

Improving Lease data accuracy and developing local Real Estate reporting capabilities- using REAP™ with feeds from SAP FICO™

A local Real Estate function of a large multi-national energy services company needed a more accurate localized information on its Real Estate leases and financial performance. The company decided to engage RealFoundations and NTrust to help them cleanse their data and provide a prototype reporting tool for their local operation.



Problem

A local Real Estate function of a large multi-national energy services company wanted to ensure that they managed and accounted for their real estate leases and assets accurately. They had two main problems. Firstly the lease data recorded on the core system (SAP Real Estate) needed verification. Secondly there was a need for a localized level of granularity of the management information to allow detailed queries to be analyzed by the country based managers.

An additional complexity was the range of property types they had to manage, the geographic spread

(both Europe and Africa) and the languages involved. The real estate ranged from large-scale industrial facilities to local housing for workers.

Although the real estate leases and assets were only a small part of the total assets of the company, they still represented hundreds of millions of dollars in revenue costs.

Wanting expert advice and cost effective help the company contacted Real Foundations and their NTrust joint venture to provide:

3. Data mapping
4. Report development

Verifying and Cleaning Up Data

The first task was to verify and cleanse the lease data. A data template was designed that would allow the capture of all the information required by the client. The client then populated a standard portal with scanned copies of the lease documentation and these were abstracted by NTrust. The client then undertook a validation process of the abstraction.

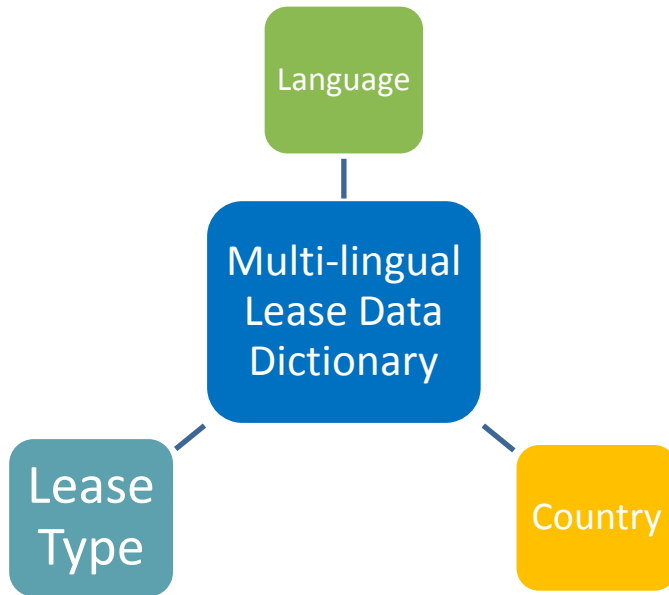
Many of the leases were in the language of the country in which the property existed; however the leases were all managed in English.

It was therefore important that NTrust had built the capability of being able to abstract lease contracts in 40 languages, and had developed a proprietary multi-lingual Lease Data Dictionary that contains lease terms based on both language and country. This capability allowed NTrust to provide accurate abstracts of non-English leases in English.

1. Strategic advice
2. Lease Abstraction services



With such a variety of property and lease types, the company wanted to make sure that: 1. Lease data was accurate, and 2. That it was sufficiently granular to understand at what level of efficient the property was being used.



NTrust's proprietary lease data dictionary includes 40 languages across 72 countries. It includes meta-data tags for easy access to lease terms both in the contract language and in English.

REAP™ was used as the repository for the abstracted lease data and this was used to data source to update the core data in SAP Real Estate. REAP™ was also used to provide detailed reporting and dashboards on the lease data so that the local Portfolio Managers could manage their estate. An additional benefit of REAP™ was that the actual lease documents were stored on the system so it provided easy access to the leases themselves.

forward. To support this activity a series of report templates were designed and then data templates used to upload data files from SAP FICO™.

This financial data was aligned with the lease data captured earlier to create a suite of reports on the portfolio. Once the initial reports were created this allowed the client to review the output and identify a

small number of additional reports for development.

This suite of reports had full designs developed so that the prototype could be transferred to whatever platform the client required in the future.

This approach was a very cost effective way of designing and developing a set of customized reports and allowing the local portfolio managers to input into the look and feel of the output.

Summary

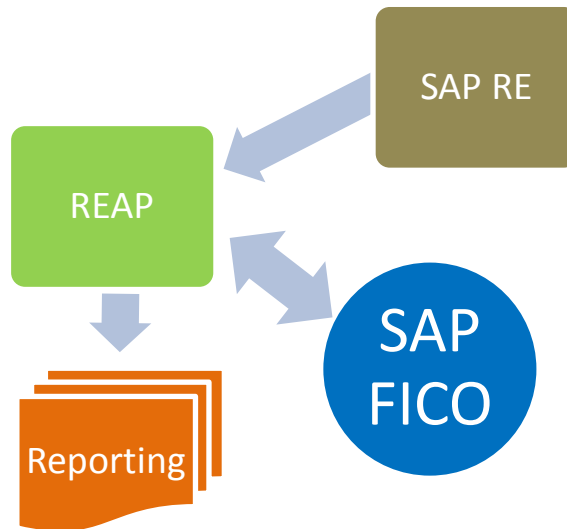
Accurate data is critical in ensuring managers have the correct information.

By using RealFoundations' strategic advice, NTrust's lease abstraction capabilities and the flexibility of REAP™ the client has been able to design, build and deploy a local solution that allows insightful decision making.

Real Estate Assets Financial Reporting

The financial information that the local real estate managers were using did not have the sufficient level of granularity to allow detailed queries to be handled.

It was therefore decided to use REAP™ as a prototype financial reporting tool to test what information was required at a local level so it could be developed and enhanced going



REAP™ was selected as the platform for quickly developing financial reporting because of its flexibility and powerful reporting engine.