Keio Corporation

Helping Keio respond effectively to client needs with the ABeam Cloud Real Estate Solution (ACRES)

Keio Corporation. selected ABeam Consulting Ltd. as a partner, due to its proven track record in the real estate industry, for quick and flexible adaptation of Keio services to the changing needs of markets and clients. The ABeam Cloud Real Estate Solution (ACRES) was effectively implemented for Keio Corporation.

Keio Shinjuku Oiwake Bldg.

kirarina keio kichijoji

Keio Plaza Hotel Tokyo

Keio Shinagawa Bldg.

Keio Department Store, Shinjuku

Courtesy of Keio Corporation

Keio frente SHINJUKU-SANCHŌME

Major Issues

● **On-premises servers needed to be replaced every five to seven years**

● **Unable to adapt to increasingly complex contract types, growth in operations outside the system**

● **Lack of data made report production time-consuming and troublesome**

● **A CSV data process was required to link with the accounting system**

Key Achievements

● **Cloud computing reduced implementation and maintenance costs**

● **Various functions integrated operations for complex contract types**

● **Flexible and Easy report creation with SAP® BO**

● **Seamless linkage between ACRES and the accounting system on the same SAP® ERP base**

ABeam's in-depth experience and a proven track record in the real estate industry

A real estate management solution that visualizes management and assists Keio in its business control

Two formulas that contributed greatly to the efficiency of Keio Group's real estate operations

Transformation of the lease management system with ACRES

Under its group slogan, "With you, for a new tomorrow," Keio Group's 45 member companies led by Keio Corporation operate businesses in transportation, distribution, real estate and leisure-services, as well as five other industries. Based in western Tokyo, Keio Group has its starting point in Shinjuku, where it aims to develop highly desirable residential and commercial areas along its railroads with multifaceted business utilizing the comprehensive strengths of approximately 20,000 employees working at the group. The real estate business that constitutes one facet of its diverse operations, focuses on the initiative that supports the creation of a prosperous and comfortable living environment through building and land sales, purchases, leasing and renovation. Keio Group marshals its full capabilities in working to promote the supply of community-oriented quality products and services. As the previous lease management system which Keio Group had been using since 2007 reached its maintenance date, a project was established to review its operations and systems. ABeam Consulting was selected as the partner best able to accomplish such a project, and the ABeam Cloud Real Estate Solution (ACRES) was adopted as the needed solution.
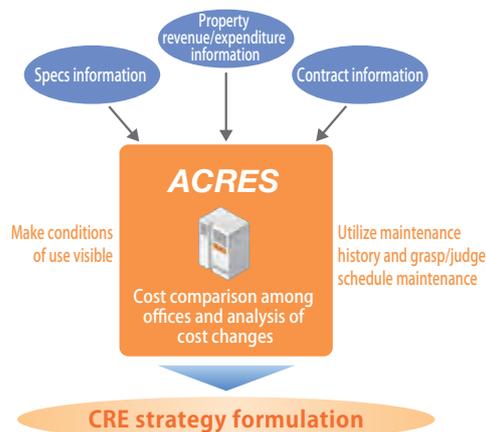
The lease management in use since 2007 had become ossified, responding poorly to change, and linkage with the accounting system was problematic

The reason behind Keio Corporation's implementation of ACRES involved a lease management system which Keio Corporation installed in its system in 2007 to streamline its operations. Seven years since its installation, the time was ripe for replacement. But Keio Corporation had to do so by replacing its entire server environment because Keio had located its private servers on its premises. This would cost Keio not only system investment but also personnel expenses on a continuous basis.

In addition, an increase in the number of new properties and changes in the market resulted in a complex, diverse array of contract types. Keio faced difficulties in adapting its system promptly and flexibly to change. Contracts that its lease management system couldn't handle had to be processed by hand, which increased the manual workload. When settling accounts and making budget decisions, CSV-format numerical data had to be extracted from the lease management system, then entered into the accounting system, which was not linked. Every time Keio prepared a report, it had to incur extra cost and spend unnecessary development time, having to contract with an external systems development company for the additional modifications required to produce a given report. Each person in the field had to figure out how to extract and manage data, so that tasks had become overly dependent on individual employees. When one employee was replaced with another, the handoff of tasks could be extremely difficult, being overly dependent on the individual employees involved.

