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ID MADE BETTER®

The Ultimate Guide to

Asset Tracking

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Editor's Note: *Metalcraft's Property Management Guide (now titled the Ultimate Guide to Asset Tracking) was the brainchild of former Metalcraft President Waldo O. Smeby. Always the forward thinker, Smeby's thoughts and concepts are just as relevant today as they were over 70 years ago. The following is an updated preface from the original guide.*

Preface

Published in 1952, the original edition of our Property Management Guide, the precursor to our Ultimate Guide to Asset Tracking, was designed to assist in the tracking of an organization's fixed assets to prove ownership and location. Since that time, we have expanded and renamed our resource to address a much broader audience as we strive to assist and educate our readers on the tracking and controlling needs of today as well as tomorrow.

Metalcraft was initially organized in 1950 to solve a unique problem for an advertising specialty company. By finding a solution for that particular customer, Metalcraft transformed from a small start-up business to a dynamic, growing company. Two years later, we took the valuable knowledge gained through working with that customer and applied it to a universal challenge facing all business and industry – the capability to permanently identify equipment and all fixed assets to prove ownership and location.

By 1980 the position of Property Manager(s) within an organization became much more important. While business and industry discovered the many benefits of tracking and controlling, the technology-driven automation evolution created increasingly complex internal processes that mandated faster and more efficient tracking systems. Property Managers communicated their needs and specific requirements to manufacturers, and the industry expanded as the needs became more and more varied. Automated tracking with barcode technology became the new trend in 1984, and Metalcraft's research and development again put the wheels in motion to meet the needs of an ever-growing industry.

As we approached the turn of this century, Metalcraft again took the initiative and looked to incorporate the next generation of property control into its already diverse product offering. Like barcode before it, radio frequency identification (RFID) has changed how business may track and control their assets – both fixed and mobile.

Since its inception, Metalcraft has subscribed to the business philosophy that serving our customers is a privilege. Helping them find solutions for all their tracking and controlling needs is a challenge we take very seriously. From barcode to RFID technologies, we still feel our original goal of educating on the management of property has not changed since our first writing in 1952. We hope you find the information in this publication helpful for your tracking and controlling requirements. If so, then we have accomplished our goal.

Waldo O. Smeby
Former Metalcraft President

What is Asset Tracking and Asset Management?

Asset Tracking

Identifying and tracking assets is crucial to the success of a business. It allows companies to operate businesses efficiently and ensure that they're effectively managing costs by knowing what assets they own, where they are at any one time and how much they cost to own.

Asset tracking is how companies and organizations track key information about their assets.

The definition of an asset changes depending on the business or organization. Traditional fixed assets include furniture and equipment found in the office, laboratory, classroom, or plant; however, an asset is truly anything a company owns and associates a cost and/or value to. Wine barrels, portable toilets and theater curtains are more nontraditional assets but are just as vital to the success of their respective organizations.

Asset Management

Tracking and managing fixed assets at every step of their respective lifecycles helps reduce theft, loss and waste and maximize investment. Beyond just asset tracking, asset management traces the complete lifecycle of fixed assets—from the time they're acquired to their replacement and everything in between. Throughout a fixed asset's useful life, it's likely to change hands, require maintenance and repair, and perhaps a few updates along the way. The asset will also depreciate, a process that must be reported for accounting and tax purposes. But asset management includes more than this. At its inception, asset management was thought of purely in terms of locating, identifying, and controlling fixed assets. Today, asset management includes all the following functions:

- *Property Control and Fixed Asset Accounting*
- *Maintenance Management*
- *Security Control*
- *Service Management*
- *Warehouse/Distribution Center – Inventory Control*
- *Manufacturing/Work-in-Process*
- *Warranty Control*
- *Calibration Maintenance*
- *Billing and Invoicing*
- *Tool Control*
- *IT Asset Tracking*
- *Rental Inventory*

A robust asset tracking system plays a vital role in providing accurate information in various areas on which to base important company decisions.

Who Manages These Assets?

Property/Asset Manager

Today, the employee(s) assuming the responsibilities of asset management varies from business to business, and in many cases is in addition to other responsibilities or assigned to personnel throughout the organization. The Property/Asset Manager must serve as a catalyst to "make things happen" to ensure that a comprehensive tracking and controlling program is established, implemented and maintained.

