

**i-FM**

# **Asset Management: Opportunities and Challenges**

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## Features

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### Asset Management: Opportunities & Challenges

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**There's increasing recognition that effective asset management has much to contribute to the successful operation of any organisation.**

Indeed, the Institute of Asset Management says that asset management focuses on helping organisations to achieve their defined objectives and determine the optimal blend of activities based on these objectives. Effective asset management can help a company achieve its key business objectives which are often prioritised in the following way:

- Compliance with statute
- Improving the business model, and
- Saving money.

However, due to the increasingly complex technology involved, managing assets effectively can sometimes prove to be a challenge for facilities managers. Finding a streamlined approach for asset management which could be employed right across the sector could help the situation substantially.

### **Normalising the approach**

One of the biggest challenges facing asset management within the facilities management sector lies in the lack of co-ordination and standardisation of asset types, coding and structures across FM providers and their suppliers. When I addressed the Institute of Asset Management conference in Brighton on 17 June 2015, I suggested that there is a need to create a class of consistent asset information in order to enable a smoother operation when moving between contracts. This would help to reduce time and costs, increase efficiency and ensure statutory compliance records are maintained in a form normalised across the industry. A more streamlined work pattern can be achieved by working together to agree structures that are more efficient for both FM providers and customers.

In my view, QR codes, the machine-readable optical labels that contain information about the item to which they are attached, could be key to the future of asset identification. This, in turn, may prolong the life span of assets and reduce an organisation's carbon footprint.

With more than 1000 asset types within FM according to RICS, placing a QR code on all assets would help facilities managers to identify these assets in a more efficient manner. QR codes would also ensure that costs are kept low because the asset condition and the history of the asset could be stored within the code. This information is often lost when the asset is transferred from one FM provider to another at the end of a contract, which means that a significant amount of money (eg, tens of thousands of pounds) is spent tracing this information, and the new FM provider typically has to devote several weeks visiting a customer's sites to understand their assets. Under this scenario, time and money is expended that could instead be spent more effectively on improving services to the customer.

An embedded QR code would also make the transition of assets smoother between contractors and a standardisation along these lines could help improve sustainability by potentially reducing CO2 emissions, reducing waste and optimising asset life. Currently, businesses are responsible for 16% of UK emissions; this could be reduced via effective asset management practice, for example, by replacing assets at a timely point within the asset life cycle and considering whole life costs, including energy use, of the replacement asset.

### **Taking the lead on a better system**

There are three main benefits that FM providers can bring to customers in the area of asset management:

- Maintaining the assets
- 'Keeping the lights on', and
- Saving the customer money in the long-run.

Due to their broad range of expertise in the public and private sectors, FMs are often ideally placed to provide advice and support to customers on all three.

With the understanding amongst the FM sector growing that much more can be done with regards to asset management, it would be good to see the industry, for example via the British Institute of Facilities Management, working more closely with the Institute of Asset Management to look at the feasibility of implementing a standard asset coding, naming and structuring protocol, to help to simplify replicable processes and drive a high level of effectiveness.

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