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.

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

Overview

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.

Challenges

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

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
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