Ultimately, the program's success depends on the wholehearted support of top management and the enthusiastic commitment of the entire organization. The benefits are many, and when adequately explained, will gain the needed support to establish a workable system.

Benefits of an Asset Tracking System

Reduced Costs

- Property Control and Fixed Asset Accounting
- Maintenance Management
- Security Control

Increased Efficiency

- Provides necessary information for a preventative maintenance program to maximize asset utilization

Increased Accuracy

- Facilitates compliance

Increased Transparency

- Promotes increased accountability
- Provides credibility on requests for additional assets

Scalability

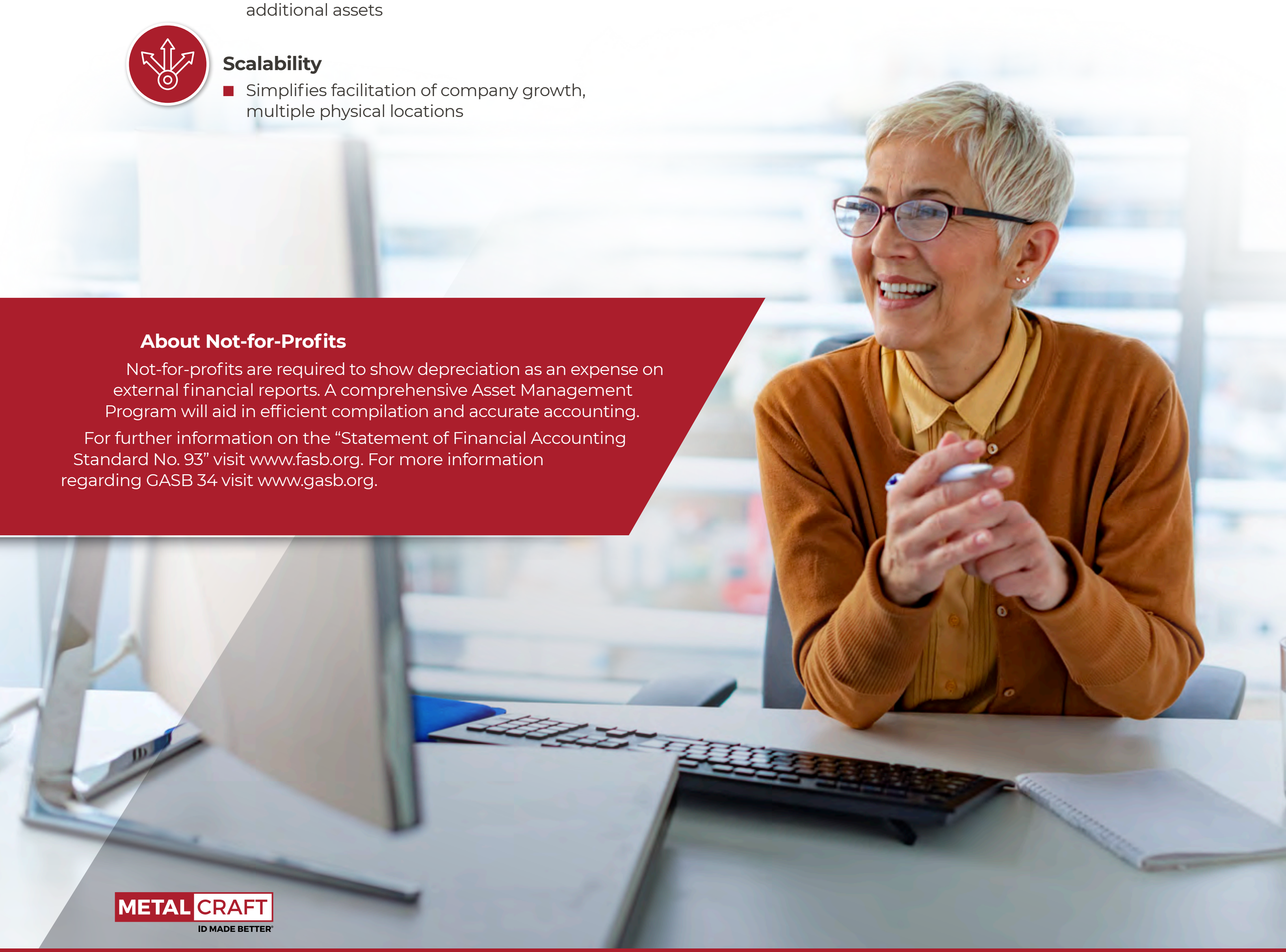
- Simplifies facilitation of company growth, multiple physical locations

Benefits of an Automated Asset Tracking System

An asset tracking system allows you to document, track and manage all the assets the company holds and uses regularly. Automating that asset tracking system using barcode and/or radio frequency identification technology takes the system to a whole new level. Companies that have successfully implemented an automated asset tracking program recognize the following benefits.

