes.
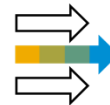
Expedited maintenance processes empower the field with mobile and IoT technologies.

Data about building operations remains siloed from core ERP data, limiting the value companies derive from their operations data. To address this challenge, SAP partnered with Honeywell to create a solution that connects building operational data from BMSs with finance data from ERP solutions for holistic building management. Standard content and insights help companies better manage costs and improve efficiency and utilization.

Read more about the solution here.

Top Benefits

Optimized
Operating performance conditions

Real-time
Insights into building performance

Enhanced
Decision-making

Cost Optimization: Achieving Better Control and Visibility Over Spend

COMMON PRACTICE

A lack of an integrated view across the real estate enterprise compromises the ability to understand and control organizational spend.

Spreadsheet-based analysis of cost data is used by individual functions to identify areas of cost savings.

Smart buying helps operations by taking advantage of organization-wide discounts.

NEXT PRACTICE

Centralized, shared spend data enhances visibility – supporting cost optimization.

Better control and visibility over organizational spend improves operational efficiency.

Reduced time in inventory for spare parts creates efficiencies in the buying process, improving the supply chain.

A Platform for Intelligent Solutions

Ayala Land unlocks the potential of intelligent technologies.

Read the full story here.

Benefits

50%
Shorter month- and quarter-end closings

25%
Faster annual closings

Digitalization of Expertise and Knowledge: Improving Efficiency and Productivity

COMMON PRACTICE

Traditional HR practices focusing on formal training programs are too slow to work in a world of constant change. These practices are calendar driven, static, and impersonal. With educational plans that are course and certification driven, the shared information cannot flow quickly. The focus is on only a few new topics and limits educational success. Classroom-based training creates limitations in the context and usage of new communication methods. Top-down, directed approaches restrict access and consumption of new learning material.

Employee group 1 → Group training → Training feedback

Employee group 2
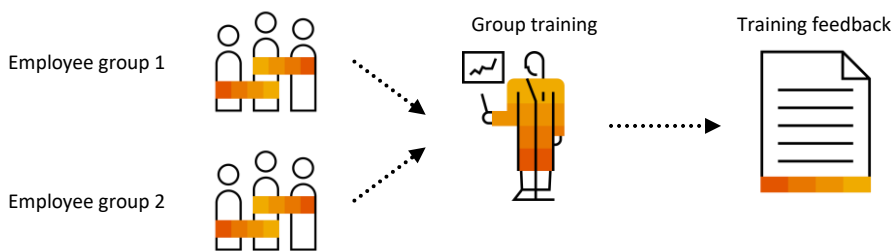
NEXT PRACTICE

Real estate companies will reimagine people development by creating online learning communities. By making development resources and relationships widely accessible, they can give all employees the power to realize their full potential. In this way, employees are empowered to choose the medium and timing for their learning. Stronger active collaboration and social aspects support a tailored course consumption that helps realize the full potential of each employee. And employees can build their own learning maps from a complete course portfolio.

Manager or learning administrator

Manager learning content

Employee → Analyze career plans and learning needs → Choose medium and timing →
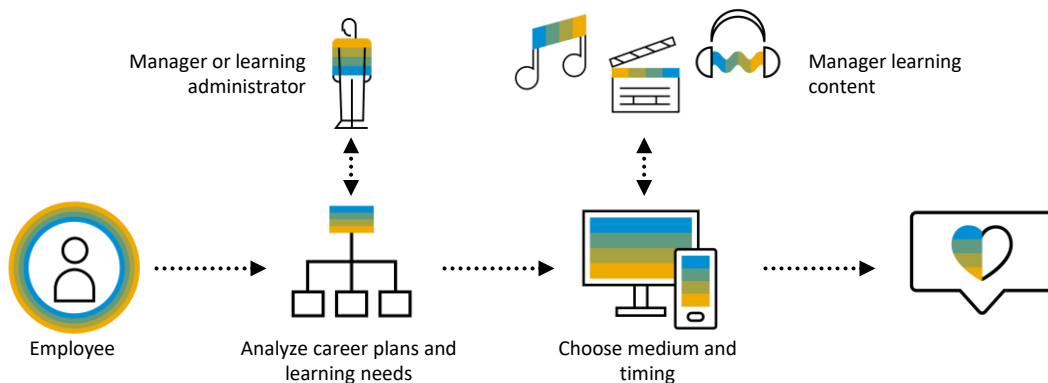
Top Value Drivers*

20%–30%
Increase in worker quality

2%–3%
Reduction in project delivery cost

10%–15%
Reduction in time to fill

56%
Efficiency increase in generating financial postings, freeing 70,000 annual working hours for other tasks

By digitalizing and integrating the entire lead-to-lease process across customer resource management and real estate leasing management solutions, SAP partner Wipro's Tenant Acquisition Management solution provides leasing managers with an engaging user experience that improves process efficiency and productivity.

