

# ASSET MANAGEMENT BASED ON LIFE CYCLE COSTING

## The one week approach of strategic Asset Management

You probably have often experienced consultancy services that took a lot of your time and effort and gave only poor results... S&G offers you something quite different: an effective one-week-approach on strategic (fixed) asset management. A team of three professionals will perform and present the following five steps for your company within five days.

### Step 1: preparations

In advance we will examine some example files to check if there are no unexpected problems.

### Step 2: conversion (day 1 and 2)

For distribution companies:

We will convert the Geographic Information System (GIS) and a file containing the failures on the assets in the GIS system. If the failures are not recorded in the GIS we need a file which links the address to a X,Y- co-ordinate.

For production companies:

We will convert a maintenance management file, containing assets and maintenance.

**We are well able to work with incomplete data, which we can enrich in a very sophisticated way.**

### Step 3: workshop (day 1 and 2)

In a workshop your staff will get acquainted to:

- the basic principles of Life Cycle Costing;
- strategic asset management with LCC-AM/QM.

### Step 4: analyses (day 3 and 4)

**Time span analysis:** we will analyse the failures in the last years, group them, find top tens, find extremes. We will calculate the value of your assets. This could be important for IFRS or regulation purposes.

**Life span analysis:** this analysis gives clear insights in the failure rate over the life span. This is important to be able to determine the optimal life span. We have experienced that often the results of the analyses do not match with the knowledge companies think they have about their assets.

Often failure rates do not increase over the life span or much later than expected. Concerning installations we can analyse the relation between the maintenance effort and the effect of the maintenance job. Using the results of the previously performed analyses we can predict replacement moments, future maintenance, long term costs development and long term investment pattern. If any, we will show you the voids in your data.



### Step 5: final presentation (day 5)

On day five we will prepare our final presentation, which will take place in the afternoon.

What do we expect from you, as our customer?

1. an example asset file in advance and the relevant asset files for the software conversion;
2. time and attention of your employees to follow the two-day workshop;
3. a list of replacement values of your assets;
4. time to attend the end-presentation;
5. a contact person within the organisation;

You will receive a full report of the results of our investigation including a tool to view the charts we have produced.

Our goals are:

- that after this week you will declare that we know more of this part of your business than you do yourself;
- to have shown you where and how much cost savings are possible;
- to give you insight in your long term costs, failures et cetera.

*S&G and partners are working in The Netherlands, Germany, Belgium, Japan and the USA. Our main type of customers are (about 40) utilities (Gas, Water, Electricity, Sewerage, CAI) Real Estate, Government. Our main partners are: KPMG-A for Europe, PRC (Real Estate), Signion (Utilities in Germany).*

S&G en Partners  
Bijsterhuizen 11 60 B  
6546 AS Nijmegen, The Netherlands  
Tel: +31 24-6450006 Fax: +31 24-6424151  
info@sg-partners.nl; www.sg-partners.nl

