

# Learning Sessions: Case Study #3 – Data Quality Project at FedEx

April 25, 2023



## Business Need:

The FedEx Express Europe Real Estate team identified key areas where the legacy lease data in EnCoRE (TRIRIGA) was **inconsistent, missing** or **inaccurate**, preventing them from effectively utilizing reports and dashboards.

FedEx Real Estate and Accounting teams enlisted JCP at the end of 2020 to assist in a project to “cleanup” that existing data in EnCoRE.

# Process Overview



# Project Governance and Structure

## Project Governance

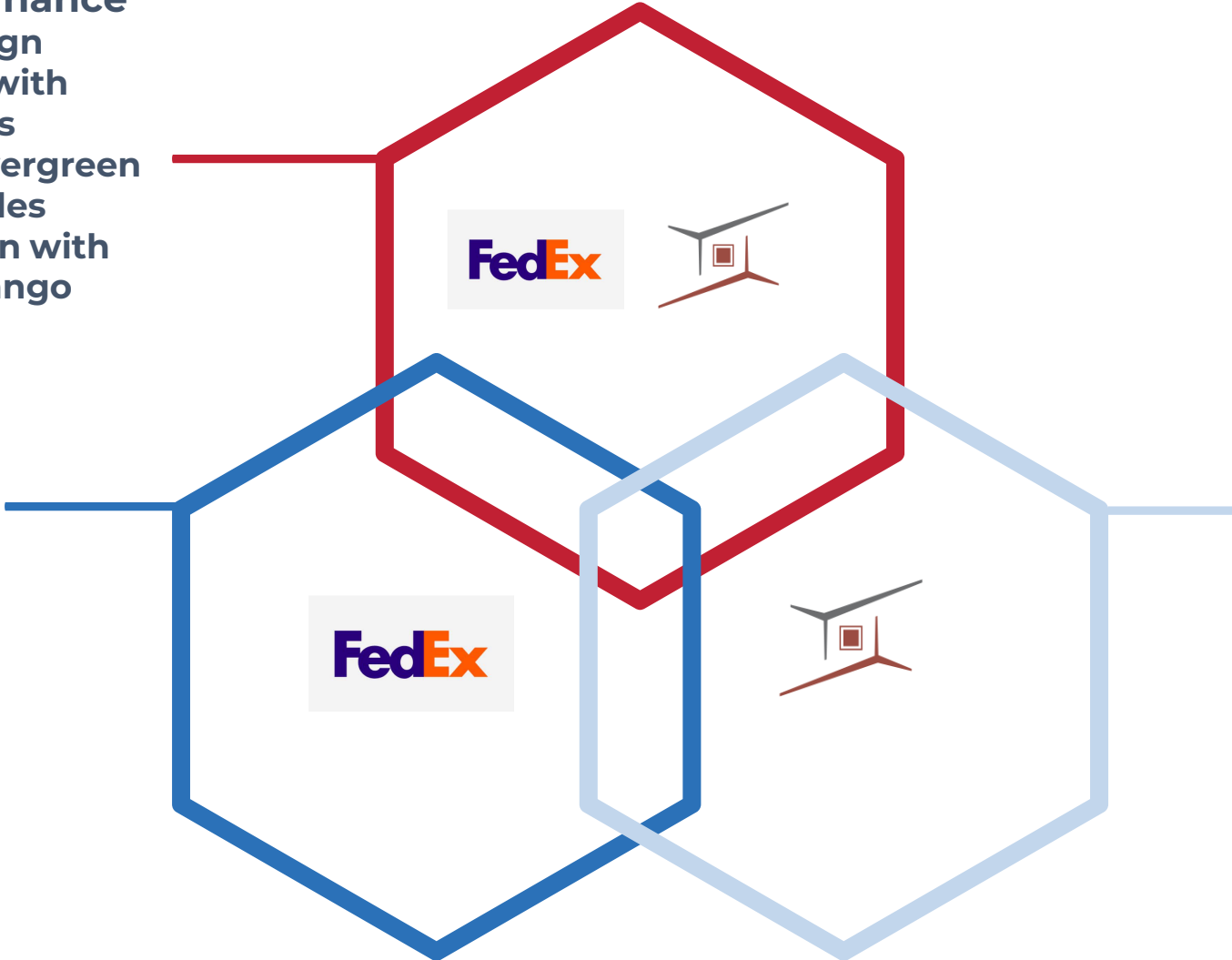
- Project Design
- Coordinate with Stakeholders
- Statutory Evergreen Business Rules
- Collaboration with CAST and Tango

