



Fortune 25
Multinational
Conglomerate



Fortune 25
Financial
Institution



Fortune 50
Package Delivery
Company



Fortune 100
Social Media
Maverick

ASC 842 & IFRS 16
Lease Accounting Compliance
Software Success Stories



What do a Fortune 1000 manufacturer,
bank, delivery service and technology
company have in common?

They all tackled compliance with new
ASC 842 and IFRS 16 lease accounting
guidance using software from CoStar.

Here are their success stories.

Lease Accounting Compliance Software Success Stories





Fortune 25 Multinational Conglomerate Streamlines Lease Accounting Compliance with CoStar

CoStar's Data Connector and Lease Accounting Software enabled this global organization to retain investments in legacy lease management systems, avoid expensive upgrades and rapidly implement ASC 842 and IFRS 16 compliance solutions.

The Client

This Fortune 25, multinational conglomerate has more than \$110 billion in annual revenue and numerous business operations from aviation and electronics to energy and transportation. The 125 year old company operates multiple diverse business units worldwide with more than a dozen separate ERP systems.

The Challenge

With more than 2,800 real estate locations and \$4 billion in lease obligations, compliance with the new FASB and IASB lease accounting standards represented a significant challenge and expense for the company's accounting and finance team. The company had previously centralized its real estate management process across all 10 operating divisions, but lease accounting under ASC 840 – including rent and operating expense payments – was still managed in a distributed manner. The company also had a substantial, multi-year investment in an on-premise IWMS system for lease management. Required upgrades and additional cost to make legacy systems functional for ASC 842 and IFRS 16 reporting requirements would be very expensive and complex due to high levels of customization to suit different business unit needs. These combined challenges created a high risk of not meeting the project and compliance deadlines.

The Solution

CoStar's cloud-based lease accounting software and proprietary data connector solution offered the company a way to retain its investment in existing lease systems – while avoiding the expensive upgrades proposed by the vendor – and take advantage of CoStar's proven management and reporting functionality. CoStar created a six week pilot system that allowed the company to test and review system integrations, workflows, and lease accounting calculations and reporting. Once the system's capabilities were validated, CoStar's implementation team kicked off the system roll-out to all the company's business units. CoStar also trained more than 20 worldwide accounting leaders on how to get the most value and use from the solution. The combination of CoStar's professional services, easily configured SaaS lease accounting software, and enterprise security made for a rapidly deployed, economical and low risk solution.

The Results

The company's accounting and finance team was able to wrap its arms around the tremendous amount of lease information and begin to more effectively manage and report on the data. In addition, they were able to establish efficiency gains and better controls. Because the solution is cloud-based with an unlimited amount of users for the same cost, the company plans to offer access to more than 2,000 users.

Lease Accounting Compliance Software Success Stories





Fortune 25 Bank Secures New Lease Accounting Standard Compliance with CoStar

CoStar helped this global organization consolidate lease liability data, upgrade management systems and securely implement an ASC 842 and IFRS 16 compliance solution.

The Client

Holding \$2.5 trillion in assets, this multinational Fortune 25 company is the largest bank in the U.S. with more than 11,000 owned and leased locations and \$100 billion in annual revenue.

The Challenge

With more than \$12 billion in real estate and equipment lease obligations, compliance with the new FASB and IASB lease accounting standards represented a significant challenge and expense for the company. The need for proven lease accounting functionality was critical to the accounting team. But because the organization is a leader in the finance and banking industry, the need for the most secure system platform available was paramount.

The Solution

CoStar was chosen to be the bank's software provider for lease accounting compliance for many reasons. Chief among them was passing the rigorous and thorough review that bank representatives conducted on CoStar's system, data management and company processes. The comprehensive security assessment including

in-person site visits to CoStar's hosting facility and offices. Recognizing the essential need for low-risk solutions is why CoStar's system platform undergoes an annual SSAE 16 SOC 1 and SOC 2 audit, ensuring controls and procedures for financial reporting meet Sarbanes-Oxley requirements. CoStar was also able to provide a Standardized Information Gathering document that demonstrated its highly sophisticated technology and mature processes related to the protection of information.

