

Asset Financials: A case study

Does your Computerised Asset Management System (CMMS) meet the needs of both your Facilities Management AND Finance departments? Did you know that a sophisticated CMMS should be able to cater for both areas?

Mercury Computer Systems are an Australian owned and operated business who have been in the CMMS and Facilities Management Software development market for over 15 years. They are the producers of one of Australia and New Zealand's leading CMMS systems, BEIMS - Facility Management Software.

BEIMS is modular software designed for managing the maintenance of buildings, plant and company assets. It operates within multiple markets, including healthcare organisations, service providers, shopping facilities, universities, casinos, entertainment and sporting facilities, and city councils, to name a few. BEIMS FM software can be deployed to automatically generate work orders to maintenance and trades people, assist in preventative maintenance methodologies, and generate a variety of reports for senior management on facility management issues. The functionality list is ongoing.

Recently Mercury received a call from one of their BEIMS clients. The client, a major Victorian hospital, with over 200 beds and offering a comprehensive range of services, was using the BEIMS software primarily for its facilities management needs.

They were not aware that BEIMS had the capability to handle an enormous range of tasks and requirements beyond its core speciality of Facility Management. It could not only assist their Facility Management Department for handling asset management, preventative and ad-hoc maintenance, and the recording of tradesperson's times, but could also assist in the generation and management of financial records to assist the Finance Department.

The client had heard that BEIMS had asset financial capabilities and had their Finance Department call Mercury Computer Systems to enquire about BEIMS modular functionality, with the ultimate objective of replacing their existing spreadsheet-based asset register.

Mr Robert Rush, Senior BEIMS Consultant, who has been with Mercury for nearly 10 years, was allocated to assist the client, because of his skills and previous experience in this area. "The organisation recognised the value of having one central asset register for both facilities management and finance," says Robert. Instead of data

being entered by separate staff in different departments, it could all be centralised, eliminating wasted time, money and the added possibility of human error from double entry of similar information.

In consultation with hospital Management and Finance Department staff, specific reporting requirements and particular information needs were identified.

The approach was to take the Finance Department's asset audit spreadsheet, which had limited integration capabilities, and then "fill in the blanks" so that it satisfied the BEIMS database and reporting requirements.

The Finance Department had initially commissioned an external company to do an asset audit and valuation to get their spreadsheet up-to-date. The hospital had over 4000 assets. These were broken up into 4 main categories: buildings, equipment, vehicles and medical.

The difficulty was that there were "gaps" in the information. "The problem was that some of the equipment was so old that there were no records of the original purchase cost. And it would have been expensive to go through the records and try to find this out. Our problem was that this information was required so that BEIMS could do its asset financial reporting calculations," explains Robert.

For example, the "start value" in the audit spreadsheet was the value of the asset at the time of the audit, not the initial purchase value of the asset. The original purchase values and purchase dates were missing. The start value is the value at which the "straight line" depreciation begins and is usually based on the purchase value and purchase date. If an accessed value is used then the correct date must be set, otherwise the asset shall be deemed to have a full life and not the partial life, which is more typically the case.

In BEIMS, this information is very important for calculations and reporting purposes.

Robert did a calculation to estimate the original purchase date. "I took the current market value and divided it by the replacement value at the time of the audit. This gave me an indication of how far through its life the asset was," says Robert. This method was tested and found to be accurate. He then used this information to calculate the original purchase value and original purchase date.

Once the gaps had been filled, the information was then loaded into BEIMS automatically, using the BEIMS

right: Robert Rush, Senior Consultant, Mercury Computer systems

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asset upload tool. However there was also an issue with the total spreadsheet value and the total BEIMS value not reconciling. After spending a couple of hours manually cross-checking each asset value for a discrepancy, it was found that the issue was in the spreadsheet not adding up correctly.

"This is an example of the issues you can have with spreadsheets. In this case there was a problem with some figures in the spreadsheet not being recognised as numeric fields. You just don't have those issues with databases as there are such rigid controls over field formats."

And, was Mercury's customer satisfied with the result? "Absolutely. We saved them a lot of time and money through working out these calculations. And now the Finance Department has access to a centralised database with even more comprehensive asset information than what was on their original spreadsheet," says Robert.

So where to from here for this BEIMS client? "Now it's up to their Finance and Facilities Management departments to make sure they implement good asset management policies to keep it up-to-date," he says. "But we can always help with that too," he adds. "That's what we're here for."

If you are a current BEIMS user who would like to talk about extending the functionality of your program, or someone who would like to know more about BEIMS comprehensive modular business software solutions, Mercury Computer Systems welcome you to contact them.

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