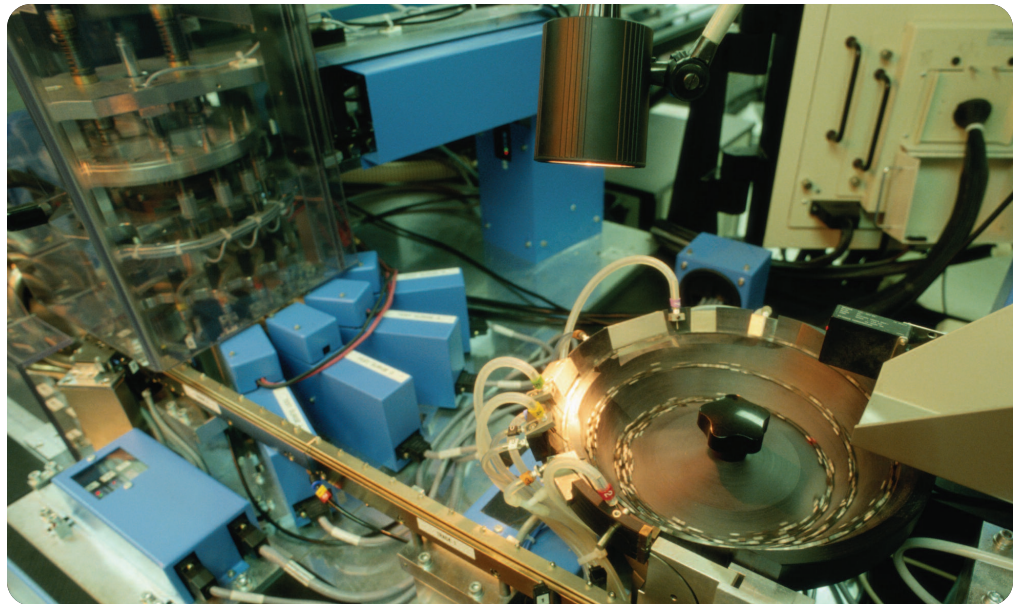


Achieving Results with Accruent for Manufacturing

The web-based Accruent system allowed Eaton Corporation to move to a new level of real estate portfolio management that centralizes key data and streamlines processes worldwide.



“The flexibility of the web-based Accruent system is very important because it aligns with our business strategy.”

— **Tim Earl,**
Real Estate Manager,
Eaton Corporation

Accruent for Manufacturing solution supports aggressive expansion of diversified industrial manufacturing giant

From earliest days — when it invented, hand-manufactured and then sold some of the first truck axles in the industry — Eaton Corporation has focused on delivering breakthrough solutions to its customers. Today, Eaton is a diversified global manufacturing giant with yearly sales approaching \$10 billion. The company is a global leader in fluid power systems and services; electrical systems and components for power quality, distribution and control; and automotive power train solutions and specialty controls.

For the past several years, acquisitions have fueled the company’s rapid growth causing its real estate portfolio to increase exponentially. In 2004, Eaton acquired Powerware Corporation, a market leader in Uninterruptible Power Systems (UPS), from Invensys. This acquisition added 120 properties, increasing its managed properties (both leased and owned) by 25 percent and totaling more than 500 total worldwide. The company intends to continue an aggressive acquisitions program. Projected real property lease obligations for 2005 are \$32 million.

Accruent for Manufacturing

The Accruent solution provides controls that effectively stop cost leakages by managing your entire real estate portfolio.

“We have a lot of faith in what Accruent can deliver and we think it’s only going to get better over time.”

— Elaine McGuinn,
Real Estate Manager,
Eaton Corporation

In 1999, Eaton chose Accruent’s original Access-based system to create a centralized database for its expanding real estate responsibilities. The system worked well for many years, but the company’s planned growth caused the real estate group to look for a more scalable and function-rich system. In addition, the rapid expansion of Eaton’s international holdings required a web-based system supporting easy and instant accessibility worldwide.

To secure a system that fully addressed its needs, Eaton began its ProLaunch for IT Financial Assessment initiative to evaluate the value and projected ROI of various real estate management systems.

THE ACCRUENT SOLUTION

With the new Oracle-based system, Eaton no longer relies on an interface between the Access-based real estate system and their Oracle-based accounting system. The company’s new centralized real estate database will contain abstracted lease information, including critical dates, and complete PDFs of lease documents for all North American properties.

The company now uses the system to pay all North American rent payments. The database includes data on international leases as well with the ultimate goal of using the system for payment of all leases worldwide.

