



HOW CAN ASSET MANAGEMENT BENEFIT YOUR LAB?

An innovative outsourcing model is being employed by laboratory managers as they look to gain visibility of surplus and idle assets – instrumentation and analytical equipment – under their control, and to manage the redeployment or disposal of redundant items.

BY BEN POTENZA, EQUIPNET INC.

Working with an outsourcing partner is not a new concept within chemical, pharmaceutical and biotech companies. By concentrating on the core areas of business and working with specialists for other, non-essential tasks, they are able to manage costs better, boost efficiency and increase ROI (return on investment).

Thanks to today's focus on process simplification and maximizing efficiency, these methods have become vital for day-to-day operations in many sectors. Recently, laboratory leaders targeting the highest levels of excellence are turning to the proactive management of idle and surplus instruments and equipment. To put this into context, research suggests that on average, 5% of a company's global asset base is lying idle. By recognizing the often dormant value in these assets, managers can make a significant impact on their bottom line.



October 2014



A live auction is one way of liquidating unneeded instruments and equipment.

Calling in the experts

For years, equipment dealers who ‘buy low and sell high’ have been the primary buyers for surplus assets. However, with more and more complex and valuable assets, best practice has been evolving. Specialist service companies, staffed by industry experts and project management professionals, have emerged as the new leaders in this field.

One such specialist is EquipNet. The company provides a holistic approach to surplus asset management that balances needs across entire enterprises (Figure 1). This ‘Value Control Model’ illustrates how a managed program can be customized based on client priorities.

A complete system

Once a piece of equipment has served its original purpose there are sev-

eral options available to a laboratory. Of these, redeployment to another location within the organization always delivers the highest value. Nevertheless, successful redeployment cannot be achieved without a central tracking platform covering all company locations. In this way, users should be able to post, track, identify and internally redeploy equipment that is not being used. Features to look for in an asset redeployment management system include a robust platform behind a company’s firewall, a simple user interface, multiple access levels and in-depth search functionality and listings.

After redeployment, sale or disposal is the next logical step. This is commonly undertaken through an online marketplace package. When considering an online transaction however, particularly for high-value equipment, the human touch still plays an important role – industry experience combined with a solid reputation is the key.

In certain circumstances, where a laboratory is moving or closing, for example, time constraints may supplant the need to recover investments, meaning liquidity is the highest priority. Auctions are



Figure 1 shows a holistic approach to surplus asset management that balances needs across the enterprise.

a dependable channel to achieving this goal, whether delivered online, as live/webcast auction events, sealed bid or private treaty sales. A specialist partner should advise on the right approach for you, as well as provide active marketing, knowledge of the equipment and a flexible approach to managing bids close to reserves.

Finally, assets that are at the end of their useful life can be dealt with through clearance strategies: donations, scrap and environmental recycling, for example. In this situation, you should expect to be advised of the scrap and market value of idle equipment, together with a clear plan for generating the highest return.

The model in action

The EquipNet approach can be easily employed in many situations. In one recent project, a global pioneer in drug and vaccine development needed to consolidate three facilities and one warehouse into a single location, redeploying or selling-off assets in the process. The first two sites needed to be cleared within two months, making the timing of this phase an extreme challenge.

It was proposed that, once all assets to be redeployed were identified, the client auction their surplus equipment as part of a monthly online lab auction, allowing a large number of assets to be sold within the timeframe. With the large following of buyers that consistently attend these regular online events, a good sized audience was guaranteed. All available items were catalogued by equipment specialists, who were also available to oversee the post-auction process.

The online auction yielded positive results, with around 75% of the equipment selling with sales of \$238,000. Since total clearance in the designated timeframe was required, all remaining unsold items were scrapped.

Summary

Having complete visibility of equipment, and where it is located, allows laboratory managers to plan and manage their assets effectively, ensuring that they are getting the most value from equipment long after the initial investment. However, a proactive approach is not without its challenges. It requires formalized processes, specialist knowledge of the industry and its equipment, dedicated resources, and a concerted effort to change management. Importantly, companies that are succeeding in this area often rely on a partnership with a specialist service provider, who ensures they achieve the best possible cost control, cash release, and increased efficiency. *LPN*