

Corporate Real Estate Management System Case Study – United Parcel Service

Company Profile



United Parcel Service is the largest express carrier in the world. With annual revenues of over \$33 billion, UPS delivers over 3.5 billion packages using a ground fleet of 150,000 vehicles and over 600 aircraft. UPS services over 200 countries including direct flights to China. UPS has 360,000 employees, and is the fourth largest employer in the United States.

The Challenge: An aging, inflexible system

UPS manages one of the largest portfolios of Real Estate holdings in the world; made up of both leased properties and titled facilities. The Corporate Real Estate Group in Atlanta was utilizing a DOS-based Clipper database system, named the Real Estate Management Information System (REMIS). The original REMIS system was developed internally in 1990. Minor updates to the system in 1992 allowed for its continued use, although the system never quite met the needs of the day-to-day users. The system had fallen into disrepair with no funds allocated to keep it up to date with UPS' changing business needs. In addition to the technical maintenance issues, the distributed nature of the negotiated lease, rents, and titles resulted in a system that frequently had out of date information that could not be accessed easily by other Region Real Estate Managers to help in their negotiations.

The Solution: A distributed database system with centralized review and approval

In 1997, UPS selected Conarc to develop a new international facilities tracking and real estate database system that would connect all regions worldwide to its Atlanta-based corporate headquarters via the UPS intranet. UPS and Conarc began the design and definition phase, identifying the strengths and weaknesses in their existing system together with their desires for new REMIS features and functionality. There were many important factors repeatedly requested for the new system:

1. UPS needed to empower its distributed Region Real-Estate managers with accurate, global and timely information. It was not possible for their existing system to support globally dispersed managers trying to gather pertinent lease data from other regions around the world. The new system therefore had to provide accurate, up-to-date information to the Managers negotiating the leases in a timely manner.
2. The Real Estate Regions and UPS subsidiaries presented certain challenges and opportunities for the Visual REMIS system. Most regions were single person operations, while others were extensive teams. Many of the Region Real-Estate managers were computer novices. The new system needed to be powerful yet simple-to-use.
3. Security with checks and balances. The information contained within the system is

deemed highly sensitive from both a legal and a corporate standpoint. Information entered in a remote region would need to be communicated via secured communication to the central UPS corporate office, reviewed, and distributed to all

The screenshot shows the 'Lease Manager:1' application window. It features three tabs: 'Selection Criteria', 'Data Entry', and 'List'. The 'Data Entry' tab is active, displaying the following information:

- Lease ID:** 10520
- Tenant:** SPÉCIALITÉS DU MONDE376
- Lease Type:** Consolidated Holdings376
- Resp.:** Liz Nixon16
- Region:** Elizabeth Brown
- District:** Matti Karttunen72

Below this, there are sections for 'Address' and 'Landlord' details:

Address Section:

- Location:** CONSOLIDATED HOLDINGS376
- Address:** BERKELEY GARDENS, 12 BREWERY376
- City:** LONDON376
- County:** FULTON
- Phone:** - -
- Country:** LON

Landlord Section:

- LL Name:** ROMERO Y TOMILLO376
- Address:** GRAN VÍA, 1376
- City:** MADRID376
- Phone:** (91) 745 6200
- LL Subsidiary

other Real-Estate branches.

4. Custom reports for the existing UPS business requirements were to be included in the design. A custom query tool would also be required for future, yet-to-be-determined UPS business requirements. Flexibility in its reporting capabilities would keep the system effective in an ever changing and increasingly competitive shipping market.
5. The REMIS data should be readily exportable for external consumption by two MS Access based systems performing Tax and Risk Management.

With the above major points in mind, Conarc proposed a distributed database system installed in the outlying regions with a centralized corporate application to review, approve/decline changes, with the ability to merge the regional data into a single, stable database repository.

