



Want to
kick some assets?

You'll need to answer
some tough questions first



Assets: A Director's guide

Organisations are increasingly finding that traditional methods of managing assets, such as the spreadsheet, no longer meet the increasingly complex needs of today's organisation.

This guide is intended to provide financial managers and auditors with a summary of best practise in asset management in the form of a step-by-step approach and a set of questions designed to ensure you get the right kind of system and support.

10 Easy Steps

In this guide, we set out what we believe are 10 Easy Steps to effective asset management. In fact, this is precisely the process we use in virtually every asset management project.

10 Tough Questions

However, we're also firm believers that the steps are only easy if you get the right answers to 10 Tough Questions. These are just some of the questions you need to ask a potential asset management consultant or software supplier

Section A

10 Easy* Steps

Changing any system can be a daunting process, particularly if it needs to be closely integrated with existing systems. Our experience is that breaking down the process into a number of steps makes the transition manageable and far more likely to go smoothly and to schedule. Without such an approach, it is unlikely that any implementation of a Fixed Asset solution can deliver real control .

* Only 'easy' if you get the right answers to 10 tough questions.

- Step 1** Understand the need
- Step 2** Pick a partner, not a product
- Step 3** Map the asset lifecycle
- Step 4** Decide how to code your assets
- Step 5** Select an asset management system
- Step 6** Integrate related systems
- Step 7** Decide how best to use bar-coding
- Step 8** Audit and reconcile
- Step 9** Implement with care, and assistance
- Step 10** Maintain, maintain and maintain

Step 1

Understand the need

Historically, for many organisations, control of fixed assets has amounted to no more than maintenance of a Fixed Asset register. The reality, however, is that beyond the initial requisition stage, asset visibility disappears. Typically, the Fixed Asset register consists of either invoice line details of dubious quality and detail, or large lumps of capital investment containing no breakdown of individual physical, auditable assets. Little wonder that auditors can't reconcile.

Be in control of the audit

If your auditors decide (as they are increasingly doing) that the value of your Fixed Asset register is suspect and cannot be relied upon, you will have little choice but to accept their estimate of the amount required to be written off the existing valuation.

With an effective and audited Fixed Asset system, however, you will be back in control. You will be able to prove your Fixed Asset valuation confidently.

Exercise control over capital

In many organisations, the spend on Fixed Assets is as significant as investing in a new building, yet without the same visibility or control of commitment and cost. Controlling assets is the key to controlling capital.

A survey conducted by asset valuation specialists, Corporate Solutions, revealed that more than 70% of organisations have no effective asset management strategy.

A Checklist

- Could you satisfy auditors as to asset valuation?
- Do you have an asset management policy?
Do you have physical control over assets?
Do others in the organisation have asset management responsibility?
Are your assets 'visible' after the initial requisition process?
- Is asset information duplicated in other systems?

A Case Study

"We understood the need all too well. During the annual audit, the auditors had been unable to reconcile the valuation delivered by the Fixed Asset register with the assets they observed. The auditors suggested a write-off which was substantial and, in our view, excessive.

"The problem was trying to prove it. Our Fixed Asset register seem to bear no direct correlation to actual assets. In some cases, assets were either missing or differently configured. More often it was simply a case of being unable to match the assets we could find with the asset register entries.

"We soon recognised that our only form of defence was to implement a good Fixed Assets system and recreate the asset register."

Danny Mansfield
Express Newspapers

Step 2

Pick a partner, not a product

There is a bewildering array of software solutions which purport to offer solutions to the problem of managing fixed assets, from spreadsheets and in-house solutions to bar-coding and fixed asset modules to existing financial suites. The key to a successful implementation, however, is to recognise that asset management is a process as well as a product. Accordingly, the first, critical selection should be that of a partner, not of a system.

Requirement planning

It may go against the grain, but the most important advice you'll ever get on asset management is help with requirements planning. This is one area where it definitely pays to do the groundwork before deciding on the solution.