- **Increased efficiency:** Eliminating manual labor and busy work makes a big difference when in reducing costs and wasted time.
- **Increased accuracy:** On average, a person makes a mistake in one out of every 300 characters they write; barcode and/or RFID technology significantly (if not completely) eliminates this possibility.
- **Increased productivity:** Collecting accurate data in real-time allows for better, more timely decision-making.

All the benefits here either directly or indirectly impact potential cost reductions. In other words, an effective automated asset tracking system will save the company money!



About Not-for-Profits

Not-for-profits are required to show depreciation as an expense on external financial reports. A comprehensive Asset Management Program will aid in efficient compilation and accurate accounting.

For further information on the "Statement of Financial Accounting Standard No. 93" visit www.fasb.org. For more information regarding GASB 34 visit www.gasb.org.

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Planning and Implementing an Effective Asset Tracking Program

Step 1: Assemble Your Dream Team

Involve as many people in the planning process as possible, including top and middle management. Actively seek input from those whose support is necessary for implementing and perpetuating the program.

Step 2: Do Your Homework

Secure and review information from outside sources such as trade publications, trade associations and peers in other organizations. Discover what is already out there and why/how their asset tracking program works for them. Many workable systems are already in place and may be adapted to fit your need without reinventing the wheel.

Organizations such as the National Property Management Association (NPMA) and the American Society for Testing and Materials (ASTM) can assist in implementing your program and can also provide excellent training programs for the person(s) within your organization responsible for asset tracking. To learn more about these associations/societies and how they can assist your organization visit www.nmpa.org and www.astm.org, respectively.

Step 3: Perform Needs Analysis

Determine what information you need from your asset tracking records and how you will use it. Information is valuable, but too much data can be complicated to go through. Remember, there is such a thing as too much information.
Ask yourself the following questions:

1. ***What kind of assets do we need to track?***
2. ***What is our current solution (if one exists)?***
3. ***What are our pain points?***
4. ***What would we like to achieve with our new asset tracking system?***

Not-for-profit institutions, governmental units and private businesses will all have different requirements, especially in such areas as depreciation for tax purposes, accountability for assets, insurance, etc. Determine what regulations and procedures apply to your particular industry or agency.

Step 4: Determine Methodology

Decide on a record-keeping system. Each asset or asset group should have a record established for each item, either when it is initially purchased or when it was received from the supplier.

Step 5: Make Your List (and Check it Twice)

Determine the approximate number of items to be located, identified and recorded. Set a minimum dollar value for each item to be included. Expensed items may also be included, especially if they are of significant value or are highly mobile assets, such as PCs and other equipment, which are highly vulnerable to theft and potential transfers for unauthorized use.

Step 6: What to Track

List the data elements to be recorded for each item or piece of property to be tracked. Identify the needs versus the wants. The list will vary depending on the size and responsibility of the organization. The following are some potential possibilities:

- Identifying number(s)
- Description
- Location
- Date of acquisition
- Original cost (including installation)
- Description method
- Class
- Use and responsibility
- Ownership (company, government, leased, etc.)
- Replacement cost
- Maintenance requirements
- Security risk

Budgeting is also something that should be discussed and determined at this point. Having an anticipated ROI will help set realistic expectations when distinguishing between a want and a need in an asset tracking system.

Step 7: Software Needs Analysis (aka Ditch the Spreadsheet!)

