

Top Ten Tips for Successful Property Management

By Marla Williams, CPPM

In my nineteen years in the inventory and property management consulting business, I have worked with over a thousand private, public and government clients helping them solve their property management problems. Over the years I have seen certain patterns emerge:

There are three groups within any organization that typically deal with property: Information Technology, Finance and Facilities. Although many property departments report up through Finance, Finance is typically divided into financial folks (Procurement, Accounts Receivable in the private sector, and Accounts Payable) and property people. Each of these groups has their own leaders with varying degrees of power and control over each other. As a result, they often have difficulty playing well together. In my opinion, the group that pays most dearly for all this is Property.

In the typical organization, Finance can authorize purchases with fairly general descriptions and then insist that items be received into their financial system by property. The financial system doesn't interface with bar code readers so this process must be done manually. Finance does not always identify potential assets very well and so it is often not until the property person sees an item that he knows it has been purchased. A year later, Finance wants Property to "reconcile" what they are tracking against what was purchased and give them a record by record report. Down the road at some point, the Chief Financial Officer doesn't get a clean audit opinion and he's got to do something, because thanks to Sarbanes Oxley and the CFO Act, his name is on the line. Along comes a sales guy who tells them what they need is an integrated financial package. He doesn't consult Property because Budgeting, Procurement, Accounts Receivable and Payable are much more complicated and, most likely, viewed as more important. Property gets invited to a meeting, after the sale, and is told that it has everything they need, but they have to get the other parts of the package customized to match business processes before they can work on it. Property goes on using the old system.

A couple of years later, we get around to implementing the fixed asset module of the new financial system, only to find out that the sales guy wasn't exactly right. The new system will only let you update locations with the bar code scanner and everything else has to be entered manually, record by record. It turns out that our hot new integrated financial system is not any more effective than the old system.

The Facilities department receives shipments of furniture and office equipment. They move and reconfigure them using a sophisticated CAD (Computer Aided Drafting) system or CAFM (Computer Aided Facilities Management) system. However, they don't have time to tell Property where they put them or what they have replaced. The property system doesn't

have enough detail (dimensions, color, material, features) to make it useful to Facilities, so they continue doing things their way while Property runs behind trying to figure out what is where. Similarly, the Information Technology department receives, stores, installs and disposes of computer equipment on a daily basis. Many have sophisticated Help Desk packages and Auto Discovery tools that can tell them if a computer is on the network, how it is configured, what software is installed on it and who is using it. The IT system knows the IP address of the computer but it can't tell us what room it's in and they don't have time to tell Property anything. Once the equipment is off the network, their auto-discovery tool can't track it but a year later they're sure they sent it down to Property on a pallet for disposal.

Property tries a different approach. They assign local Custodial Officers or Property Representatives for each organization or location. Sadly, they are also at the mercy of Facilities, Information Technology, or other third party vendors who are authorized to pickup, transfer and remove property without bothering to tell our representative. Property or the locals are still chasing assets, after the fact.

In these tough economic times, how can the property manager effectively manage property with less and less time and resources? To overcome today's challenges; organizations need to look to integrate Property requirements within the processes of Information Technology, Facilities, and Finance. To accomplish this, Property must understand other departments' needs and the tools they use, in order to find a win-win solution for the entire organization.

Here are my top ten tips for making your organization more successful in property management:

1.

Put portable bar code scanners in the hands of the Information Technology and Facilities people actually receiving and/or installing the assets. It is not cost effective and often impossible to have Property chase down your assets in the field when the information could have been gathered by the people doing the job.

The newer scanners are really portable computers that can run multiple applications. Consider offering this equipment to help IT update work orders in their Help

Desk system from the field or to allow Facilities to capture information about service calls for their CAFM (Computer Aided Facility Management) system.

2.

Be sure your property management system has detailed descriptions that meet IT and Facilities requirements.

Your system should have the actual manufacturer, model number and serial number from assets – not just a general description handed down from your purchasing system. Reconciliation to financial records is impossible with a description like, Pentium III computer or laptop.

Additional detail on furniture (upholstery color, material, dimensions) and power requirements and dimensions on floor standing office equipment makes this data useful to Facilities. Your Property Management System data can be queried directly by Facilities' CAFM system giving them a very good reason to help you keep it up to date.

3.

Tag assets when received and collect Purchase Order Number from the Packing List in your Property Management System. The Purchase Order Number gives you a link back to the financial system for obtaining cost information. Tagging items immediately upon delivery lets you get those assets right back out to the users and keeps you from having to chase them down in the field.

If you don't have a bar code scanner, split labels will allow you to put a human readable number on the paperwork and a regular bar code label on the asset to



reduce human error.

You don't need to take items out of the box to bar code them. Two part labels can be applied to the outside of boxes and used to track the item from receipt to delivery. Later, when the item is removed from the box for installation, the bar code asset label is peeled off the box and applied to the item.



4.

Tie payment of vendors to the presence of assets in your Property Management System for internal control purposes. Give Accounts Payable access to view your property records before they issue payments. Your auditors will love it and your vendors will help you make sure your Property Management System is up to date because they want to get paid.

5.

Property and Finance need to understand the differences between the costs assigned by the accountants for depreciation and the values in your property control system. How are installation, freight, taxes, and labor related to installations being tracked?

6.

Use cycle not annual inventories. Use a smaller, more experienced team to inventory a portion of your facilities every month or every quarter. You'll get better results and you can spread their work and yours over the entire year.

Use detailed locations (building, floor and room/area) during inventories and always randomly audit the inventory team's work during the process – whether using a contractor or your own personnel. Don't wait until the job is done to check their work and find out you have a problem.

7.

Allow other departments to have access to the Property Management System. Allow IT/Facilities to view the data to meet their own requirements. Use scanners to identify excess property and share this information with other departments to determine what property is truly surplus. Allow Procurement to view excess directly before authorizing new purchases. Passwords can prevent unauthorized changes to the information and most systems can provide detailed audit logs of who changed what and when.

8.

Link physical assets in your Property Management System to Help Desk and Auto Discovery tools used by Information Technology to improve information available to Property and Information Technology. Login scripts can ask users to enter bar code tag numbers into user defined fields in the auto discovery product, which can then link your physical inventory data to the internal hardware/software components their tools detect. Information stored in your Property Management System can be queried or used to update their systems and vice versa.

9.

Don't let Information Technology tell you that the auto-discovery tool can take the place of a physical inventory or your Property Management System. Remember, auto-discovery tools can only tell you that equipment is somewhere on the network, not in a particular room. Equipment in repair, in storage or not on the network, cannot be detected.

10.

Make friends with Finance, Facilities, and Information Technology. Volunteer to participate in Committees and Work Groups. Take time to understand their problems, their processes, and the tools they use.

Make Property part of the solution, not an afterthought!!



BIOGRAPHY

Marla is a Certified Professional Property Manager and is the Vice President of Certification and Training for the Federal Center Chapter of the NPMA. She is a recognized expert in the field and was selected to be a judge for the last four year's by G.S.A. for the Miles Romney Award. Marla is the owner and president of Integrated Asset Management, Inc. located in Millersville, Maryland. Marla has over 20 years of experience in property management and inventories. She implements, manages and provides training and on-going technical support for bar code asset management and warehouse systems.