Audit and reconciliation

The second most important impact a partner can have is during audit and reconciliation. Without specialist help, users struggle to avoid substantial write-offs or even ditching the entire existing register.

Integration

Integrating existing and planned financial systems to work seamlessly with your Fixed Assets system is a specialist area. You need to feel confident about your partner's ability in this area.

A partner at every stage

When looking for partners, remember that they need to be able to support you at every stage of the process. Depending on your current situation, expect to require support on most of the following:

- Scoping and planning
- Auditing and reconciliation
- System integration and tuning
- Implementation and training
- Asset coding structures
- Bar-coding

And remember to ask for references and take them up.

"Having got it wrong the first time, we can echo the need to find a partner capable of implementing an entire solution, rather than a bar-code solution"

Danny Mansfield, Express Newspapers

A Checklist

- Get help to understand your requirements
- Find a partner that has experience of integration, bar-coding, audit and reconciliation.
- Ensure your partner has a full range of system solutions, rather than a narrow 'boxed' solution.
- If you lack in-house expertise, use specialists in the field of asset management

A Case Study

"Our experience of partners has been mixed, to say the least. Initially, we opted for what we thought was an asset management system, but turned out to be little more than a bar-coding system. Certainly, the supplier was unable to offer any guidance on the processes required or assist us in attempting to match the existing Fixed Asset register with observed assets. Their approach was clearly to bar-code what they could find, turn it into an asset register and make whatever write-off is necessary.

"Our new supplier's approach was completely different. They helped us establish a managed programme, the result of which was an effective and rapid deployment and ultimately a substantial reduction in the write-off negotiated."

Danny Mansfield
Express Newspapers

Step 3

Map the asset lifecycle

Until you understand the lifecycle of your assets, you cannot hope to control them. From requisition to disposal, any asset undergoes a series of changes – of location, of ownership, of configuration and of responsibility. To control assets, each and every event in the asset lifecycle must be understood first, then processes, disciplines and techniques introduced to effectively track every aspect of the asset throughout its useful and economic life.

Lifecycle stages

Whilst all assets have subtly different lifecycles, the key lifecycle stages can be summarised as:

- Capital budgeting
- Requisition
- Acquisition
- Receipt
- Change of ownership
- Change of location
- Reconfiguration
- Disposal

Lifecycle control

Having established and documented the key asset lifecycle for each asset type, you can now begin to exert control over the lifecycle. Start by examining the process by which the asset change occurs. Where these processes exist, verify that effective control can be maintained. Where effective procedures are not in place, these need to be introduced.

Don't forget, to be effective, you'll need to acquire the authority to insist that, anywhere in the organisation, the correct change control procedures are in place.

The secret of controlling assets is simple. Understand what happens to them, then find a way to control, record and report the events to the appropriate systems.

A Checklist

- Establish the changes your assets undergo during the lifecycle.
- Divide assets with similar lifecycles into groups
- Discover the existing processes by which asset events occur.
- Verify that each asset's events are controlled and reported.
- Where inadequate control exists, establish effective procedures.
 - Ensure that every lifecycle stage, from initial budgeting, then capitalisation to disposal is controlled.

A Case Study

"Perhaps the most valuable lesson we learned was the importance of investigating and recording the life-cycles of a range of assets.

"Historically, all we knew about an asset was the original invoice value, the date of acquisition and a brief description taken from the original invoice. After that, regardless of what happened to the asset, there would be no process by which the Fixed Asset register could reflect the change. That was at the root of our inability to audit the assets effectively.

The simple process of establishing the asset events made us realise that few of these lifecycle stages were controlled adequately. Having done the groundwork, establishing control over the lifecycle was then a relatively straightforward matter."

Danny Mansfield
Express Newspapers

Step 4

Decide how to code your assets

We're all used to codifying assets on the basis of enabling accurate and appropriate postings to the General Ledger. It is hardly surprising, therefore, that the prime requirement of a Fixed Assets systems is often that it can replicate existing coding structures. Such a bias, however, towards the purely financial attributes of an asset can be a fatal flaw. Asset coding should be able to fully reflect location, maybe clients, logical units and a range of additional factors.