The Results

The bank's equipment lease data was migrated to CoStar's lease management system, which allowed for enhanced workflow and status updates of lease changes. CoStar integrated with the bank's SAP ERP system for posting new assets and liability journal entries as well as amortization entries. CoStar's data connector also integrated a proprietary lease management system. This helped balance the demands of accounting close with the lease accounting project and UAT schedule. CoStar team members were also able to review what the accounting changes and balance sheet impact would be for each business unit, enabling better business decisions for leasing operations.

Lease Accounting Compliance Software Success Stories





CoStar Delivers Lease Accounting Compliance for a Fortune 50 Shipping & Logistics Company

CoStar facilitated the management and reporting of more than 100,000 real estate and equipment leases to meet this global organization's ASC 842 and IFRS 16 compliance needs.

The Client

This multinational Fortune 50 organization is the world's largest package delivery company and operates more than 100,000 motor vehicles, 5,000 retail store locations and 500 aircraft in more than 200 countries and territories. The company generates more than \$60 billion in annual revenue and delivers 20 million packages and documents every day.

The Challenge

With more than \$1 billion in lease obligations, compliance with the new FASB and IASB lease accounting standards represented a significant challenge for the company's global accounting and finance team. CoStar provided solutions for the company's real estate lease operations since 2003 and lease accounting for ASC 840 since 2007. But when the new ASC 842 and IFRS 16 guidance was announced, a solution for managing and reporting on more than 95,000 equipment leases worldwide was also needed. Gathering and organizing the voluminous amount of lease data from various locations and stakeholders across the organization would be a tremendous challenge.