Accruent for Manufacturing solution quickly rose to the top of the list for a variety of reasons. For one thing, the Accruent solution product had the functionality to meet Eaton’s stringent requirements, including its robust web-based architecture. What’s more, the system’s database would integrate nicely with Eaton’s existing Oracle-based accounting systems.

Another factor influencing Eaton’s decision was its long, successful relationship with Accruent and its products, which had given them faith in the company and its future. “We already had a strong investment in the Accruent system and we wanted to continue to utilize it,” says Elaine McGuinn, Real Estate Manager at Eaton.

“We feel that we will benefit greatly from the functionality that Accruent is stressing in its new offerings,” says Tim Earl, Real Estate Manager for Eaton. “The web-based system will improve our knowledge of

Eaton Corporation

international properties by allowing more users to see what records we have on file, make any corrections, and get them to us.”

THE BENEFITS

“Accruent has opened a lot of doors for us, especially in driving process changes,” says Earl. “It’s helped us become a less paper-intensive company and more of an online electronic-based organization.

We will be shipping more documents into storage and relying less and less on paper leases, freeing up our workspace to be more strategic. Instead of printing out all emails and lease copies, we can now rely on a strong, easily accessed system that is really going to change the way we manage our real estate.”

Universal access to key information in real-time is a fundamental benefit of the web-based system.

“Now our legal team in Amsterdam can open up the database and see what sites we have in Europe and what we’re paying on the leases and they can communicate directly with us here in Cleveland on how they want to manage their portfolio,” Earl explains.

In addition, Accruent for Manufacturing provides Eaton with critical date management and enhanced financial reporting capabilities, including lease expense projections.

And the Accruent system’s ability to reliably track critical dates will potentially save the company thousands, if not millions in cost avoidance, adds McGuinn. “Let’s suppose there’s a 10-year lease with a five year early termination. If we miss that early termination option date because that particular lease record was corrupt, we would pay an extra \$3 million for a five year rent commitment on a space we no longer need,” she says

Critical date management also preserves money making opportunities for the company. “For example, we just exercised an option for a dollar to purchase a facility,” says Earl. “It can be a cash windfall for the company for just having a system that can track dates reliably.”

HIGHLIGHTS

COMPANY PROFILE

- > Global manufacturing giant with yearly sales approaching \$10 billion
- > Aggressive acquisition business strategy is now the norm
- > Real estate portfolio recently increased by 25 percent to a total of 500 properties worldwide
- > Projected real property lease obligations for 2005 are \$32 million)

ACCRUENT SOLUTION

- > Web-based real estate performance management
- > Integrated site selection, project management and lease administration
- > Accurate and complete information managed on one platform
- > Consistent company-wide information for faster decision making
- > Scalable solution to meet corporate growth objectives

RESULTS

- > Facilitates rapid real estate portfolio growth to meet aggressive business goals
- > One-platform, one-answer solution provides consistent data on all sites
- > Eliminated manual and paper-based processes
- > Module-based solution allows Eaton to add new capabilities in cost-effective stages

Eaton's ongoing confidence in Accruent products and people and its belief that Accruent will be there for the long haul have proved to be a major benefit of implementing Accruent for Manufacturing.

"After eight years, we're still strong supporters of Accruent," says McGuinn. "Many of their competitors who were out there in 1998 when we were first looking are simply gone. Not only is the company still around, but the individual people are as well. We looked at other systems after deciding to upgrade, but we have a lot of faith in what Accruent can deliver and we think it's only going to get better over time."

THE FUTURE

Going forward, Eaton's strategy calls for centralizing real estate even further, perhaps to include facilities planning and facilities maintenance capabilities into its real estate system

"The flexibility of the Accruent system is very important because it aligns with our business strategy," says Earl. "That is why we moved to a web-based architecture with Accruent for Manufacturing, to get even more flexibility as we expand operations around the world. As we continue growing as a company, we have the utmost confidence that Accruent will be there for us in the years to come."

ABOUT ACCRUENT

Founded in 1995, Accruent leads the industry with a new generation of solutions designed to fully leverage real estate assets and decisions as an enterprise competitive advantage. Accruent Real Estate Performance Management (RPM) solutions maximize the impact that real estate properties—stores, restaurants, local branches, and corporate offices—have on company performance by driving revenue growth, reducing costs and achieving financial compliance. More than 340 of the world's largest companies, including 20 percent of the Fortune 500 and 40 percent of the Top 100 Retailers use Accruent's solutions. In addition, Accruent couples the broadest and deepest real estate data set and advanced business intelligence to bridge the gap between daily operations and strategy.

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