



SAP
Innovation
Awards 2019



SAP Innovation Awards 2019 Entry Pitch Deck

Going Global with Digital Transformation

Country Garden Holdings Company Limited

THE BEST RUN



Going Global with Digital Transformation

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“Quote”

“To strengthen our global presence, we need a digital platform to increase efficiency, secure information and create value. With SAP, we have achieved insight and efficiency in managing human, financial and material resources across overseas operations. We made a leap forward in staying truly competitive in real estate industry, at home and abroad. ”

Mr. Bin MO, CEO, Country Garden Holdings Company Limited

Challenge

Country Garden, a Forbes 500 global giant and the leading real estate developer in China, is undertaking a global digitalization initiative powered by SAP, to address the challenges in managing its vast international projects portfolio including a mega development in Malaysia, with an integrated management platform to achieve efficiency, cost reduction and to enable innovation.

Solution

Country Garden's digital transformation includes the deployment of SAP S/4HANA as the core business system, supporting MDM, FICO, HR, MM, SRM, bidding management, full cost management and supplier portal for real estate industry, within a short construction time and in complex IT and business environment across overseas regions including the challenging implementation in “Forest City”, the group's most significant overseas development and Southeast Asia's first and largest green city project.

Outcome

With the establishment of a unified SAP core business platform and integrated IT management, Country Garden is able to manage its overseas operations with enhanced insight, greater control and improved communication and collaboration, resulting in quantum increase in productivity, efficiency and operational cost reduction.

- ✓ 56% efficiency increase in generating financial postings
- ✓ 2.5 days reduction in staff's personal reimbursement time
- ✓ 45% increase in procurement efficiency
- ✓ 56% overall efficiency improvement in cost management
- ✓ 3.5 days shortening in process approval cycle

- ✓ Enabled smart urban development by building digital core for Forest City, the group's sustainable and innovative real estate development in Malaysia, an eco-city of the future.

- ✓ forerunner in China's real estate industry in implementing SAP HANA to manage overseas business
- ✓ Strong positive reference for Chinese homegrown enterprises going global with digital transformation



Business Challenge & Objectives

To support the rapid expansion of its overseas business and sustain its leadership position in the industry, Country Garden sees the urgent need to address the following challenges:

- How to support overseas real estate development business covering Southeast Asia, Australia, the United Kingdom, the United States, New Zealand and other countries and regions
- How to achieve synergy between home and abroad and to promote collaboration
- How to meet the group management requirements while adapting to local regulations on laws and taxations
- How to achieve integrated global information management by breaking information barriers and isolations
- How to realize digital transformation to stay ahead of competition and better integrate into the global business network
- How to support “Forest City” with cutting edge IT technologies to ensure the success of this massive ecological development project

Country Garden set clear objectives for its SAP project:

- Build a single unified SAP core business platform, adapting local specifics and meeting the demand for multi languages, multi currencies and multi dimensions.
- Unify and consolidate data source such as employee ID, suppliers information, master data for real estate development projects, etc
- Seamlessly integrate core businesses: procurement, cost management, bidding and finance, to facilitate cross departmental collaboration and information sharing
- Support group management system to reduce communication cost and improve efficiency
- Facilitate the transformation to smart urban development in “Forest City” by leverage technologies from SAP solutions



Project / Use Case Details

The project is the first SAP HANA application in real estate industry in China. As Country Garden has the largest overseas investment, the project is a pioneering showcase for Chinese companies with ambitions to go international.

- Established SAP platform to manage overseas core business covering 13 countries including Hong Kong, Malaysia, Indonesia, Thailand, India, Myanmar, Vietnam, Philippines, Australia, USA, New Zealand, UK, India, etc, with functionalities including master data management, finance management, human resource management, procurement management, full cost and bidding process management, etc.
- Deployed SAP S/4HANA as the foundation to support core business, followed by standard MDM, FICO, HR, MM, RERCS modules implementation, after in-depth business analysis and process reengineering. RERCS is the first real estate industry solution suite based on S/4HANA in the world, thus a very challenging deployment.
- Unified account management to authenticate employee IDs and set up a unified ID platform across the group's multiple companies and systems
- Unified workflow platform to integrate various OA systems of sub companies and across the value chain, and to optimize vertical business processes
- Facilitated the global integrated management with MPLS VPN across borders
- Carried out customized development of nearly 45% of the implementation workload by taking advantage of the flexibility and scalability of SAP solutions, while meeting the requirements of the group management system, as well as local law and tax regulations
- Implemented Mobile Collaborative Platform to facilitate open, transparent and efficient cooperation between suppliers, supervision committees and property owners
- Introduced SAP Portal, based on the combined technology of BOPF and FPM
- At present, three regional companies in Malaysia and Indonesia have successfully carried out the system, which has delivered remarkable results. Thailand, Hong Kong and India are scheduled to go live with the system in June 2019.
- Highlight of Country Garden's SAP project was the successful deployment in Forest City, the group's flagship project in Malaysia, with an investment over 10 Billion USD and a construction period over 20 years. The SAP implementation plays a crucial role in building IT excellence to ensure the project success.