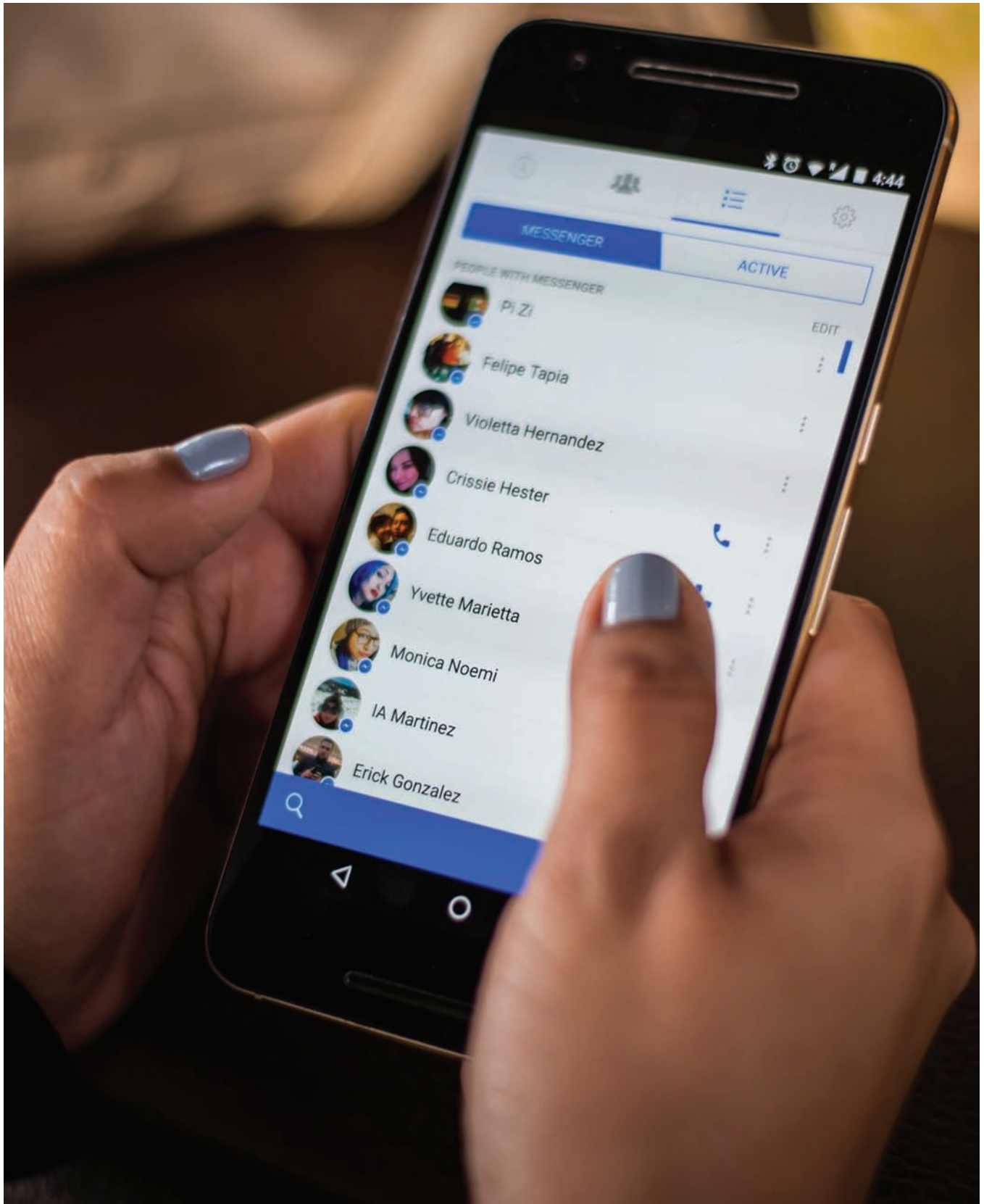
The Solution

CoStar's cloud-based software was ideal for the entire organization, since it easily scales to support unlimited global users at no additional cost. The company retested CoStar's lease accounting and management system over the course of 18 months to ensure it would effectively handle the extreme diversity of leases the company has, which include retail stores, warehouse facilities, aircraft, airport terminals, vehicles, hand-held electronics, computers and much more.

The Results

The company's accounting and finance team was able to fit a tremendous amount of lease data into one package and begin to more effectively manage and report on the data. The proven track record of lease management and comprehensive lease accounting functionality made CoStar the smart choice for ASC 842 and IFRS 16 compliance.

Lease Accounting Compliance Software Success Stories





Fortune 100 Social Media Maverick Meets Lease Accounting Compliance with CoStar

CoStar's enabled this global organization to retain investments in legacy lease management systems, avoid expensive upgrades and rapidly implement ASC 842 and IFRS 16 compliance solutions.

The Client

This social media technology company has more than 2 billion active monthly users worldwide and generates more than \$40 billion in annual revenue.

The Challenge

Having more than \$1 billion in lease obligations across a variety of right-of-use asset types, compliance with the new FASB and IASB lease accounting standards represented a significant challenge and expense for the company. With a low level of corporate debt, there was a strong interest in understanding how significant the new lease standard would impact the balance sheet. The organization had an interesting mix of leased assets to manage, ranging from fiber optic lines and proprietary data center equipment to hosting facilities and campus buses for employee transit. Business partner and stakeholder buy-in was also a critical factor for the successful adoption of any new technology solution.

The Solution

CoStar's cloud-based lease accounting software was selected in a joint implementation and advisory services effort with PwC. Ease of use, reporting and a flexible licensing model were priorities for the company. CoStar migrated the company's real estate lease data from another management system while integrating its equipment leases from an in-house system via a proprietary data connector. CoStar's unlimited system user model was also able to incorporate third-party user access for CBRE real estate lease administrators, providing seamless and easy access to system data and creating workflows for managing document changes.

The Results

The company's lease data is now better connected to stakeholders both across the company and among service providers that help ensure the continued growth of the business. The easy-to-use functionality of our lease accounting software made CoStar the smart choice for this tech giant's ASC 842 and IFRS 16 compliance needs.

Talk to Us About Your Compliance Needs for Lease Accounting

"With CoStar, you can drive business results
and meet the new accounting requirements.
It's clearly the best all-around choice."

Matt Waters, CPA

Former Lease Accounting Manager with the
Nation's Largest Home Improvement Retailer



Real Estate



Equipment



Leased Assets