Effects of ACRES Implementation

Specs information — Property revenue/expenditure information — Contract information

ACRES

Make conditions of use visible — Cost comparison among offices and analysis of cost changes — Utilize maintenance history and grasp/judge schedule maintenance

CRE strategy formulation

Implementing ACRES, designed based on ABeam's real estate industry expertise

Implemented at Keio Corporation, ACRES is a cloud-based real estate management solution constructed based on SAP® ERP, a mission-critical SAP software component. The solution was developed on the basis of ABeam's in-depth knowledge of the real estate industry and know-how gained through ABeam's own extensive experience in business transformations. The solution is equipped with a full complement of functions that facilitate efficient real estate management operations, including development management for building planning, construction progress management, post completion property management, lease contract

management, claims and obligations management, fixed asset management, revenue and expenditure control and investment evaluation. ACRES is also equipped with the SAP® Business Object (BO) function, an SAP-based business intelligence (BI) solution for the information analysis and reporting required to facilitate a prompt and precise decision-making process in real estate business operations. ABeam proactively assists Keio Corporation in strengthening its real estate management operations with a new ACRES-centered lease management system that ranges from utilization of cloud computing to requirements definition to systems construction and maintenance of installed applications. Mr. Taisuke Tsutsui, Planning and Development Department Assistant Manager at Keio Corporation, comments: "We have always used lease management systems, so we had an ideal mental picture of the next lease management system. It was crucially important that the new system should allow us to do the things that we couldn't with the previous system. ACRES fulfills most of the requirements we have. I think that ABeam is fully capable of putting our thoughts into action".

High marks for the cloud-based ACRES proposal, consultants with in-depth industry knowledge

Sharing its lease management system with Keio Realty & Development Co., Keio had been considering replacing the system since December, 2012. Five companies put forward proposals for the project, and upon careful consideration, Keio decided in March 2013 to adopt the ABeam proposal. Implementation of cloud-based ACRES was initiated in May 2013. ACRES went live at Keio Corporation in June 2014, ahead of other group companies, and at Keio Realty & Development Co. the following December.
Key criteria in the replacement of the lease management system were:

①　**Use of cloud computing**
②　**Easy-to-use form creation**
③　**Seamless linkage with the accounting system**

In addition to the fact that ABeam had already helped Keio Corporation install its existing accounting system, ABeam distinguished itself even among companies proposing cloud-based solutions with the breadth of adaptability in its screen interface, which means the ABeam system can be used for a long time to come. All these factors figured into the decision by Keio Corporation to adopt ABeam's proposal.
Ms. Nakayama, Business Promotion and Development Department Senior Staff at Keio Corporation, comments on ABeam's support for ACRES implementation: "Even for specification changes that would seem impossible, ABeam consultants can explain it all, even to staff who are not familiar with such systems. They show us how we can accomplish the changes while demonstrating specific screen images using the routine language of our operations so that all of us can understand easily."

Results

Streamlining of various functions enables multifaceted analysis and reporting

Cloud-based ACRES eliminates server installation and maintenance costs by obviating the need for a company-owned server environment. It also significantly reduces manual workloads, prevents tasks/operations from becoming overly dependent on individual employees, and provides screen transitions that match the user's intuitive understanding of maneuverability and work processes. Whereas the previous system required managers to open up an individual screen for each contract requiring approval, ACRES enables one-click approval of a screen display listing every item requiring managerial confirmation. This greatly reduces managerial workload.
Mr. Makoto Tatsuda, Information System Division Manager at Keio Realty & Development Co. comments: "Our job has become much easier to do since ACRES has provided screen transitions that fit our work flows for tasks such as property registration, contract registration, payment, approval, and property owner/manager-related business. It organizes these work flows and instructional materials for us. Many of our employees, from front-line representatives to managers, all feel that this faster processing and systemization of operations that used to be done manually has streamlined our operations significantly.
"Using SAP BO for form creation makes basic forms easy to customize. The end result is an increased form creation success rate. And since it is highly compatible with Excel, our colleagues in the field enjoy customizing SAP BO-made forms with Excel. SAP BO can also extract only the necessary data and enable multifaceted analysis and reporting, since

VOICE

Mr. Taisuke Tsutsui
Assistant Manager
Planning and Development
Department
Keio Corporation

"ACRES implementation helped us integrate our property data including contract information. As it links with the accounting system, it also helped our information-gathering in terms of the budget/result management system, so I was able to see the operational efficiency immediately after the ACRES implementation."