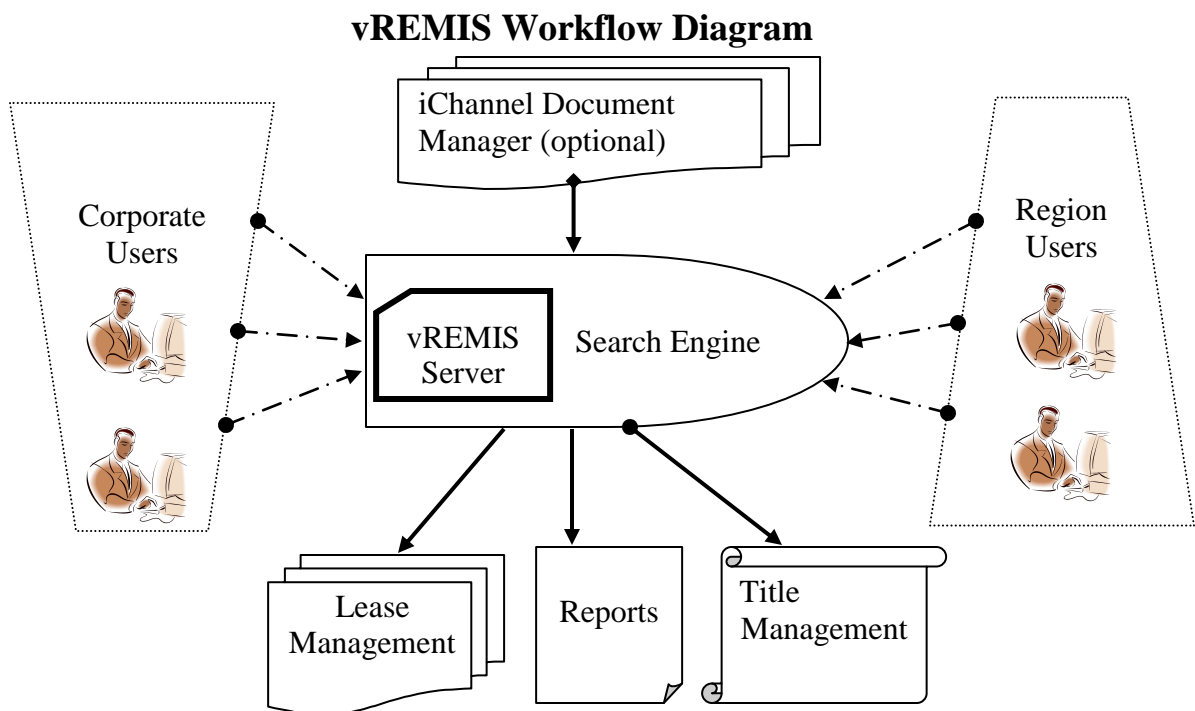
CONARC utilized object-oriented technology to help the users to process information more accurately and efficiently. Informational integrity and flow was improved by eliminating input redundancies. A user-friendly interface was developed along with a customized database system that met UPS' very specific requirements. The use and reuse of modular technology enabled UPS to enjoy all the benefits and stability of a COTS product with a finely tuned, tailored application.

The Visual REMIS product that Conarc delivered (and continues to maintain) has been a success for United Parcel Service. Its effectiveness can be measured from the wide variety of requests that the Real Estate department has received for access to their Visual REMIS data. This access is easily granted with varying levels of security thanks to Conarc's security model, an integral component of the Visual REMIS architecture.

Implementation Notes

The UPS Corporate System

Conarc converted, cleaned, and updated the existing REMIS information into a new system based on Conarc's object-oriented client application. The new system, named Visual REMIS, was based on a 32-bit object oriented Microsoft framework. New querying capabilities were developed that allowed more flexible access to existing information. Because, the methodology for accessing the data was standardized, very little end user training was necessary.



Immediate benefit was realized in that the new networked information was now available across all other departments at UPS including Legal, Insurance and Tax.

The UPS Region System

The original rollout involved approximately 20 UPS regions around the United States and the world. Each region received a system configured to query only their own region by default, but could query information from any other region with a simple to use user interface. Controls were put in place that restricted the regions to only modifying their own lease information, locking them out of editing other lease information.

With very little training, computer novices quickly were able to query and modify their

own leases, titles, rents, and options. The legacy system would have required a series of faxed documentation to enter or correct a Real-Estate document.

A simple to use communications program allowed the Region Real-Estate Manager to gather any modified records, and place them onto

Summary

The Visual REMIS system has been a success, measured by the requests for access to the Visual REMIS information from a startling number of departments within UPS. Group and user level access was easily controlled and granted based on the development framework. The growing volume of users posed little problem for the LAN based system, their network being their only limiting factor.

"V-REMIS, developed for UPS by Conarc, is used worldwide today by UPS to manage and track all real estate holdings, both owned and leased. The holdings include land sites, facilities, local distribution operations, and local and consolidated offices, airport locations and subsidiary facilities. Conarc used its proprietary collaboration, client/server and intranet technology to create a customized solution that has worked very well. We are pleased to have Conarc continue to enhance the product as our needs evolve."

--Joe Browning, United Parcel Service Corporate