

# SAP - Facility Management

SAP Facility Management serves asset and plant managers, maintenance engineers, and all those involved with the management of physical assets, providing support from the first investment idea, through procurement and start of operation and right on until the end of operation and retirement of the asset.

SAP helps to identify problem areas and analyze their origin. Integrated technical reporting and detailed cost reporting help to optimize maintenance and support decision-making on all staff levels.

The SAP solution for Facilities Management covers all components of a fully integrated Management system. Its integration capability makes it easy to manage the order of supplies and services.

A complete and reliable plant maintenance solution leads to higher system availability and reduced breakdown costs by means of preventive inspections and maintenance.

Integrated plant maintenance enables more transparent and simplified processes in maintenance. Therefore, material and labor costs can be reduced with the same level of system quality.

The relationship between business data and technical information supports management in making decisions about repair, refurbishment and scrapping of assets.

## **Value of SAP**

The SAP solution for Facility Management helps you to obtain:

- ✚ More efficiency and productivity
- ✚ Increased portfolio transparency
- ✚ Higher level of flexibility to adapt the business to changing needs
- ✚ Inadequate planning and services, inflexible space planning, poorly maintained facilities and the failure to identify possible changes in use cause real estate to become an unprofitable cost block.
- ✚ Facility Management makes the management of your real estate more transparent. An integrated approach to planning, monitoring and managing real estate improves user flexibility, working productivity and the return on capital.
- ✚ Consistent Facility Management increases and optimises the liquidity in the use and life cycle of a property. This comprises not only strategic consulting and services in the commercial, infrastructural and technical management of buildings, but also facility engineering which includes supply management, supply security as well as energy and environmental management.
- ✚ Facility Management enables optimum and optimised management during the concept and planning phase as well as during implementation and operation.

## **Background**

SAP Real Estate Management supports business processes related to building construction, operations, modernization, maintenance, repair, and service with functions that are integrated with SAP software for project systems and enterprise asset management. You can use SAP Real Estate Management to plan investments, monitor construction and modernization projects, and schedule maintenance work.

The application helps you handle notifications for unscheduled maintenance and service requests from users and helps you manage framework agreements about facilities services and material with external service providers.

Other features help you plan work orders with external and internal resources and reconcile costs for facilities operations to internal departments and external tenants.

To address globalization, achieve greater transparency, automate business processes, and link it all to your current financials processes, SAP offers SAP Real Estate Management, which is closely integrated with the financials and logistics functions of SAP software.

Most importantly, SAP supports every stage of the real estate and facilities life cycle, including property acquisition and disposal, portfolio management, building operations and maintenance management, and investment controlling and reporting - all in a single solution.

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### **To Summarise:**

- ✚ Comprehensive real estate management requires a holistic overview of a company's real estate – something that must be considered from various perspectives.
- ✚ If we look at real estate in terms of its asset accounting value, but also in terms of the physical space it offers, the use it is put to and the resulting impacts on the company's internal and external accounting (rental income, imputed rent etc.).
- ✚ The technical and infrastructural aspects of real estate management must also be addressed. For this reason, it is also necessary to carry out a full assessment of the processes adopted in all areas of commercial facility management.
- ✚ SAP achieves a holistic overview of real estate management and is an adopt a method of reporting that supports full mapping of the processes relating to the three core aspects of facility management (commercial, technical and infrastructural) and factors in interdependencies.