Code according to need

The golden rule about coding structures is to decide in advance how you intend to use them in the real world. There are several attributes which you are often likely to want to code, such as:

- Asset type
- Supplier
- Bar-code identifier
- Manufacturer serial no.
- Location
- Owner/Cost centre
- Parent asset identifier

Try to think through every conceivable way you might ever want to find or report on an asset. Check these against any proposed coding structure and establish for yourself that it works.

Who are the users?

It might seem an obvious question at first. But, actually it is unlikely to be that easy to answer. Many non-financial departments, such as IT, maintenance and warehousing all have strong and growing requirements in the asset management sector. IT, for instance, need excellent asset data to support help desk systems and continuity issues.

Find out if anybody else in the organisation is looking at asset management and try to work with them. Unless you persuade them to use your asset system as the basis for their requirements, they will do their own thing regardless. After that, getting co-operation for your system – or ever getting the two to balance – becomes increasingly unlikely.

You only get one chance to code your assets effectively. Once designed, the coding structure is impossible to alter without substantial effort. It is worth taking the time to think through the options in advance.

A Checklist

- Ensure your asset coding reflects the disparate nature of your own organisation.
- Don't be persuaded to accept a pre-packaged coding solution – make it fit
- Ensure the coding structure allows you to answer real-life questions about assets.
- Be certain the coding structure will allow you to find any asset, with ease.
- Use coding to allow default lives, depreciation methods and other derivations to be specified.
- Ensure all codes can be used when reporting or enquiring on assets.

A Case Study

"When we originally looked for a solution, the single requirement on which it was easy to agree was that we needed the new system to take on the existing coding structure.

"It was only after our first, failed attempt, that we then began to look radically at our coding needs. With some help, we looked at precisely what sort of use we might put the asset coding structure to.

"The results were surprising. By really pushing our requirements, we discovered that good coding is an opportunity not to be missed. We can now use the asset codes to make the sort of demanding enquiries to real-life scenarios that the old register could never have handled."

Danny Mansfield
Express Newspapers

Step 5

Select an asset management system

The key to selecting the right system is to fully understand your requirements, both today and in the future. Of course, this is true of all systems. The problem with selecting asset management systems is that, even for experienced financial accountants, asset management represents a new management discipline. There is an understandable temptation to use the appropriate module from your financial ledger system or to opt for a 'boxed' bar-coding solution.

Specify required system type

It is important to decide exactly what scope you want the new system to have. You should then ensure that the system you choose can deliver an answer to every problem you currently experience.

Do not base your decision on a single demonstration unless you are sure you have covered all of your requirements and are happy with the responses that have been provided by the supplier. It is your neck on the line if you choose the wrong package!

Specify future requirements

Always sit down and consider possible future situations and requirements before making any decision. You should check that there are no limits to the number of assets which can be held on the system, and what would happen if you merged with another organisation, for example.

To select the right asset management solution, decide on your requirements, talk to experts and ask suppliers to answer 10 tough questions.

For the 10 tough questions, and the answers you want to hear, refer to the next section of this guide.

A Checklist

- Be absolutely clear about your requirements before selection.
- Rigorously check that the system can deliver full and accurate information and conforms to accounting conventions.
- Ensure the system can continue to meet changing requirements and respond to changes in related systems.
- Pick a system that does the hard work for you. You shouldn't have to calculate adjustments, postings to the GL or enter data twice.

A Case Study

"Unfortunately, our experience initially was to get completely the wrong system. The system we chose was a market leader with a substantial client base. And we had confidence that it would deliver.

"It was only after we had tried to use the system to reflect real life scenarios that the shortcomings became apparent. In fact, had we asked the right questions or understood clearly our requirements, we would never have selected it. Part of the problem was that, with minimal experience of managing assets effectively, the salesman knew more than we did.

"Next time was easier. We had a list of questions and problems a mile long."