If you are still using a spreadsheet to track your assets, it's time to ditch that spreadsheet and move to an asset tracking system that will do more for your organization. Asset tracking software takes many of the manual processes and automates them. However, suppose an automated system is not a consideration at the implementation time. In that case, you may still opt to use asset tags with a barcode and/or an RFID inlay, as well as a human-readable number for conversion at a later date. The following are some potential features to consider when evaluating asset tracking software:

- **Sub Users:** To keep your team connected and up to date on your asset inventory, it is essential to consider how many sub users will access the software. When searching for software, it is a great benefit to find a system that allows for unlimited sub users so that every employee will have the most recent asset information, which helps keep your team aligned.
- **Reporting:** Running reports and pulling the proper data from the software is critical to making the best decisions on the organization's assets. Building custom reports and setting up automated reporting gives you the flexibility to send and view reports for the information that matters most to your business.
- **Preventative Maintenance Scheduling:** Easily schedule recurring maintenance for assets to keep them at peak performance. To get the best ROI on your asset purchases, it is important to stay up to date on preventative maintenance. With asset tracking software you can automate this process to ensure you never miss a scheduled maintenance.
- **Cloud-Based System:** A cloud-based system allows you to ditch your spreadsheets. Any action that is taken on an asset, such as adding, editing, or performing inventory scans, is updated in real time. That means when on employee is in the field and the other is in the office, all information is updated to keep your team on the same page.
- **Technology Agnostic:** Planning to use barcode or RFID technology? Don't let the software limit future growth if you plan to implement RFID later. When researching software, it is important to find a system capable of scanning both RFID and barcode. That way you can easily transition RFID at later date without the hassle of switching software.
- **Customization of Asset Fields:** Every business is different, so finding asset tracking software that allows you to customize asset fields is important. Using fields customized for your own organization allows you to create and run reports on important information to your business.
- **Chain of Custody / Accountability:** Today, more than ever, mobile assets like laptops move from location to location. Recording chain of custody shows who is responsible for the asset and when it is due back using a checkout / check-in system. This helps hold the employees accountable and lowers the chances of lost assets leaving your facility.

Features like these will help ensure you are getting the most out of your asset tracking software.

Metalcraft offers asset tracking software through our partner company, ARK Business Systems. Grey Trunk RFID is a cloud-based asset tracking software that supports both barcode and RFID technologies. For more information, schedule a demo or register for a free 30-day trial, visit https://greytrunkrfid.com.

Step 8: Determine Technology (aka Barcode, RFID or both)

Decide on a reliable method to identify each asset to cross-reference the item with the permanent property record. There are different benefits to different technologies, and there is no one-size-fits-all answer regarding asset tracking technology.

Advantages/Benefits of Barcode:

- Less expensive to initially implement than RFID
- Quicker to implement than RFID
- Not as environmentally sensitive as RFID (no interference, concerns about asset composition)

Advantages/Benefits of RFID

- No line of sight needed
- Scan many items/assets at once
- Greater read ranges
- Stores more data

Advantages/Benefits of Both

- A complete view of the supply chain
- Less disruption to operations and the supply chain
- Protection against failure

It's important to weigh those benefits against the overall project objective and expected ROI to determine the best technology and best solution. For more information on using barcodes, RFID or both, access Metalcraft's Resource section on our website, idplate.com, for downloadable content like our Barcode, RFID or Both: Find the Right Solution for Your Asset Management System.

Step 9: Cover Your Bases

Assign responsibilities for implementing, installing, and maintaining the system.

Person Responsible	Responsibility
	Acquire computer system including software and supplies
	Acquire identification tags, i.e., barcode,RFID or both
	Identify each item with an asset identification number and corresponding identification tag
	Receive, document, inspect and move equipment to use location
	Record information on each item (see Step 5)
	Standardize the location of asset tags on assets
	Establish disposal and record purging procedures
	Provide training

Step 10: Make it Official

A comprehensive asset tracking system will help companies meet ISO standards. Prepare a detailed written procedure and make it part of an overall company policy. Allow for the periodic follow-up to make sure the program is functioning correctly.

The Metalcraft Advantage

Metalcraft has been producing high-quality identification products since 1950. We are your expert and responsive partner providing customized identification solutions for your tracking needs, offering the best customer experience in the industry. Our expertise in serially numbered identification regardless of technology means we can supply a wide range of products for various asset tracking applications. And with the addition of ARK Business Solutions and Grey Trunk RFID software, we indeed are a one-stop-shop for your asset tracking needs – living up to our promise of ID Made Better.®

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