Benefits and Outcomes

Business / Social

- Cost reduction and efficiency gain through unified information standards, consolidated data source and formalized workflow:
 - ✓ 56% efficiency increase in generating financial postings
 - ✓ 2.5 days reduction in staff's personal reimbursement time
 - ✓ 45% increase in procurement efficiency
 - ✓ 56% overall efficiency improvement in cost management
 - ✓ 3.5 days shortening in process approval cycle
- Achieving insight and greater control over international operations with integrated IT management, breaking information barriers and accelerating collaboration
- Accelerating the pace of overseas expansion with digital transformation, building a role model for Chinese enterprises expanding abroad
- Supporting smart urban development in "Forest City", a sustainable future city to promote green living and regional economic growth

IT

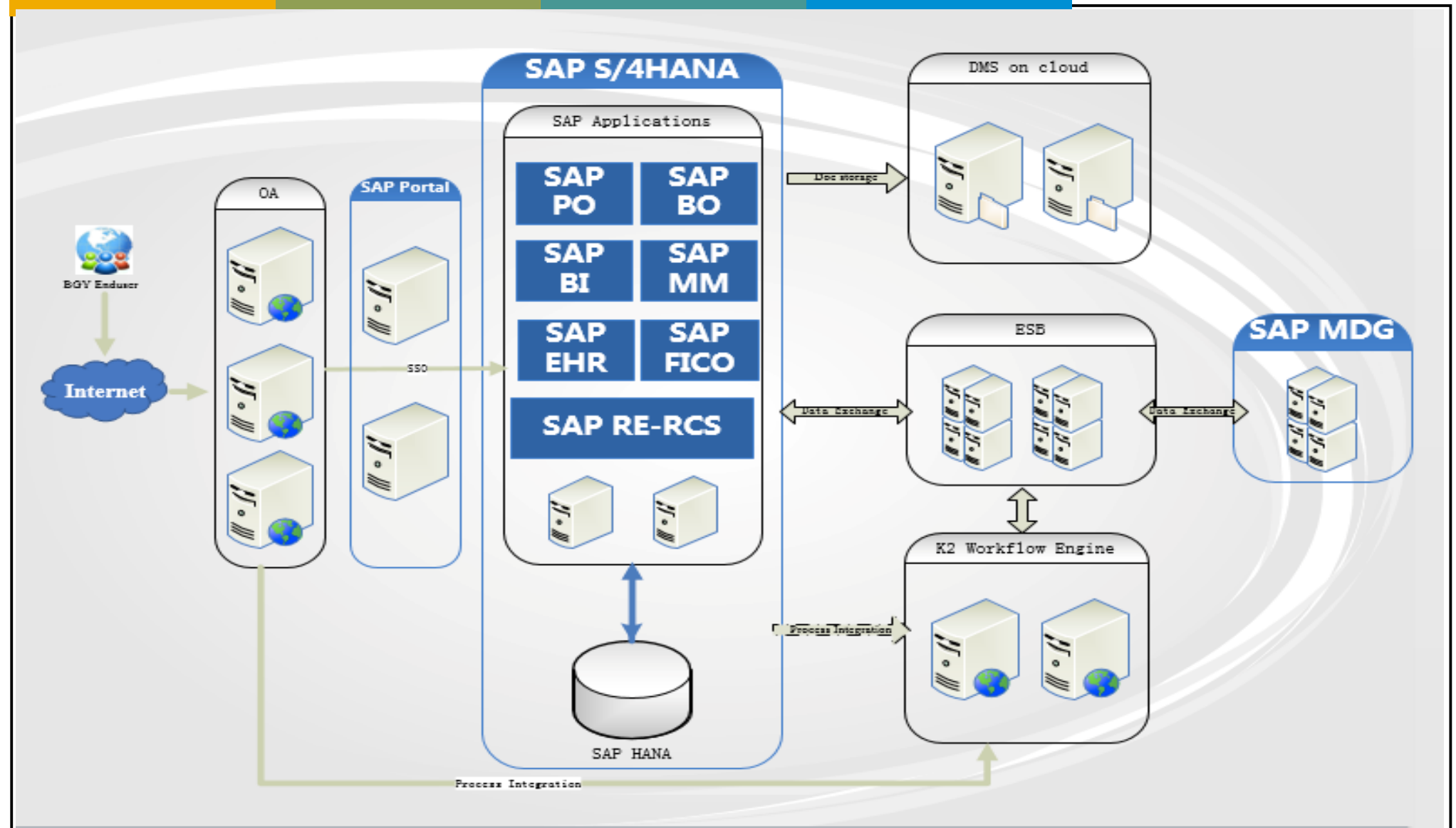
- Enhancing IT efficiency with an unified core business management platform, and a centrally located system in HK to support overseas business regions
- Reducing communication cost by unifying data sources and standards to enable data visibility and information flow
- Allowing operations to continuously realize the benefit of integration with a standardized IT environment

Human Empowerment

- Enhancing employee productivity with improved data quality and information flow
- Improving user experience with the multi-language, multi-currency platform to support local business needs
- Promoting effective communication and collaboration between departments, among regions and across the value chain
- Improving greatly the IT capabilities of local suppliers and construction units through close collaboration and knowledge sharing
- Cultivating a pleasant working environment with increased productivity and efficiency



Architecture





Deployment

Date of Deployment or POC: 2017-11-26

Number of live users: 1256

SAP Technologies Used:

Technologies Used	Status
SAP S/4HANA	Live
SAP Portal	Live
SAP PI	Live
SAP BO/BI	Live
SAP MDG	Live

Server Processor: Intel XEON E7-8890v4, Intel XEON Gold 5120

Linux Distribution: SUSE12 SP2