

The Importance of and Justification for Utilizing Professional Fixed Asset Inventory Services

|Asset|Services|

| Fixed Assets | Inventories | Audits | Valuations |

1. Purpose

Your organization already understands the importance of completing a fixed asset inventory; however, you're now faced with the challenge of determining who will perform the inventory. The cost of outsourcing the service may be a hard sell to upper management when they feel internal resources could be utilized. While this seems like a sound option, there are many considerations and benefits to outsourcing fixed asset inventory services that outweigh the cost that should be considered. With nearly 25 years of fixed asset inventory experience, we've compiled a list of the top benefits of outsourcing the services to a professional inventory team.

The purpose of this document is to demonstrate the importance and the benefits of utilizing professional inventory personnel, rather than internal resources to perform a fixed asset inventory.

2. The Importance of a Professional Inventory Team

The following are justifications why organizations should utilize a professional asset inventory team to complete regular fixed asset inventories:

Professional – Fixed asset inventory specialists are trained inventory professionals. Prior to arriving onsite and performing inventories, the inventory specialists complete extensive training, including: fixed asset identification training, data collection methodology, and best practices on how to perform inventories in diverse settings.

The specialists are trained on how to appropriately interact with staff, students, clients and patients in a variety of environments, including: hospitals and healthcare facilities, schools and educational environments, corporate office buildings and government facilities. Performing fixed asset inventories is the primary job function of the inventory specialist, and each has extensive experience and knowledge of the inventory process, equipment identification and data capture. Each specialist spends more than 2,000 hours per year performing inventories and, on average, each specialist has more than 10,000 hours of inventory experience.

Efficient – Timing is critical when performing a fixed asset inventory. It is important to make sure an inventory is complete within a designated timeframe. This not only ensures that the inventory is finished, but also ensures a higher rate of accuracy within the results.

When internal staff is tasked with performing the inventory, it is often fit in between other responsibilities, drawing the project out for months or years at a time. Assets have a tendency to grow legs. If the inventory process is drawn out over several months, it's easy for assets to move from a room that has not been inventoried to a room or office that has been inventoried. The items that get moved to rooms that have been inventoried will go unaccounted for, and could result in purchasing unneeded replacements.

If using internal resources whose primary duties do not normally include performing inventories, it is projected that the individual or team would be able to achieve 50 percent efficiency in the data collection process. For example, an inventory project estimated to take a professional inventory team two weeks to complete may take internal resources up to three months to complete. This expanded inventory, allows a significant amount of time for equipment to be moved between rooms, and therefore increasing the probability for errors in the inventory data.

Accurate – As a professional fixed asset inventory organization with nearly 25 years of experience, we've developed a methodology that provides increased data consistency and accuracy in the inventory results. Couple the organization's experience and established inventory methodology with the onsite knowledge and experience of the inventory specialists, resulting in a higher rate of accuracy in the initial data collection process. Additionally, upon completion of the professional physical inventory, the data then goes through a two-step normalization and quality assurance process.

Expectations – Performing fixed asset inventories is the primary job responsibility of the inventory specialists. These individuals are trained on how to enter and perform inventories in a variety of settings, including areas that are not easily accessible, restricted access, and sensitive and sterile environments. This knowledge and experience allows the inventory specialists to minimize any disruptions, allowing your staff to remain focused on their regular, day-to-day responsibilities.

If you're considering performing the inventory in-house, you will need to:

1. Conduct a meeting to determine what will be inventoried.
2. Develop an inventory process; will this be done using pen & paper?
3. Determine how you will ensure consistent inventory results.
4. Task an individual to enter the results into your asset tracking application.

Or, will it be less costly and time consuming to simply:

1. Hire a professional inventory team
2. Receive inventory results in a short period of time
3. Write a check. This is the painful part, but more than likely, well worth it.

3. Conclusion

There are many considerations to make when determining the best inventory process for your organization. Is adding the additional task going to strain your internal staff? We've found that over the years, internal staff is not enthralled with performing the inventory and tend to yield less accurate inventory results.

Additionally, while there isn't an added line item cost to complete the inventory internally, there is the tangible loss of staff salaries and the intangible loss of internal processes and customer service being compromised during the inventory process.

There are many important considerations when determining how your organization will complete a fixed asset inventory, and which method will provide your organization with the most accurate and comprehensive inventory results.

4. Contact Asset Services

Please feel free to contact us with any questions pertaining to our fixed asset inventory services, or if you would like an estimate for completing an inventory for your organization.

Contact us at:
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