## FedEx Real Estate Scope

- Operational Data not sourced from lease documents

## JCP Scope

- Lease data sourced from documents
- Data updates that required manual entry into EnCoRE



# Scope of Data for Cleanup

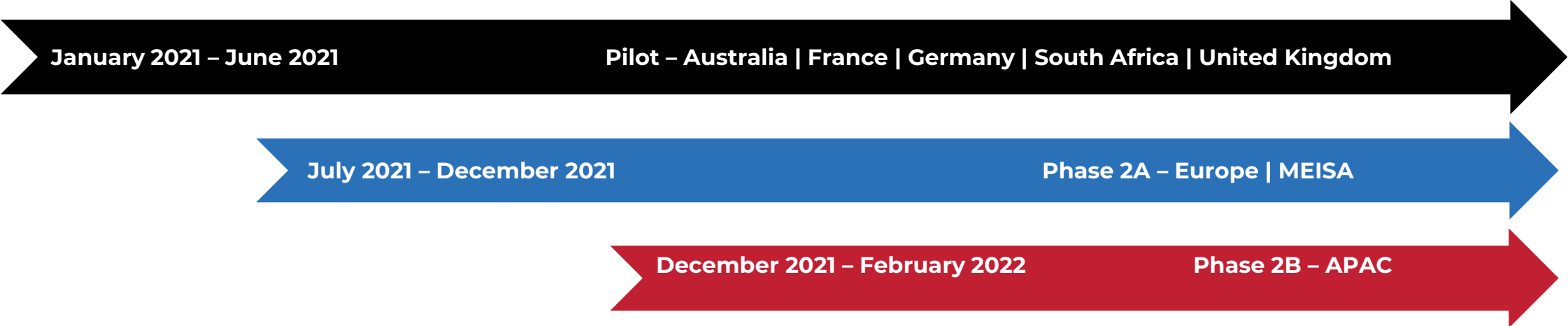
## FedEx Real Estate Scope

- Property Details
- Primary Use
- Premise Location & Area Breakdown
- Contacts
- Risk Management (Sprinkler, Fuel Tank, Building Replacement Cost)
- FMV

## JCP Scope

- Critical Dates
- Property Address, Lease Type
- Options
- Insurance Clause
- Document Reconciliation, Renaming and Translations
- Linking Budget Approvals
- Statutory Clause Template
- Statutory Provision and Business Rules Training for 33 European Countries

# Project Elements and Timeline



# Challenges and Solutions



**Identify Fields/Data for “Cleanup” across ~2000+ records**



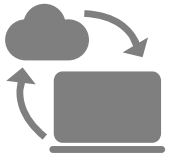
**Extracted data set and documents from EnCoRE and completed validation and corrections offline**



**Define universe of active leases for review**



**Lease Owners validated universe of active leases prior to data review**



**Tracking updates and approvals in EnCoRE and change management**



**Deployed method for Issue tracking and resolution and change management**



**Coordinating resources across 3 Regions / 62 Countries**



**Took process end-to-end with Pilot group and then applied training processes and documentation for remaining groups**

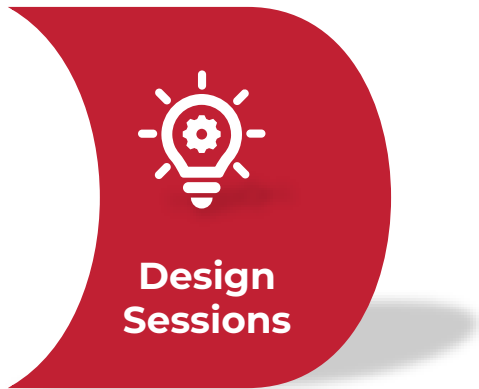
# Project Highlights







- **Thousands of International Leases in Portfolio throughout 62 Countries**
  - **Local laws and impact on leases known only by local RE teams**
  - **Central Team Need better Understanding of Local Laws**
- **Observed lease records with unclear lease terms**
  - **Expired leases that are still active**
  - **Placeholder future term dates utilized inconsistently**
- **Initial Process and Guidance Implemented**
  - **Evergreen Classifications Unclear**
  - **Applied inconsistently based on designations made by local RE team**