*Benefits are based on early adopters of SAP S/4HANA® or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA with line-of-business or cloud capabilities. As each enterprise is at a different level of maturity, we recommend working with you to determine the value proposition for your enterprise.

Digitalization of Intercompany Collaboration: Bringing Operational Transparency to Project Execution

COMMON PRACTICE

On today's real estate development projects, each contractor, supplier, vendor, and subcontractor works on disconnected individual systems with little or no real-time visibility into each other's work despite dependencies across multiple parties. Rework, delays, and mistakes are common due to lack of communication and little real-time transparency during project execution.
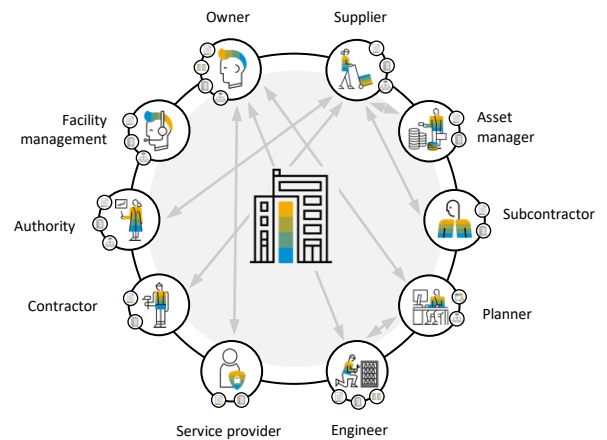
NEXT PRACTICE

Cloud-based networking enables collaboration with all project stakeholders including owner, contractor, subcontractor, engineers and architects, facility management, and authorities. Digitalized intercompany collaboration brings together different disciplines – such as structure, architectural, electrical, and plumbing, as well as engineering, logistics, project control, and service – into an open building information modeling approach. Projects operate at increased levels of efficiency and engagement with experience data.
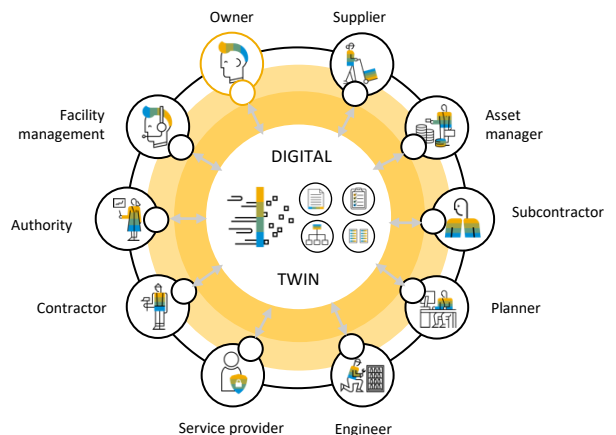
Top Value Drivers*

Reduced
Spend

Continuous
Compliance

15%
Cost savings achieved thanks to cost-efficient and resilient cloud solutions

Improved
Productivity

Eliminated
Annual need for 200,000 paper pages

50%
Faster information access to speed up decision-making

The project collaboration capability for SAP S/4HANA Cloud for projects, built on SAP® Business Technology Platform, connects project owners, engineering service providers, contractors, subcontractors, and building material suppliers on one platform across projects. The capability uses a digital twin to establish and reduce coordination efforts, significantly reducing effort and increasing productivity by eliminating waste and rework.

SAP Solutions: Redefining the Way Real Estate Companies Operate Across the Value Chain

To drive change in how real estate companies operate across the value chain, you need a comprehensive solution – delivered to help create intelligent real estate enterprises.

