



TFMC

GREATER VISIBILITY AND LOWER COSTS – THANKS TO SAP® ERP AND SAP REAL ESTATE MANAGEMENT

QUICK FACTS

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Rob Redaelli, CIO, TFMC

Company

- Name: TFMC
- Location: Centurion, South Africa
- Industry: Professional services
- Products/services: End-to-end facilities management
- Revenue: R 1.8 billion (€186 million)
- Employees: 1,900
- Web site: www.tfmc.co.za
- Partner: SAP® Consulting

Challenges and Opportunities

- Standardization of disparate data storage systems
- Integration of best-of-breed legacy solutions
- Resolution of inefficient asset and documentation management

Objectives

- Implement an end-to-end solution for facilities management
- Create a template that is easy to replicate in other countries
- Improve data visibility across the enterprise

SAP Solutions and Services

- SAP ERP application
- SAP Customer Relationship Management application
- SAP Real Estate Management application
- SAP NetWeaver® Business Intelligence component
- SAP ERP Human Capital Management solution

Implementation Highlights

- 9-month implementation
- Minimal disruption to day-to-day operations
- Smooth transition from existing solution
- Over 1,000 users

Why SAP

- Best-practices-based support for enterprise resource planning and real-estate management
- Proven experience required to implement large-scale solutions

Benefits

- Tight integration of all data on real estate, maintenance, and financials
- Significant reduction in software maintenance costs
- End-to-end automation of processes
- Greater visibility thanks to a single view of entire portfolio
- Improved support for entire life cycle of managed assets

Existing Environment

Best-of-breed and customized legacy software

Third-Party Integration

- Database: MaxDB
- Hardware: Hewlett-Packard
- Operating system: Microsoft Windows NT





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TFMC, a total facilities management company, recently replaced its heterogeneous IT environment with state-of-the-art software from SAP. The aim? To improve the flow of data across the enterprise. The means? An end-to-end SAP® software-based solution. The result? Increased visibility, greater productivity, and lower maintenance costs.

The Market Leader in Africa

TFMC, headquartered in Centurion, South Africa, was founded in 2000 to deliver facilities management services to Telkom SA Limited, the country's leading telco. TFMC currently employs 1,900 staff at 32 sites. It is the market leader in South Africa and across the entire African continent. TFMC is responsible for Telkom's extensive portfolio of real estate and other assets – ranging from offices to telephone booths – and delivers services for over 3,400 sites, including 6,500 properties and 14,000 masts. That is quite a challenge for any company and any IT environment.

A Patchwork with a High Price Tag

TFMC had to get to grips with vast amounts of data of many different types. This included site plans, complex service level agreements, maintenance schedules, financial data – and much more besides.

TFMC's legacy environment was a patchwork of best-of-breed and home-grown software. "When our call center issues a work order, this triggers a process comprising a variety of tasks, from work execution through to finan-

cial reporting. This calls for access to real-estate, procurement and inventory functionality, as well as maintenance schedules, contracts, and other documents," explains Rob Redaelli, CIO at TFMC. "Data on our real estate, equipment, and financials was stored in disparate systems. We had a tool to tie them all together, but it was a time-consuming and costly way of working. Our IT team was spending more time ensuring smooth integration and less time on improvements to our system. And because processes such as supply chain, material management, and human resources ran on these disparate systems, implementing best-practice support for them was complicated." The facilities management player needed a comprehensive solution for both real-estate and back-office tasks.

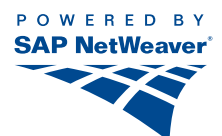
SAP Comes Out on Top

"We conducted extensive research before making our choice," explains Redaelli. "And our testing phase was rigorous, culminating in a head-to-head battle." This involved inviting experts from SAP and another leading vendor for a two-week, on-site trial. After the end of this scrutiny, Redaelli and his team concurred that SAP software

offered the best fit. In particular, they agreed that the SAP ERP and SAP Real Estate Management applications would provide the company with much-needed visibility into its vast portfolio of assets. The real-estate functionality dovetails neatly with SAP ERP – helping to streamline processes and offering powerful support for every stage of the real-estate portfolio life cycle. What's more, TFMC decision makers felt SAP had the necessary expertise and experience to implement a project of this size – and to support the company going forward.

Implementation in Record Time

With SAP Consulting as the implementation partner, the project kicked off at TFMC's headquarters in October 2005. Alongside SAP ERP and SAP Real Estate Management, the company introduced the data warehousing functionality found in the SAP NetWeaver® Business Intelligence component and the SAP Customer Relationship Management application. By the end of July 2006, the solution was up and running – making it the country's fastest SAP implementation with this breadth of functionality.





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Rob Redaelli, CIO, TFMC

At an advanced stage, TFMC decided to include the SAP ERP Human Capital Management (SAP ERP HCM) solution to handle payroll accounting: that meant shifting from the company’s existing external payroll provider to in-house management. “The transition from our outsourcing arrangement to operating SAP software ourselves was a real highlight – smooth and hassle-free, adding value to a process that provides on-time accurate information,” explains Redaelli.

SAP and TFMC developed a very strong relationship – based around a common commitment to achieving positive results. “With an implementation on this scale, there is potential for things to go wrong,” concedes Redaelli. “But with the help of SAP Consulting, everything went according to plan. We kept to our budget and met our very tight deadline.”

Total Transparency, Higher Productivity, and More

Since go-live, TFMC has been reaping the benefits of its new-look, harmonized IT landscape. Information flows freely, and the company enjoys total visibility into the assets it manages – and across the entire life cycle. In a matter of moments, staff can call up floor plans, invoices, details on utility payments, and other documentation via a document management system – saving time and reducing effort. What’s more, thanks to SAP Real Estate Management, employees now know exactly how many assets the company manages. And they have vital facts and figures, such as cost per square meter,

at their fingertips. As a result, they can provide up-to-date information and performance metrics to customers and prospects. And while it is still too early to give a precise figure, TFMC has already seen a significant reduction in software maintenance costs.

The decision in favor of SAP ERP HCM has also paid off handsomely – in-house payroll accounting is much more cost-effective, providing on time accurate information with increased productivity and efficiencies. In addition, manual, paper-based processes such as leave requests and authorizations have been replaced by automated workflows, trimming administrative overhead.

TFMC now has an environment standardized on SAP software. “We’ve gone from a heterogeneous, best-of-breed architecture to wall-to-wall SAP,” explains Redaelli. “Having all our information in one place has dramatically improved the way we manage our wide-ranging services and extensive real-estate portfolio. Our facilities managers now have an integrated view of all the assets we manage, from service level agreements through to information on work being performed on a piece of equipment, space utilization, and the costs of a building. This enables us to implement more effective facilities-management strategies for our portfolios.”

The company has introduced a solution aligned with its specific requirements. And this provides a template that will be easy to replicate in other countries as the business grows.

The Road Ahead

In addition to the SAP ERP and SAP Real Estate Management implementation, TFMC is currently developing a mobility solution. In the near future, maintenance staff in the field will have direct access to SAP software via handhelds. And supervisors will be able to assign jobs remotely, so employees no longer have to collect work in person. This will significantly shorten journey times – and, again, save money.

As an agile, forward-thinking enterprise, TFMC plans to tap into SAP services and applications to an even greater extent. As Redaelli makes plain: “We intend to create a road map defining our vision of the ideal facilities management solution. And we see SAP software supporting us all along the way.”

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