- **Statutory v. Contractual**
  - **Statutory**
    - **French Commercial Code Article 145 and Article 28 of Law 392/78 (Italy)**
  - **Contractual**
    - **Germany**
    - **Poland**
      - **Common practice in region for Lease to set forth that tenancy may continue for fixed or indefinite term unless terminated prior to end of stated expiration date**
- **Collaborated with Local RE Teams, internal counsel, local counsel and Accounting to Create New Designations and Process**

# Design Sessions – Business Rules for Statutory Evergreen Leases

## Lease Records Revised to include new Evergreen Designation, Expiration Dates update, Options Updated as Applicable

## Link to sharefile with Information Regarding Applicable Statute

Questionnaire (to be completed by Legal)

Question	Response
1. Does a written agreement between Landlord and Tenant supersede local law related to a property lease?	
2. Provide a summary of Statutory Terms that effect the end of term options between Landlord and Tenant.	
a. Does the Lease automatically renew? If yes, for what period?	
(i) Are there any instances where the renewal period is not defined? If that is the case, how should that be handled?	
b. Which party has the right to terminate a statutory renewal and during which period?	
c. Does the Statute provide any guidance or requirements related to the Rent during these renewals?	
(i) If it does not, how should that be handled?	
d. Can Landlord terminate the Lease? If yes, under what circumstances?	
e. If Landlord terminates the lease, is there any provision to reimburse tenant for relocation costs?	
f. Can a Landlord evict the Tenant and take possession of the property?	
(i) If yes, under what circumstances?	
g. Does a Statutory Renewal rely on the original lease terms other than term and rent?	
h. Are there any other cost or risk terms in the Statute that could affect the Tenant's business decision(s)? If yes, please explain.	

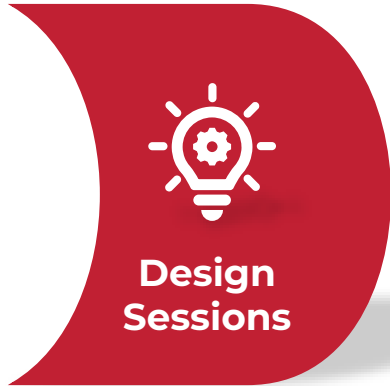
Business Rules (develop by Lease Admin & RE)

	Does a written agreement between LL and/T supersede local law related to a property lease?	Does the Lease automatically renew?	Which party has the right to terminate a statutory renewal?	Action to take in EXCAT during Contract Term	Action to take in EXCAT during <b>Evergreen</b> Term	Can Landlord terminate the lease?	Action to take in EXCAT during <b>Contract</b> Term	Action to take in EXCAT during <b>Evergreen</b> Term	Can Tenant evict/LL after the end of the contractual term?	Action to take in EXCAT during <b>Evergreen</b> Term
Austria	No	Yes	Yes	Evergreen = "No" Period to Period = "No" Current LED based on contract For the contractual period, create options based on contract with notice periods as per the contract For new leases, apply Statutory Rights clause template Response to Statutory Regulations email is loaded on Sharepoint For the contractual period, create an addendum, complete the following actions Create Termination option (effective from the Current LED based on contract) with a statutory notice period of 3 months	Evergreen = "Yes - Fixed Term statutory" Period to Period = "No" Current LED = the day after the contract term ends Current LED based on statutory evergreen period of 3 years Create Termination option (effective from the Current LED based on statutory evergreen period of 3 years) with a statutory notice period of 3 months Carry forward the last known rent For new leases, apply statutory email template, complete the following actions (critical) Evergreen = "Yes - Indefinite Term Statutory" Period to Period = "Yes" Current LED = the day after the statutory 3-year period ends Current LED = 31-Dec-2021 Create rolling Termination option (effective from the day after the statutory 3-year period ends to 31-Dec-2021) with a statutory notice period of 3 months	No	For the contractual period, create Landlord Termination option based on contract with notice period as per the contract	No statute regarding LL Termination ***Statute Mandated condition is email dated 20-Sep-2021. If the agreement does not terminate on the end of the fixed term and is continued, the landlord may only terminate the tenancy agreement to court under the important reason. Otherwise the confirmation of termination at the end of the fixed term would be delivered in writing without any special circumstances concerning term or timing.	Yes	No statute regarding Eviction

Statutory Clause (created by Lease Admin on basis of feedback from Legal)