Tenant lifecycle

Acquire
- Offer management
- 360-degree customer view
- Space inventory visibility
- Omnichannel engagement
- Marketing campaigns
- Opportunity tracking

Lease or sell
- Renewal management
- Critical date management
- Contract creation
- Common area expense recoveries
- Billing and rent roll
- Receivables management

Service
- Tenant onboarding
- Tenant offboarding
- Service ticketing
- Experience management and retention
- Management of service-level agreements
- E-commerce and value-added services

Facility lifecycle

Develop
- Idea proposal
- Contractor selection
- Feasibility analysis
- Permit or regulatory approval
- Funding
- Design collaboration

Construct
- Commissioning management
- Payment and risk management
- Baseline planning
- Quality schedule management
- Procurement and supply chain management
- Issue and change control

Operate
- Staffing
- As-built and spares
- Maintenance and repair
- Portfolio management
- Energy management and sustainability
- Building intelligence

Watch the Video

Learn how SAP and Wipro enable real estate companies to become intelligent enterprises in this video.

Benefits of creating an intelligent real estate enterprise:

- Improved profitability
- Increased business agility
- Enhanced productivity

SAP Solutions: Redefining the Way Real Estate Companies Operate Across the Value Chain

The architecture for the Intelligent Enterprise for real estate companies starts with SAP Business Technology Platform and business applications from SAP, including industry cloud solutions that support organizations with their industry-specific end-to-end processes.

SAP Ariba® solutions for procurement needs

SAP Enterprise Portfolio and Project Management package for core project management ERP needs

SAP HANA Live offerings for flexible real estate management for core leasing and sales management ERP needs

SAP SuccessFactors® solutions for HR needs

Intelligent, sustainable enterprise

Industry-specific end-to-end processes

Business process management

Enterprise resource management
Spend management
Human capital management
Customer relationship management

Business network   Industry cloud   Experience management   Planning

Business technology platform

App dev   Integration   Data and analytics   AI

Project collaboration capability for SAP S/4HANA Cloud for projects for an open and secure collaboration network

Wipro Tenant Acquisition Management for lead-to-lease and lead-to-sell processes

Honeywell Forge Real Estate Operations for building operations management

SAP Cloud for Real Estate solution to manage leasing processes with user-friendly interfaces and experiences

IoT services from SAP for enabling secure IoT services

SAP Business Technology Platform to deploy industry cloud solutions

How Does Unified ERP Help Standardize Processes and Boost Operational Performance?

From residential spaces to office buildings, shopping malls, hotels, and resorts, Ayala Land Inc. develops large-scale, integrated, mixed-use, sustainable estates that offer stakeholders high-quality products to meet their unique needs.

Ayala Land selected SAP S/4HANA to provide consistency in everything from finance to procurement and contract management and to optimize operations through shared services for its 160+ subsidiaries. The company is now able to quickly process a massive volume of transactional data for multiple companies and products, expand its operations with the same number of staff, and budget projects more quickly, allowing procurement to start the buying process sooner and go to market faster. SAP S/4HANA has also enhanced compliance monitoring, helping Ayala Land stay on top of the rapidly changing regulatory environment.

Read the full story here.

SAP's Industry Cloud:
A Joint Innovation Space

We enable our customers to become intelligent, sustainable enterprises by bringing together our comprehensive portfolio of solutions and technology in service to customers' business process needs.

- It starts with our platform technology that provides the foundation of application integration, extension to a robust ecosystem of solutions, and data and AI.

- Then our industry-leading business applications work together spanning front-end and back-end systems that only SAP can provide.

- This all comes together to provide the customer with support for the end-to-end, industry-specific business processes they need to run as an intelligent, sustainable enterprise.