Danny Mansfield
Express Newspapers

Step 6

Integrate related systems

Asset management systems, by their very nature, should not be discrete. Effective solutions are able to act as a hub to poll and transmit asset data to and from numerous related systems. Existing financial systems such as procurement, maintenance and CAPEX should all be profitably integrated. Where these systems do not exist, look to your software supplier for add-on modules for related functions. Finally, integrate non-financial systems such as IT asset management.

If you have existing related financial systems

Because the data about the asset is at the centre of so many related systems, there are substantial benefits to integrating existing systems such as procurement and capital projects. Where you have such systems installed, plan to integrate them with the asset management system right from the beginning.

If you don't have existing related financial systems

Where you don't have existing related systems for control of capital, you should ensure that your Fixed Asset supplier is able to supply linked modules to carry out a variety of functions. These include:

- Procurement
- Maintenance
- Capital projects
- Help desk/IT systems
- Budgeting
- Accounting ledgers
- Bar-coding systems
- Asset event recording

Beware the double bar-code trap: Asset management is now a key requirement for IT managers. Unless you offer IT an effective solution, your bar-codes will have to compete for space on IT assets.

A Checklist

- Discover all existing systems that require, or can provide, asset data.
- Consider which systems may, in the future, become related, particularly management of IT assets
- Ensure your system can automate the transfer of data between related systems..
- Where few related systems exist internally, look to the asset management system for appropriate modules
- Make sure the flow of information is as efficient and seamless as possible.

A Case Study

"Express Newspapers will shortly be integrating a number of related systems and are considering the implementation of a new, integrated, system to assist with the management of IT assets."

Danny Mansfield
Express Newspapers

Step 7

Decide how best to use bar-coding

A myth abounds - that a bar-coding system is an asset management system. The truth is, that once bar-codes have been dutifully applied, unless they are used to control the asset lifecycle, the exercise will have been a placebo. Whilst the importance of bar-coding should not be overstated, it's effective use can have a dramatic impact on every stage of asset management from facilitating 'point of change' control to rapid, accurate audits.

Prompts and procedures

It is important to go about the bar coding process in an orderly and carefully co-ordinated manner. Steps in the process should be as follows:

- Agree data to be collected.
- Decide on a 'match' code.
- Agree physical audit analysis codes.
- Set up register ready for physical assets.
- Produce bar code sheets.
- Produce bar code labels.
- Conduct audit for a location/division/cost centre.
- Download the data captured.
- Upload data into physical asset register.
- Run the matching exercise
- Run the reconciliation report.
- Carry out any necessary actions.

'Point of change' control

It is no good labelling all your assets and building a completely accurate asset register, if the process of tracking and control of assets goes out of the window after the initial audit.

Anyone who is likely to move or alter assets should be made aware of the procedures in place, and if possible, given a scanner, which can scan transfers in and out of locations, then be plugged into a modem and the information downloaded directly into the register.

Before you decide that bar-coding is not appropriate for your organisation, think again. There is hardly a single enterprise that would not derive a benefit, nor an asset that couldn't be successfully tagged.

A Checklist

- Analyse the benefits to be gained from bar-coding.
- Use an experienced asset management and audit team to help plan a system for bar-coding.
- Decide who will be responsible and how it will be maintained.
- Get expert advice on labelling and hardware.
- Decide how you want to cope with sub assets.
- Use bar-coding to establish 'point of change' control.

A Case Study

"Once we agreed on the sequence of fields (scanner prompts) that were to be captured in an audit and we produced a set of bar-coded prompt sheets which were tailored to our specific needs and the mechanical audit went very smoothly,

"In a three week period, three people audited 8,000 asset in 4 UK locations."

Danny Mansfield
Express Newspapers

Step 8

Audit and reconcile

The first audit is critical because it becomes the basis for reconciling the assets that are bar-coded with the existing fixed asset register.

Remembering that a majority of asset registers are little more than invoice totals, unless the entire process is specifically designed to facilitate efficient matching of observed and recorded assets, the exercise will prove painful and, ultimately, fruitless. Nothing is more important and sensible users will enlist the help of experts.