	Document Type	Granted In Lease	Abstract Notes	Clause Type	Effective From	Effective To	Clause Summary	Character Count (EXCAT limit is 1000)
Austria	Other	No	Austria	Statutory Rights	19-Sep-2021	31-Dec-2022	See Statutory Response of 19-Sep-2021 on Sharepoint. An agreement entered into for a fixed period of time will terminate at expiry of the agreed term, provided that such termination has been agreed explicitly. An agreement for a fixed term without such clause that is neither extended by express agreement of the parties nor terminated upon expiry of the fixed term automatically converts into a tenancy agreement limited to (further) 3 years. If the extended lease again is not terminated after expiry of these 3 years it is deemed to be renewed for an indefinite period. In such a case the tenant has at all times the mandatory and unrestricted right to terminate the renewed agreement in writing by giving 3 months' notice. The 3-month notice period provided by statute may be shortened or extended by contract (Austrian Tenancy Act). If no contractual agreements are made the tenant, per statute, may terminate the tenancy to the end of each calendar quarter with a notice period of 3 months.	999

# Contacts



Real Estate Lease: Express France Non Domestic-19E-AHY-000-12878-11-URO - Rouen - FRD

General | **Contacts** | Clauses | Options and Payments | Accounting | Local Reporting | Supplemental Review | History | Pictures | Notifications | Notes & Documents | Reports | Audit Actions

(Required): Provide information about Tenant, Landlord, and other contacts.

**Internal Contacts**

Export 5 total found Show: 100

EE#	Role	Title	Person	Work Phone	Email
3528887	Lease Administrator	Properties & Real Estate Specialist (ID)	Isabelle Cressant	+33 (1) 11111111	isabelle.cressant@fedex.com
JCP	Lease Administrator	Lease Administration	JCP		JCP_FedEx_LeaseAdmin@jacksoncross.com
659238	Real Estate Representative	Properties & Real Estate Specialist-Senior (ID)	Veronique Phenix Tavelet	+33 (1) 49199392	veronique.tavelet@fedex.com
905539	Real Estate Representative	Properties & Real Estate Project Specialist-Senior	Xavier Bricaud	+33 (2) 47423392	xavier.bricaud@fedex.com
311192	Responsible Manager	Manager Planning & Engineering (ID)	Michael Kouroumalos	+33 (1) 49199892	mkouroumalos@fedex.com

**District Contacts**

**External Contacts and Valid Remit To Vendors**

Related Reports: -Select- External Contacts

Export 2 total found Show: 10

External Contact Type	Contact Type Description	Company Name	Remit To Vendor Set ID	Remit To Vendor ID	Remit To Vendor Company Name	Contact Name	Work Phone	Email	Address	City	Zip/Postal Code	StateProv	Country
Additional Contact		ROCHE DUBAR				Etienne VERHEYDE	33320420045	everheyde@rochedubar.com	Parc des 3 Chenes 29 bis avenue de la Marne	Wasquehal	59290		France
Landlord		Rouvray-Invest							20 avenue de la Marne	Wasquehal	59290		France

**Default Remit To**

Export 1 total found Show: 10

Set ID	Vendor Number	Company Name	Short Name	Remit To Address	Zip/Postal Code	City	State/Province	Country
EMEA	0000016725-300000719256985	FRA-100000089507-ROUVRAY-INVEST-PARC DES 3 CHEN	ROUVRAY-INVEST	PARC DES 3 CHENES 29 AVENUE DE LA MARNE	59290	WASQUEHAL		FR

Revise | Amendment Request | More | x

# Contacts Review

624

**External Contacts Added to Lease Records**

258

**External Contacts Updated**

482

**Internal Contacts Added to Lease Records**

33

**Internal Contacts Removed from Lease Records**



- **Scheduled Training Sessions and weekly touchpoint meetings**
- **Standardized Business Rules and Data Definitions**
- **Coordinated 8-week Training Schedule of Statutory Guidelines and Business Rules for All Real Estate Representatives from Europe**
- **Training is on-going**

