

SAP Customer Success Story
Professional Services – Commercial Real Estate



“SAP Real Estate Management gives us a consolidated view of our entire real estate portfolio while streamlining our business with best-practice processes, cutting overhead, and enhancing client service.”

Emanuele Alberto Vecchi, IT Manager, Gruppo Norman

AT A GLANCE

Company

- Name: Gruppo Norman
- Location: Milan, Italy
- Industry: Professional services – commercial real estate
- Products and services: Commercial property management, facility services, and portfolio investment for third parties
- Revenue: €37.5 million
- Employees: 150
- Web site: www.grupponorman.com

Challenges and Opportunities

- Stand-alone, end-of-life legacy enterprise resource planning (ERP) and property portfolio management solutions were hindering business performance.
- Lack of integration between the company's back-office and customer-facing divisions was adversely affecting customer service.

Objectives

- Automate financial management and control and sales processes
- Implement best-practice commercial real estate applications
- Integrate both parts of the business on a single technology platform

SAP® Solutions and Services

- SAP® Real Estate Management application
- SAP ERP application

Implementation Highlight

Implementation phased over 12 months to minimize disruption

Why SAP

- SAP could provide integrated ERP and commercial real estate functionality on a single platform.
- SAP software was affordable to a midsize company.

Benefits

- Streamlined operations for financial management, purchasing, sales, and distribution
- Best-practice processes for every stage of the commercial real estate life cycle from acquisition to disposal
- Integration of both company divisions for improved performance and customer service and reduced costs
- Real-time view of all aspects of the business for timely, fact-based decision making

Existing Environment

Legacy systems

Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: HP ProLiant
- Operating system: Microsoft Windows 2000 Server

GRUPPO NORMAN

Italian Commercial Real Estate Firm Integrates Business with SAP® Real Estate Management

Leading commercial real estate company Gruppo Norman, based in Milan, Italy, has increased the value it delivers to customers by implementing the SAP® Real Estate Management application.

One of the best-known commercial real estate businesses in Italy, Gruppo Norman provides a full-service portfolio comprising property and facilities management, evaluations, rental and lease services, and investment advice. With subsidiary offices in Rome and Pavia, Italy, and Monte Carlo, Monaco, and a recently opened office in London, the group has secured a total of 240 leases for commercial clients and manages approximately 2,000 properties with just 150 employees.

SAP Real Estate Management, which provides strategic and operational support for the management of property investments, has streamlined rent and service-charge collections, lease renewals, and facility maintenance for Gruppo Norman. The solution integrates seamlessly with the SAP ERP application, resulting in automated financial management, enforced internal controls, and improved profitability analysis. As a result, Gruppo Norman's two divisions – Norman 95 S.p.A., responsible for strategies, financial control, and operation management, and Arthur S.r.l., responsible for sales (to businesses and to end customers) and marketing – both now operate from a single source of real-time data that enables integrated, automated, best-of-breed processes. SAP software has helped Gruppo Norman enhance its services to customers through smarter portfolio management, while at the same time reducing its back-office overhead. The company is now able to boost revenue by increasing the number of properties under management without the expense of employing additional resources.

Building a Transparent and Integrated Business

SAP software was selected to replace Gruppo Norman's stand-alone legacy systems with a flexible, seamlessly integrated IT infrastructure designed around the needs of the group's expanding business. Between 2000 and 2002 the company doubled its revenue and significantly increased the number of properties it managed. The financial management and reporting software used by Norman 95 S.p.A. was outdated, becoming increasingly unreliable, and unable to manage the increasing workload without performance degradation. The software used by Arthur S.r.l. for real estate portfolio management was also at the end of its life. Its functionality was limited, and it could not evolve to fulfill the increasingly sophisticated requirements of Gruppo Norman's customers.

Lack of integration between the two divisions of Gruppo Norman was further slowing down both internal and third-party contractor communications. This meant, in turn, slower customer response times and delays in invoicing clients for work completed. Gruppo Norman also had no real-time view of the properties it managed and could not measure current performance against its business objectives. "We needed a solution that could provide full enterprise resource planning functionality and a comprehensive suite of applications for effective real estate management on a single, integrated platform," says Emanuele Alberto Vecchi, IT manager at Gruppo Norman.

Affordable Enterprise Resource Planning and Real Estate Management

After evaluating several solutions, Gruppo Norman chose SAP Real Estate Management for its ability to support commercial real estate business processes as well as seamlessly integrate with the functionality of the SAP ERP application. "SAP delivered full

"We needed a solution that could provide full enterprise resource planning functionality and a comprehensive suite of applications for effective real estate management on a single, integrated platform."

Emanuele Alberto Vecchi, IT Manager, Gruppo Norman

enterprise resource planning functionality and the tools we needed for our client-facing activities – such as project monitoring and partner management – in a single, integrated package," says Vecchi. "It was also an affordable solution for a midsize business."

Gruppo Norman carried out a phased implementation of the SAP solution, going live first with SAP ERP in the second quarter of 2003, followed by SAP Real Estate Management in the third quarter of that year. Most of the functionality needed by the group was available out of the box, with minor configuration required to meet some of its more highly specialized property management needs.

Proactive, Efficient Real Estate Management

SAP Real Estate Management manages every stage of the real estate portfolio life cycle. With the software, Gruppo Norman can support its clients in a wide range of real estate activities, from acquiring and refurbishing a new property to advertising for tenants, drawing up rental leases, and administering available rental spaces. The solution also contains best-practice functionality for maintenance, renovation, conducting rent reviews, renegotiating leases, and the ultimate process of property disposition.

“SAP Real Estate Management gives us a single view of all properties, all clients, and all leases, which lets us manage our portfolio in a proactive manner,” says Vecchi. “We can now start to negotiate lease renewals much earlier, schedule major

“SAP Real Estate Management gives us a framework for best practices in everything that we do and puts us in control of our business.”

Emanuele Alberto Vecchi, IT Manager, Gruppo Norman

maintenance works to suit our clients’ plans, and structure our services around each customer. SAP Real Estate Management helps us create profitable, long-term relationships with our clients and enhances our reputation for excellence, which in turn attracts a larger customer base.”

Gruppo Norman has been able to reduce the number of staff needed to manage each property by around 50% by using SAP Real Estate Management. The company is also able to comply faster with legal requirements to supply statistics and reports related to properties under management to the appropriate authorities.

Improved Business Alignment

Gruppo Norman has improved the efficiency of its purchasing, financial management, and sales and distribution processes using the functionality in SAP ERP. By automating all major back-office processes, administration has been significantly reduced, allowing staff to spend more time on customer-facing activities.

Integration of the two divisions of Gruppo Norman means that resources are better utilized and the quality of service provided to customers is improved. “Norman 95 S.p.A. and Arthur S.r.l. can share the same real-time data while continuing to be treated as separate legal entities and managing their own affairs,” says Vecchi. “SAP Real Estate Management gives us a framework for best practices in everything that we do and puts us in control of our business. We will build on the functionality it provides to further enhance Gruppo Norman’s reputation as a leading real estate services provider.”

www.sap.com/contactsap

THE BEST-RUN BUSINESSES RUN SAP™



50 083 540 (07/05)

© 2007 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.