A simultaneous process

Properly managed, it is possible, even desirable, for the first bar-coding exercise to include a simultaneous audit and reconciliation. It is, in fact, substantially easier to achieve a close reconciliation if it is integrated into the audit and bar-code process.

Plan the required data input

When bar-coding, the key is to provide the system with as much asset data as can quickly be entered. Invariably, this will include the following pieces of information:

- Location
- Department
- Existing barcode
- Asset type
- Manufacturer
- Model
- Serial number
- Configuration
- Sub-assets and parents

"Our supplier's approach was different. The result was an effective and rapid deployment and ultimately a substantial reduction in the write-off negotiated."

Danny Mansfield, Express Newspapers

A Checklist

- Create bar-coding prompt sheets to facilitate process.
- 'Look for' assets on your Fixed Asset Register.
- Match existing fixed asset records to observed assets
- Re-value, transfer and dispose based on audit results.
- Where appropriate, use a specialist asset valuation service.
- Use specialists to assist with reconciliation to minimise any potential write-off.

A Case Study

"We initially lost a lot of time because we selected a bar-coding tool that neither we nor the supplier seemed able to apply to our specific problem of reconciling an existing Fixed Asset register with the real world.

"But by carefully thinking through the problem, we eventually found the audit and matching process relatively painless, albeit that we had to buy a different system from a more capable supplier.

"Life was a lot easier once we bit the bullet and decide to allocate one of the new asset categories to our existing register. This enabled us to match quite carefully the physical assets in a given location with our existing records."

Danny Mansfield
Express Newspapers

Step 9

Implement with care and assistance

Whilst the step-by-step process leading up to implementation should be gradual, the implementation itself should be anything but. From the moment that bar-codes have been applied, every other aspect of the asset management process needs to be up and running. There is little point in bar-coding assets if the mechanisms to ensure future control are not in place. You'll therefore need a thorough project plan, clear lines of responsibility and expert assistance.

Create a clear project plan

Sensible time-scales should be allocated to every step of the implementation process. The final project plan should be fully discussed between yourself and the supplier, to ensure you are confident about each stage and what it involves - it is no good realising in the middle of implementation that half the machines are in Scotland, whilst the other half are in Cornwall!

Establish lines of responsibility

It should be clearly stated at the beginning of the process who is responsible for each area. Ensure that a project manager is appointed to oversee the project. This will also ensure that you have someone to turn to should you have any concerns or questions.

Get expert assistance

If you need help or advice on any areas of implementation or asset management ask your supplier. They should either be able to provide the relevant assistance, or put you in contact with someone who is an expert in the area.

The reason that so few asset management systems work in practise is because they are implemented without proper planning preparation. Asset management is more process than product and requires expertise.

A Checklist

- Agree a clear, achievable project plan.
- Take a structured approach, ensuring your supplier keeps you fully informed at every stage.
- Use consultants dedicated to implementation. Training is not enough.
- Ensure you get the correct level of training for each user, so the system can be easily maintained.
- Ensure that adequate support is available before, during and after implementation.

A Case Study

"Because we did not thoroughly understand the process, our first attempt at implementation never looked like working. The implementation took no account of the status quo and our specific requirements.

"In hindsight, we would have got expert help early on. The savings in time and effort would have been substantial.

"Only after we did get help, did the scope of the problem, and the required solution become apparent. Implementation with our new supplier was a lot of work, but the results were well worth it."

Danny Mansfield
Express Newspapers

Step 10

Maintain, maintain and maintain

The hallmark of an effective asset management solution is a continued ability to control and audit assets. Only a management commitment to constant maintenance of systems and processes can ensure that data remains accurate and control is established. Every asset event needs to be recorded and the asset base systematically audited to be certain of confidence in the management information produced and the asset valuations reported.

Maintain asset data

Always make sure that maintaining asset data in your new system is an easy and efficient process. All asset events, such as transfers, disposals, re-valuations and re-lifings, should be able to be entered quickly and with minimum fuss, otherwise you may as well be using a manual system. You should also ensure that appropriate adjustments and accounting entries relating to these asset events are calculated by the system, so that minimum input is necessary by the user.