# Issue Tracking



ID	Priority	Description	Last Comment	Document Group ID
58578		updated per BAU		<a href="#">176474</a>
58577		updated via bau		<a href="#">172350</a>
58498	High	Option Effective from date: 30th October 2021...	Hi Marie, according to Lea...	<a href="#">179777</a>
58274	Mediu...	Executed copy of Lease dated 26-Mar-2022 (T...		<a href="#">175735</a>
57470	Mediu...	Per lease Document, Expiration Date is stated ...	kimvio updated with abov...	<a href="#">176387</a>
57374	Mediu...	Per Lease, Term expired on 31-Dec-2021.	Upon EnCoRE review, ter...	<a href="#">176371</a>
55675	High	per Mohammad_19M-104-000 – AZIA Wareho...	This current Lease with Te...	<a href="#">176506</a>
55674	Mediu...	per Mohammad_19M-113-000 – SAIF Zone offi...	marked as RFS	<a href="#">176510</a>
54563		Primary Location error blocked the record from...		<a href="#">166320</a>
54488		Primary Location error blocked the record from...		<a href="#">166353</a>
54467		* Cost Center 8926040 and GL Account 34520...		<a href="#">166808</a>
54462		* Cost Center 8926142 and GL Account 34520...		<a href="#">166806</a>
54457		* Cost Center 8926049 and GL Account 34520...		<a href="#">166803</a>
54452		* Cost Center 8926058 and GL Account 34520...		<a href="#">166802</a>
54451		* Cost Center 8926058 and GL Account 34520...		<a href="#">166799</a>
54448		* Cost Center 8926058 and GL Account 34520...		<a href="#">166798</a>
53623	Low	Hi Maren and Nelly, In reviewing the parcel rec...		<a href="#">172808</a>
51914	High	No documents found in EnCoRE - this is an Ow...	we will keep this Issue "O...	<a href="#">166511</a>
51451	Mediu...	Lease/4/3 states Term is 9 years from 01-Apr...		<a href="#">165608</a>
51350	Low	Error		<a href="#">165608</a>

<a href="#">Issue 58578</a>	
updated per BAU	
additional comments	
Priority	
Type	
Tag	
Assigned To	Stephanie McGrath
State	
Due Date	
Lease Number	15A-344-000
Lease Name	15A-344-001
Country	Thailand
<input type="button" value="Attach"/>	
Issue ID	58578
Document Group ID	<a href="#">176474</a>
Created By	Stephanie McGrath
Created Date	2023-01-03 14:54:07
Last Modified By	Stephanie McGrath
Last Modified Date	2023-01-03 14:54:07

# Data Validation & Load

## System vs Load file



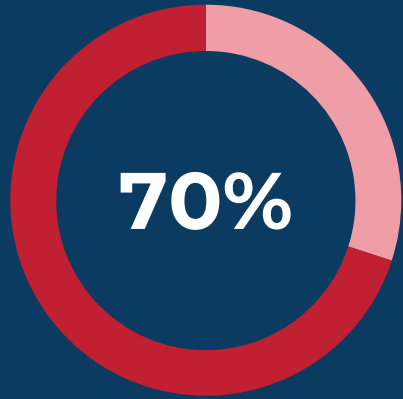
Export Lease Critical Dates						JCP Corrected Critical Dates		
Lease ID	Lease Number	Lease Name	Country	Action	Original Date	Original Date	Match?	
SP-06-00035-001	06A-035-001	BNEA - Brisbane Airport	Australia	EnCoRE Correction Completed	10/13/2006	10/13/2006	TRUE	
707701	19A-447-000	HLQ - HALLAM	Australia	EnCoRE Correction Completed	01/01/2008	07/01/1997	FALSE	
719794	19A-452-000	LSY - USMORE	Australia	EnCoRE Correction Completed	09/01/2014	09/01/2011	FALSE	
1044388	19A-633-000	BOTANY	Australia	EnCoRE Correction Completed	04/10/2017	04/10/2017	TRUE	
4425	19E-ABN-000	QNMA City Station	Belgium	EnCoRE Correction Completed	10/01/2010	10/01/2010	TRUE	
9667	19E-ADK-000	HAJA City Station	Germany	EnCoRE Correction Completed	08/01/2013	08/01/2013	TRUE	
12797	19E-ADZ-000	MADA - Madrid	Spain	EnCoRE Correction Completed	07/01/2004	07/01/2004	TRUE	
13524	19E-AEC-000	QKAA - Karlsruhe	Germany	EnCoRE Correction Completed	02/01/2006	02/01/2006	TRUE	
15495	19E-AEI-000	MPRT - Malpensa	Italy	No - correction made in BAU	01/01/2017	01/01/2017	TRUE	
16330	19E-AEL-000	FRAA - Frankfurt	Germany	EnCoRE Correction Completed	10/01/1998	10/01/1998	TRUE	
20043	19E-AEU-000	CGNHU - Cologne	Germany	EnCoRE Correction Completed	05/01/2010	05/01/2010	TRUE	
20975	19E-AEX-000	BCNA - Barcelona	Spain	EnCoRE Correction Completed	06/01/2016	06/01/2016	TRUE	
21219	19E-AEY-000	BERA - Berlin	Germany	EnCoRE Correction Completed	03/01/2012	03/01/2012	TRUE	
21484	19E-AEZ-000	MUCR - Munich	Germany	EnCoRE Correction Completed	01/01/2013	01/01/2013	TRUE	
22191	19E-AFB-000	STRA - Sindelfingen	Germany	EnCoRE Correction Completed	04/15/2010	04/15/2010	TRUE	
23440	19E-AFG-000	ZNVA - Neuwied	Germany	EnCoRE Correction Completed	03/01/2013	03/01/2013	TRUE	
24307	19E-AFS-000	CGNA - Koeln	Germany	EnCoRE Correction Completed	05/01/2002	05/01/2002	TRUE	
27134	19E-AGY-000	FKBA - Rottenburg Heilfingen	Germany	EnCoRE Correction Completed	09/01/2012	09/01/2012	TRUE	
30078	19E-AHF-000	MHGA - Edingen Neckerhausen	Germany	EnCoRE Correction Completed	07/01/1998	07/01/1998	TRUE	
30743	19E-AHI-000	LNZA - Linz	Austria	EnCoRE Correction Completed	11/01/2012	11/01/2012	TRUE	
32792	19E-AHO-000	MUCR Parking Lot	Germany	EnCoRE Correction Completed	01/01/2013	01/01/2013	TRUE	