Intelligent, sustainable enterprise

Industry-specific
end-to-end processes

Business process management

Enterprise resource management
Spend management
Human capital management
Customer relationship management

Business network   Industry cloud   Experience management   Planning

Business technology platform

App dev   Integration   Data and analytics   AI
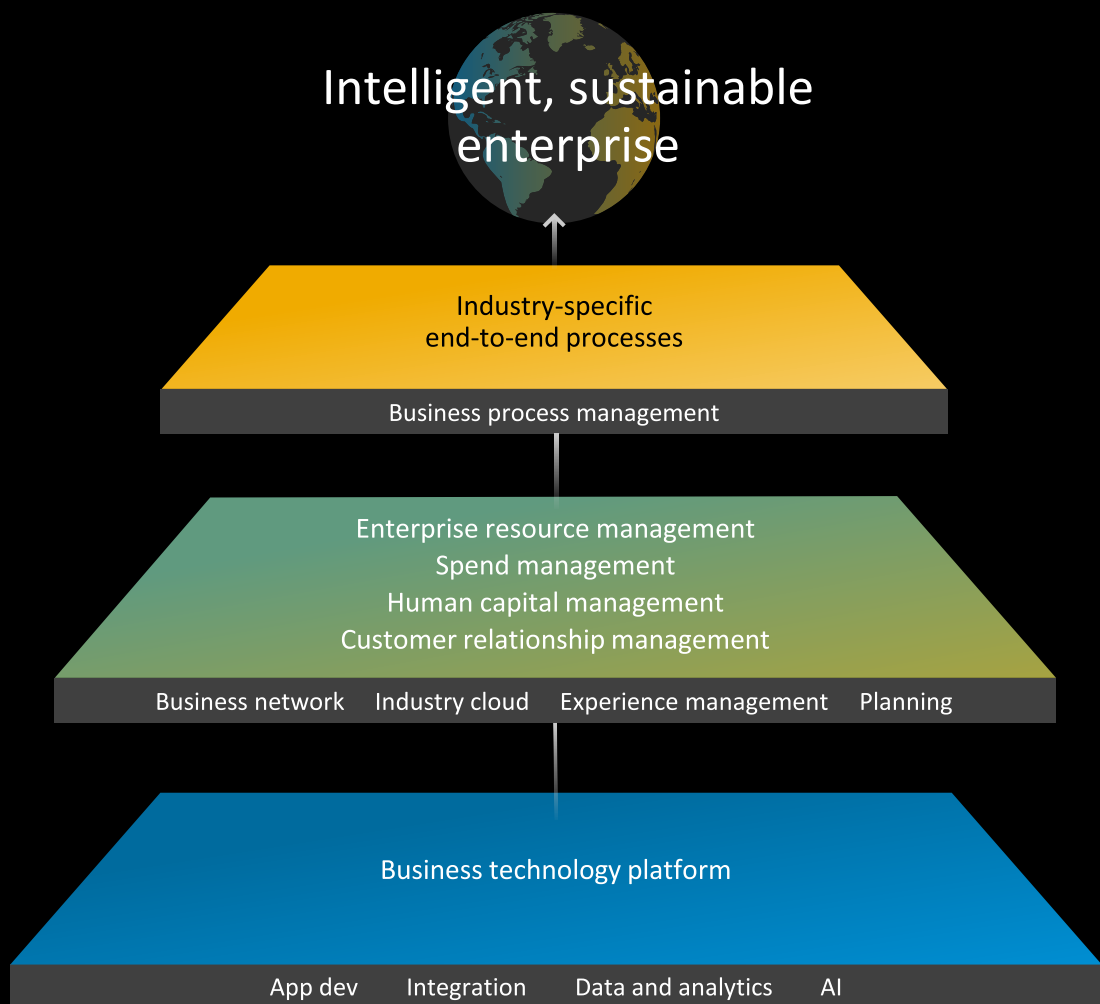
Industry Innovation Spaces

Stand-alone applications struggle to deliver relevant business value. Enterprise applications always need access to essential business domains such as products, assets, factories, cost centers, employees, and customers. SAP's industry cloud provides direct access to business domains and processes in the intelligent suite through APIs. At the same time, our business and technology services provide the tools and infrastructure to create and run innovative industry cloud solutions.

Intelligent Technology at Your Fingertips

Business innovation needs digital technologies that are ready to use to solve a business problem.

SAP's industry cloud solutions, built on SAP Business Technology Platform, provide a full set of technologies ranging from user interfaces to robotic process automation to artificial intelligence and machine learning. All can be used readily in new solutions.

Open Innovation Platform and Ecosystem

SAP's industry cloud is the way for our partners and SAP to deliver industry cloud solutions for customers that unlock new levels of efficiency, extend end-to-end business processes at the edge, and enable innovative business models.