Maintain procedures

Ensure that everyone involved in asset maintenance and management is aware of the new procedures in place, and that they understand the reason for them - if they realise their importance they are more likely to keep to the new processes.

Audit regularly

An annual audit of your assets is advised, so that you can check your register continues to reflect reality.

If there are any weak areas in the asset management process, these can be caught sooner rather than later, then rectified.

Different types of bar code audits should be available from your supplier, so that it is possible to either do quick, basic checks on your assets, or more detailed audits.

Without a commitment to proper maintenance, asset management systems die through lack of reliable data, an inability to audit and a lack of control over asset events.

A Checklist

- Ensure asset events are recorded when they happen.
- Opt for a dynamic, rather than reported, system.
- Ensure dramatic changes (such as closure of a department) can be reflected easily in the register.
- Ensure that bar-coding procedures are continually adhered to.
- Make a commitment to regular audits, both of assets and procedures.

A Case Study

"Once we had the system set up in the right way, and the correct procedures in place, maintenance was something that became second nature.

"The processes we put in place to manage change and control asset events, combined with the automated links to related systems, have ensured that asset management is now enshrined as a management discipline.

"Our focus is now on rigorous enforcement of the procedures and a commitment to regularly audit and reconcile the asset base."

Danny Mansfield
Express Newspapers

Section 2

10 Tough Questions

It will be apparent from the 10 easy steps that there are three key components to asset management; partner, process and product. Sadly, even following the 10 easy steps cannot guarantee an effective implementation; it is essential to find the right product.

Ask any supplier these 10 questions. If you don't find the answers you're looking for, look elsewhere.

- Q1 How easy is it to use and to maintain?
- Q2 Are all depreciation methods supported – for every country and every requirement?
- Q3 Is the system multi-lingual, multi-national and multi-book?
- Q4 Can the system be tuned to reflect my own specific requirements?
- Q5 Are reporting & enquiry facilities comprehensive, flexible and easy to use?
- Q6 Can the system be used for budgeting and forecasting?
- Q7 Will it work with my existing systems on any platform?
- Q8 Does the system cover each and every aspect of asset management?
- Q9 Can the system be used for budgeting and forecasting?
- Q10 How exactly does month-end work?

Question 1

How easy is it to use and how easy is it to maintain?

The answers to look for:

- Transfers, disposals, revaluations and re-lifing all available from one enquiry screen.
- Partial transfers and disposals can be performed, based either on value or percentage.
- Bulk changes can be performed, based on analysis codes (i.e. transfer or dispose of whole department in one easy step).
- Calculating depreciation & posting to GL are a case of pressing a button.
- Asset events can be entered now, for future months or even years.

Question 2

Are all depreciation methods supported -for every country and every requirement?

The answers to look for:

- Basic methods such as straight line, reducing balance, sum of year's digits and straight line to reducing balance 'switching' method are all provided as standard.
- Overrides provided against periods & standard depreciation methods, to enable ANY user defined method to be coped with easily and efficiently.
- Any policy relating to depreciation in the period of acquisition and disposal coped with, through use of acquisition & disposal 'factors'.
- Depreciation can be accelerated or postponed at any point during an asset's life.
- The system has been installed in numerous countries, and therefore most depreciation methods have been experienced.
- Default depreciation methods can be allocated to each asset type.

Question 3

Is the system multi-lingual, multi-national and multi-book?

The answers to look for:

- The system can be made available in the required language.
- Users within the same organisation can view different languages.
- Users can alter the terminology used throughout the system, to ensure complete 'user friendliness'.
- Any number of currencies, with their appropriate exchange rates, can be held in the system.
- Reports & enquiries can be run in any currency at any time.
- Multiple sets of values (books) can be held against a set of asset, to cope with different requirements, such as historic values, current cost values, tax purposes, head office requirements etc.
- Each book can use different depreciation policies, and may have different length periods.