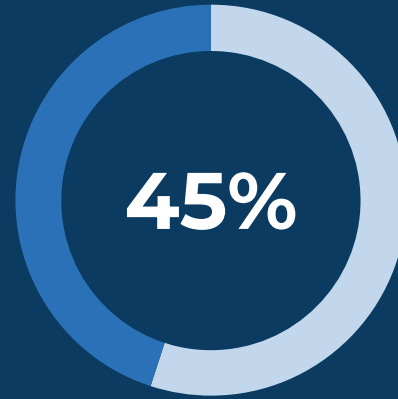
# Results



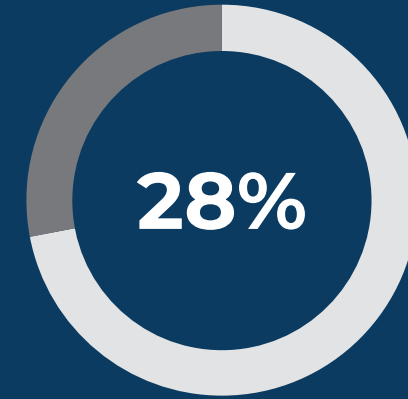
# Percentage of Data Changed



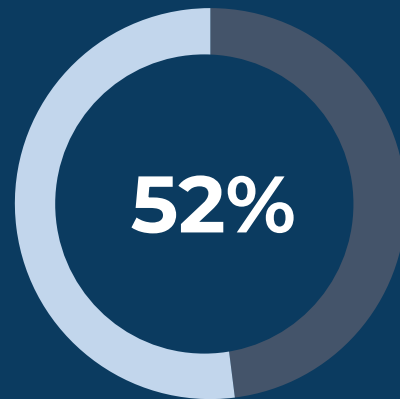
**Critical Dates**



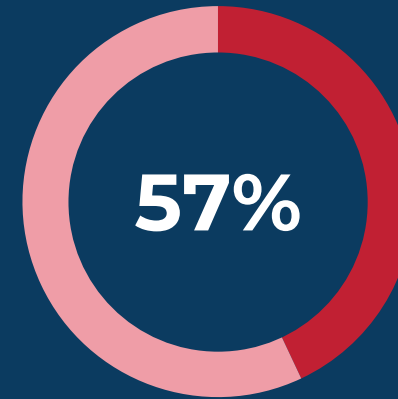
**Property Details**



**Renewal Options**



**Other Options**



**Statutory Clauses**

# Data Quality By Numbers

**62** Countries In Scope Across Europe, APAC and MEISA

**31,000** Documents Reconciled

**4,200** Issues Logged

**2,100** Leases Reviewed

**132** FedEx Real Estate Users

**33** Countries Identified with Statutory Provisions

**10** Countries with Distinct Business Rules Applied for Statutory Provisions