VOICE

Ms. Asuka Nakayama
Senior Staff
Business Promotion and
Development Department
Keio Corporation

"I have made many requests, but they never say 'No'. Their style of proposal is always to say, 'We might be able to make it if we did this way… .' They create an environment in which it's easy for us to make requests."
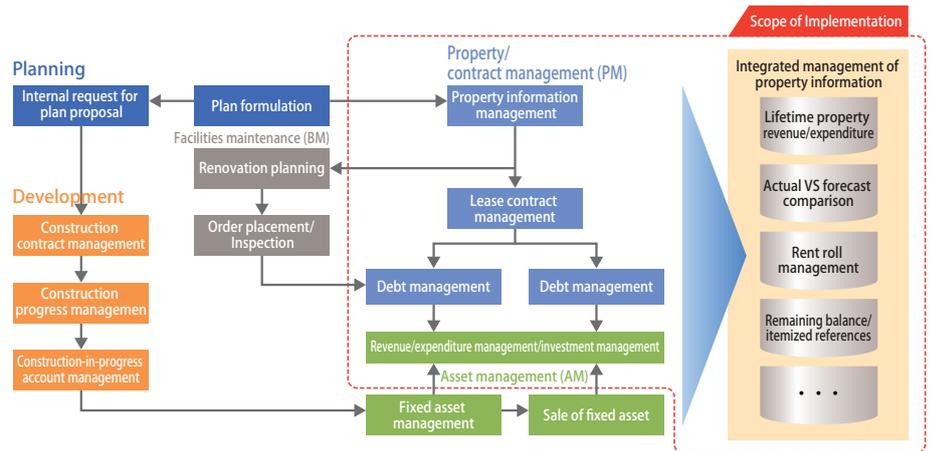
VOICE

Mr. Makoto Tatsuda
Manager
Information System Division
Keio Realty & Development
Corporation

"We began by carrying out implementation tests through trial and error. But we were able to complete the test successfully in a short period of time because of the needed support that ABeam provided us with. We continued to spend time exchanging opinions on system implementation, and now the system has become far better than it was in the initial development phase."

Overall Scope of the ACRES System, and Scope of Implementation

Ms. Hiroko Motoi
Staff
Business Promotion and
Development Department
Keio Corporation

"From the requirement definition phase, ABeam has been very clear about the limitations on what they can do. So we had a sense of security in knowing that we have been creating this system together. ACRES is really convenient because I can easily grasp the status of the properties that I am in charge of."

lines and columns of the form can be easily swapped and interchanged between forms."
Ms. Hiroko Motoi, Business Promotion and Development Department Staff at Keio Corporation, comments: "Versatility with forms, ease of customization and information content are all enhanced compared to the previous system. If you wanted to create report with the old system, you had to gather all the necessary data yourself. BO requires just one click, then it gives you a list of data. You just have to extract the needed data components to paste into an Excel sheet for circulation. That is how we now accomplish report creation and confirmation work."
Ms. Motoi also comments that "Previously, we used to issue invoices with the amounts billed from the management company, so it took several months for us to discover an incorrect payment amount or invoicing error by the management company. ACRES implementation allows us to check the ACRES figure against the figure billed by the management company, which encourages us to notice incorrect payment amounts or invoicing errors, if any, before issuing the invoice. This is one unexpected outcome of implementing ACRES."

Enhancing both operations and systems with ABeam consulting services

In order to keep up with the increasingly diverse contract types in the ever-changing real estate industry, Keio aims to establish a framework enhancing its operations and systems on a continuous basis. Meanwhile, Keio Realty & Development Co. Ltd. is also planning to implement the budget/results management system which Keio Corporation has already implemented. In this way, they plan to enhance systems and operations in parallel.
Mr. Tsutsui comments: "I am very happy with the process of ACRES implementation we undertook this time. ABeam consultants were there to proactively provide us with solutions, even for small requests. I thought to myself, no wonder they include "Consulting" in their corporate name. We will promote the visualization of real estate operations, and continue to work together with ABeam to solve issues and integrate the management of our systems."

Client Overview

Corporate Name	Keio Corporation
Established	June 1, 1948
Head Office	1-9-1 Sekido, Tama-shi, Tokyo 206-8502
Business Segments	Transportation business
	Real estate, merchandise sales, etc.
Capital	¥59.023 billion

Project Outline

Outline: Implementation of ABeam Cloud Real Estate Solution (ACRES), utilizing ABeam's experience and proven track record in the real estate industry, has streamlined lease management solutions installed in the systems of Keio Corporation and Keio Realty & Development Co.

Software: ACRES (ABeam Cloud Real Estate Solution)

ABeam Consulting Ltd.

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