### **SAP Real Estate Management can help you do the following:**

- ✚ Plan investments
- ✚ Monitor construction and modernization projects
- ✚ Schedule maintenance work
- ✚ Handle notifications for unscheduled maintenance and service requests from users
- ✚ Manage framework agreements about facilities services and material with external service providers
- ✚ Plan work orders with external and internal resources.
- ✚ Reconcile costs for facilities operations to internal departments and external tenants

### **The components of consistent Facility Management are:**

Identification and implementation of potential cost savings  
Increased flexibility of fixed costs  
Exploitation of potential synergies and volumes

### ***In detail this means:***

Supervising and implementing outsourcing measures  
Uncovering potential synergies and volumes  
Reduction of costs and the resources consumed  
Sale and lease-back models and contracting  
Benchmarking and balanced score card

#### Facilities Manager

- ✚ reduce facility administration costs
- ✚ analyze facility cost across all locations
- ✚ schedule and monitor maintenance activities
- ✚ streamline infrastructure management services

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**Facilities management** – Plan investments, monitor construction and modernization projects, and schedule maintenance work

- ✚ The integration of the Real Estate component (SAP FX-RE) in the Plant Maintenance component (PM) is enhanced considerably.
- ✚ You can limit the assignment of Real Estate objects (business entity, property, building and rental unit) to functional locations a 1:1 relationship. Each time a FL is assigned to a Real Estate object, the system checks whether there is already a link between this functional location and another RE object.
- ✚ For the above-named Real Estate object types you can also automatically generate functional locations. You can decide whether the functional location should only be created and assigned, or whether the functional location is to be updated after each change made to the Real Estate object.
- ✚ Via this functional location all maintenance or real estate asset repairs are scheduled and completed to the stage of financial settlement via the cost centers.
- ✚ You assign functional locations to Real Estate objects in order to link to the Plant Maintenance component.
- ✚ The Real Estate object represents the facility manager's view.
- ✚ The functional location represents the specific geographical location or the description of the plant maintenance task.

Companies are becoming increasingly aware that Real estate is often the biggest asset in their balance sheet Real estate and facilities life cycle management is often the second biggest spending item on their profit and lost statement.

Cost pressure requires optimized use of space, and facilities life cycle management.

A modernized IT landscape is key for next generation real estate management

Consequently companies aim to Increase insight into their property portfolio and future space demand,

Standardize and optimize real estate and facilities life cycle processes,

Increase space utilization and decrease operative costs,

Optimize support of growth and globalization of core business processes,

Provide seamless integration with business support based on SAP,

Optimize collaboration with tenants and third-party service providers via automated communication

## ***SAP Functional Process***

### ***Maintenance & Repair/Service Management***

*Tenant enters notification per telephone*

*Work order is assigned because the repairs require a third-party involvement*

*Repairs completed*

*Tenant satisfied with completed work on the Building*

*All work order costs are settled against the building*

*Facility Manager enters completion and sends note to tenant that tenant receives email about work is done.*

*The notification and outside costs are entered on the work order*

*The facility manager calls up the daily workload and finds this notification, since it has the status "outstanding"*

*Facility Manager receives notification that hot water cylinder is not working properly.*

*Assigns internal and external resources, runs warranty check*



SAP Facility Management supports the planning of maintenance measures and the execution of planned and unplanned service, maintenance and repair work.

- ✚ Create functional locations e.g. for a room and assign equipment e.g. for a desktop or a computer
- ✚ Create maintenance plans
- ✚ Create framework agreements with third-party service providers
- ✚ Handle incoming service request and malfunction reports
- ✚ Create work orders and dispatch execution to internal and external resources
- ✚ Receive confirmations from the service teams
- ✚ Post and pay vendor invoices for time and material
- ✚ Receive costs via internal cost allocation
- ✚ Settle service and maintenance costs to tenants

#### ✚ **Value Flow**

- The costs of a PM task are collected on the maintenance order that serves as a cost object and these are passed on to Cost Center Accounting or Asset Accounting.

#### ✚ **PM Tasks Within Flexible Real Estate Management**

- Routine maintenance
- The costs of routine maintenance are usually covered by the basic rent (rent that does not include service charges).
- Modernization
- In PM, modernization tasks are handled using PM orders. The value of modernization costs can be used for condition adjustments, based on the structural improvements made to the rental object.
- Repairs
- Necessary repairs are also handled using PM orders. Depending on the situation, the costs can be passed on to the tenant in two ways:
  - Invoicing the costs to the tenant
  - Retaining the costs from the deposit at tenant changeover

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