SAP partners find a unique environment in our industry cloud in which the data domains and business processes of the intelligent suite and our business networks are readily accessible through open APIs. This allows our partners to accelerate innovation by focusing on the differentiating business capabilities they want to build and deliver to our joint customers.

This enables a spectrum of partnership and innovation models ranging from close co-innovation over identified areas of unmet needs to completely open innovation spaces with free competition to drive customer value. The innovation models are complemented by a set of commercialization models that are strongly correlated to the value the solutions deliver to the business of our customers.

Freedom of choice is a key value, so customers can choose any partner or hyperscaler to deploy their industry cloud solutions. Examples of partners building industry-specific capabilities on SAP Business Technology Platform include LTI, Wipro, BearingPoint, Sodales, and many more.

Open Platforms Deliver Innovation

Open platforms, available to the wider ecosystem, have consistently delivered more innovation and choice for customers. Therefore, our industry cloud solutions can be run by the major infrastructure-as-a-service providers, giving our customers the freedom to implement their own individual platform strategy.

RISE with SAP: Driving Business Innovation Together

Every enterprise needs to develop new business models to avoid being disrupted, gain efficiencies to fund innovation, and transform mission-critical systems without business risk. RISE with SAP is the solution.

RISE with SAP is a comprehensive solution with:

- Cloud ERP for every business need
- Industry next practices and extensibility
- Analytics and business process intelligence
- Outcome-driven services from SAP and partners

Discover the value of RISE with SAP

Take the lead with industry innovation for top-line, bottom-line, and green-line growth

- ✓ Grow revenue by creating differentiating business models in your industry
- ✓ Increase margin with built-in industry-specific processes and best practices
- ✓ Unlock new efficiency with intelligent automation across mission-critical processes
- ✓ Manage sustainability with company-wide transparency and controls

Never stop improving with continuous insight to optimize business processes

- ✓ Prioritize optimization opportunities with instant analysis of processes, activities, and tasks
- ✓ Sharpen process performance based on actual system usage, best practices, and industry benchmarking
- ✓ Accelerate your progress with tailored insight on where to automate business processes with AI

Secure your business with a trusted partner for your needs, every step of the way

- ✓ Run your mission-critical operations at their best around the globe
- ✓ Reach the cloud without compromise with solutions for every business and every regulatory requirement
- ✓ Take charge of change using a versatile platform to speed innovation
- ✓ Own your tomorrow with a guided journey and outcome-driven practices from SAP and our partners

RISE with SAP is built to fit your needs

RISE with SAP is designed to support your business needs – for your industry, in your geography, for your regulatory requirements – with SAP responsible for the holistic service-level agreement, cloud operations, and technical support. It includes:

Cloud ERP	Business process intelligence	Business platform and analytics	Business networks	Outcome-driven services and tools
SAP S/4HANA Cloud	Business process intelligence starter pack	SAP Business Technology Platform (CPEA credits)	SAP Business Network Starter Pack	From partners

RISE with SAP is the foundation for an intelligent, sustainable enterprise in the cloud. We look forward to joining our customers on their transformation journey into the future. Find out more about RISE with SAP.

SAP's Comprehensive Partner Innovation Ecosystem

Real estate is part of the engineering, construction, and operations (EC&O) industry. SAP has been a proud solution provider for the EC&O industry for more than 30 years – starting from humble beginnings and growing into a position of supporting the core business of our customers.

SAP's industry cloud opens the field for a new level of co-innovation with customers and partners, enabling next practices and new business models that help our customers capture the new opportunities of the future.

Our open partner strategy gives our customers the choice of whom they work with to design the business models of the future, whom they partner with to define and implement business processes for efficiency and growth, and whom they trust with running their infrastructure.

There are many journeys EC&O companies can take into the digital economy to become intelligent enterprises. No matter which they choose, our scalability, security, global reach, vibrant business networks, and business process knowledge across EC&O and adjacent industries are the success factors for our customers, our ecosystem, and SAP.

Our partner ecosystem focused on EC&O includes, among others:

Engagement Model

SAP is the partner for the EC&O industry in the long run. We have established a co-innovation and collaboration model with many of our customers that is based on mutual trust and long-standing, value-based relationships.

This is the foundation to chart the journey into the new world of real estate, to capture the opportunities and mitigate risks in the digital economy.

Follow us

THE BEST RUN SAP