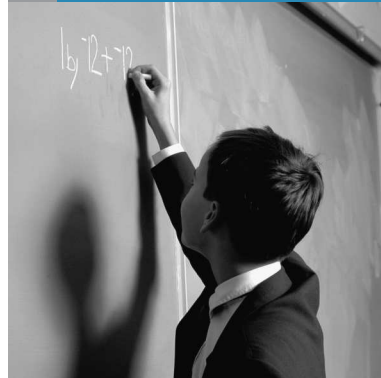


SAP Customer Success Story

**“There’s much less redundancy across divisions,
thanks to SAP Real Estate Management.
We can make long-term plans for our properties
rather than just fighting the fires of each day.”**

Fred McGrath, Facility Services Business Specialist,
Toronto District School Board



AT A GLANCE

Company Name

Toronto District School Board
Ontario, Canada
www.tdsb.on.ca

Industry

Public sector (education)

Key Challenges

- Create centralized support for external leasing of unused space
- Integrate leasing processes of 7 regional school boards

Implementation Partner

SAP® Consulting

Solution and Services

SAP Real Estate Management,
an application found in
mySAP™ ERP

Existing Environment

SAP R/3® (now available in
mySAP ERP)

Implementation Highlights

- Used ASAP methodology
- Compiled master data from broad range of record-keeping sources
- Involved 679 users of property management information

Key Benefits

- Increased revenue from leasing of unused space
- Streamlined property maintenance
- Standardized real estate management processes
- Integrated real estate processes with other departments and systems
- Improved support for long-term goals

Hardware

Dell servers

Operating System

Microsoft Windows 2000

TORONTO DISTRICT SCHOOL BOARD

SAP® REAL ESTATE MANAGEMENT STRENGTHENS PROPERTY CONTROL WHILE INTEGRATING FINANCIAL AND BUSINESS PROCESSES

When the provincial government of Ontario mandated the consolidation of seven regional Toronto school boards, each board had its own property management procedures – with no centralized IT support. At best, property information resided in Microsoft Word files, Access databases, and Excel spreadsheets. At worst, it was kept in paper folders in dusty cardboard boxes that were scattered throughout the district. Meanwhile, the property management division for each board was not completely integrated with other divisions such as finance and accounting.

With a property portfolio of 48 million square feet, the new Toronto District School Board (TDSB) needed a single system to track and manage external leases for 3 million square feet of rentable space. The school board chose SAP® Real Estate Management – an application found in the mySAP™ ERP solution. The application helped the school board synergize its property management processes, integrate those processes with other financial activities, and realize the many efficiencies of consolidation.

IMPROVING LEASE PROCEDURES

The Toronto District School Board – which today has a combined student population of about 300,000 and an annual budget of more than CAN\$2.1 billion – hoped to offset an overall 15% budget cut that resulted from the amalgamation by increasing operating efficiencies as well as enhancing revenue from external tenants. The challenge was to integrate distinctly different leasing procedures. Some processes were automated, but many were handled manually. In addition, there was no tracking of information at the building level.

“Record keeping was confusing and time consuming,” says Fred McGrath, a business specialist in the school board’s facility services department.

The school board chose SAP Real Estate Management in part for its ability to integrate with SAP solutions that the board had installed for financial accounting, enterprise planning, procurement, project management, and plant maintenance – and because the software could help standardize the leasing processes and make them more efficient. The board also recognized SAP’s leadership in developing effective business processes.

“Using SAP as the top-level software provider helps us avoid interface problems with other systems and the need for multiple vendor skill sets,” says Sanjay Puri, assistant comptroller for the school board. “SAP knows how the processes in business and finance work and blends the best practices into its applications.”

SAP Consulting helped the school board implement SAP Real Estate Management using ASAP methodology – which the school board had successfully used with other solutions to ensure rapid implementation. Because the board had to collect master data from many different sources, the implementation took about eight months.

A KEY TOOL FOR CHANGE MANAGEMENT

With SAP Real Estate Management in place, the school board can centrally control a set of standard leases and leasing procedures. In fact, improved tracking of lease provisions and review dates immediately enhanced revenue results. Centralized information on building characteristics and vacancies made it easier to match available space with prospective tenants, and knowing what services each lease requires streamlined building maintenance.

“There’s much less redundancy across divisions, thanks to SAP Real Estate Management,” says McGrath. “We can make long-term plans for our properties rather than just fighting the fires of each day.”

With a wide range of property information finally available at the building level, the school board realized it had a comprehensive tool for standardizing processes among operations, construction, and other facility services divisions. Integration with other SAP software solutions lets users throughout the school board readily analyze that information.

“Through standardized reporting, we have moved from tracking lease revenue and costs to tracking our whole real estate portfolio,” says Puri. He notes that enhanced lease terms and better

“We hope to work with SAP to develop additional capabilities that can serve as models for other school boards. We see SAP as a long-term business solution partner.”

Sanjay Puri, Assistant Comptroller, Toronto District School Board

cost planning should produce clearly measurable returns over the next few years. In addition, real estate accounting is much tighter and more visible to everyone. Web-based communication streamlines distribution of end-user documents, procedures, and training in this and other areas.

As with other SAP applications, users of SAP Real Estate Management are more empowered to own and use information in the system. This has made them more accountable for their roles in the process, McGrath notes, while fostering true synergy between various school board divisions and fulfilling the goals of amalgamation.

“The success of our SAP implementation started with the TDSB’s corporate leadership and is increasingly being demonstrated by each employees’ commitment and understanding that their day-to-day tasks are essential to the successful operations of the organization as a whole,” says Gabriella Sicheri, facility services real estate manager. “SAP is a powerful tool that helps each one of us become more responsible and accountable to the community we serve.”

A LONG-TERM PARTNERSHIP

Since implementing SAP Real Estate Management, the school board has added several new functions – enabling it to track utility costs more closely, for example. It also plans to upgrade its enterprise resource planning solution and evaluate additional SAP solutions for payroll, human resources, security, and workflow capabilities.

“We hope to work with SAP to develop additional capabilities that can serve as models for other school boards,” Puri adds. “We see SAP as a long-term business solution partner.”

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