

case study



Client: Major School System
Practice: Business Technology Solutions
Business Process: Asset Management/Facilities Management
Consulting Service: Business Process Reengineering / Systems Optimization
Industry: Public sector
Business Function: Education

q *Business Issue:* Consisting of over 22 million square feet of floor space over 300 campus facilities and \$10 - \$12 billion in assets, this top 10 largest school system in the United States was challenged by the responsibility, complexity, and cost efficiencies for utilization and maintaining both fixed and movable assets. Too frequently, movable assets could not be located and unbudgeted items had to be purchased to meet the needs of the operations while it was known that un-utilized or under-utilized items existed within the system. Often, documentation for assets could not be located making necessary repairs more difficult; and, recommended maintenance procedures were frequently unaddressed, resulting in either premature failure of the equipment or invalidation of warranty provisions. Procedures for recording and managing deficiencies within the facilities were cumbersome and labor intensive, as were contracting and contract management procedures. It had been estimated that up to 25 percent of the effort was directed at preparing for the work versus actually doing the work. With a maintenance staff of approximately 1000 individuals, these efforts represented a substantial cost. With rising costs and pressures on budgets, a more robust system of managing the assets and facilities was deemed a priority.

q *The Solution:* After an analysis of various options and proposed solutions, URI's Asset Management / Facilities Management solution was chosen for implementation. The system provided a view of all assets within the system, by location, and provided the operational focus needed to schedule and manage work activities. Being web based, operating personnel could enter and receive information from their work locations and duplication of work efforts was eliminated. Work orders could also be reviewed and closed out in the field on a real-time basis such that an accurate assessment of work activities existed. By opening up the system to outside contractors, all parties could maintain the current status of work activities. By appropriately defining locations, assets, and sub-assets, the system was extended for vehicle fleet management.

The system easily integrated into the financial system so that appropriate financial accountability and interfaces were maintained without re-entering information a second time. Life-cycle information was readily updated to permit more

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accurate forecasting of future maintenance activities and long-term capital planning needs.

Transfers of assets from one location to another was a simple procedure that could be done remotely; and, the incorporation of bar codes simplified the process and provided additional accuracy. Because of the ease in making the transfers and the real time nature of the transfer, people were more willing to update the system and more reliable information existed pertaining to the various assets. Again, by appropriately structuring locations, assets, and sub-assets, the system also provided an effective means to manage inventoried assets.

The total cost of implementation including licensing costs, configuration, interfaces to other systems, hand-held devices, and training was less than \$600,000. On-going maintenance and support costs are approximately \$30K per year. Total time of implementation was approximately 3 months.

q *Team Structure:*

Implementation activities consisted of a business process/project management team and a technical staff of 2 individuals for a total of 5 outside resources, on average. The client team consisted of a full-time project manager and various subject matter / location manger experts on a part-time basis.

q *Client Benefits:*

Benefits were derived in 7 major areas and consisted of both hard and soft (direct and indirect) benefits. The Benefits accrued to the following areas:

- § Better visibility and control resulting in increased asset utilization, reduction in excess inventories, and better management of life cycle-life extension activities
- § More efficient maintenance procedures
- § Reduced labor
- § Better management of work efforts including contractor work efforts
- § More effective facilities management and utilization
- § More effective cost control and chargeability of costs, e.g., warrantee and shared facility cost delegations
- § Better management of utility costs