Question 4

Can the system be tuned to reflect my own specific requirements?

The answers to look for:

- Many levels of coding (analysis profile) exist, all of which are user defined, and can be used for things like asset type, sub-type, department, cost centre, branch etc.
- No restriction exists on the number of codes which can be set up at each level.
- Multiple main description lines available, all user defined.
- Unlimited extra description lines are available, again all user-defined.
- All description lines can vary, dependent on asset type.
- Residual values, minimum WDV's, write off amounts and insurance values can be held.

Question 5

Are reporting and enquiry facilities comprehensive, flexible and easy to use?

The answers to look for

- Reports & enquiries can be run for past, current and future periods.
- Large number of standard reports are available.
- All standard reports can be run to different levels of detail and can use your coding structure to split the reports in varying ways, for different purposes.
- Reports can be run for all assets, or a selection of assets.
- A report writer is available if required.
- Assets can be found in seconds based on flexible enquiry methods.
- Search word facility is available, allowing all your assets' descriptions to be scanned for certain words or even letters, without the need for wildcards.
- Enquiries can be based on a combination of analysis codes and results of reports & enquiries can be in any currency.

Question 6

Can the system handle real-life mistakes and problems?

The answers to look for:

- Late invoices and credit notes can be entered against assets, with the system calculating all the adjustments to GBV and depreciation for you.
- Assets and asset events can be deleted, unless they have been through a depreciation run.
- Depreciation can be re-run, if incorrect (security can prevent some users having access to deleting functions).
- Forgotten assets, which should have been added to the system months ago, can be entered in the current month, and the system will calculate 'catch-up' depreciation.
- Incorrectly entered assets can be altered, with any corrections complying to accounting standards, so that your ledgers remain in balance with your register.
- Asset events can be reversed if necessary.

Question 7

Will it work with my existing systems on any platform?

The answers to look for:

- Modules which will interface fully to packages such as CODA, SAP, Peoplesoft, BPCS, JBA, JD Edwards, Sun, and many more.
- The ability to interface to in-house systems.
- Expertise in converting data from existing systems.
- A truly 'open' suite of products, available on different hardware platforms.
- Ability to run on a variety of databases.
- All interfaces will be fully documented and supported, even when other software is upgraded.

Question 8

Does the system cover each and every aspect of asset management?

The answers to look for:

- Assets controlled from the day they are budgeted for, to the day they are disposed of.
- Module available to cover Capital Project Control.
- Module available to cover Lease Accounting requirements (in compliance with SSAP 21).
- Module available for Maintenance of Plant and Parts Inventory.
- Full Bar Coding facilities, including advice on suitable audits, hardware and labels.
- All areas of asset management fully integrated with one another, to provide total, accurate and timely control over assets and capital expenditure.
- Consultants available who are experienced in mapping your current asset management processes, and enhancing the control over all of these areas.

Question 9

Can the system be used for budgeting and forecasting?

The answers to look for:

- Easy entry of budgeted expenditure, either in the form of individual assets or bulk amounts, either through manual input or automatically through an interface.
- The ability to enter budgeted assets for any period, without actual depreciation amounts, reports or postings being affected.
- Full reporting and enquiry facilities on all budget and forecast information.
- Easy calculation of forecast depreciation, up to any point in the future.
- Forecast depreciation run for any time span, such as monthly, quarterly, yearly, 5-yearly etc.
- Ability to delete all budget assets from the system in one easy step.

Question 10

How exactly does month-end work?

The answers to look for:

- Calculating depreciation is simply a case of pressing a button.
- Calculating general ledger postings is simply a case of pressing a button.
- Each time depreciation is calculated, a cost record is created for each asset, therefore deleting depreciation for a period is just a case of pressing a button again.
- Depreciation can be calculated at any time, so there is no need to run it on a particular day if not convenient.
- Depreciation can easily be recalculated in the event of missing or incorrect information — subject to general ledger closure or authority.

If you would like to know more about asset management solutions, please contact Avia Software Ltd.

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<http://www.aviasoftware.com>