NEW TRENDS IN ASSET MANAGEMENT:
Why Traditional Models Are Outdated

What Is Asset Management and Why It's More Important Than Ever

WHAT IS ASSET MANAGEMENT?

Simply put, asset management is any system within a business which catalogues, tracks, maintains, and disposes of that company's valuables. These assets can be either physical, such as office computers and construction equipment, or abstract, such as financial information and employees' intellectual property.

Asset management is not a new corporate practice. For centuries, business owners across all different types of industries, from shipping to textiles, kept track of their company products, resources, and needs with pen-and-paper ledgers. With the invention of computers, asset management moved to the digital space, with businesses manually entering assets into spreadsheet programs like Microsoft Excel or purchasing asset management software to handle these processes.

WHY IS ASSET MANAGEMENT MORE IMPORTANT THAN EVER?

Asset management has always been important for smooth operations within a business. When a proper asset management system is set up, your company could benefit in many different ways. For example, tracking assets helps improve workflow and productivity, record losses in the event of a natural disaster, reduce employee theft, eliminate the occurrence of lost or misplaced assets (otherwise known as ghost assets), and enable more efficient planning and organizing within your company.

Individually, these benefits are obvious but favorable outcomes of an asset tracking system. However, it's when the sum of these parts are combined that the true advantage of asset management is revealed. **The primary reason why solidly-implemented asset management is more important than ever is that it can positively impact your business's bottom line.** And in this fast-paced, technological age, asset tracking could be the difference between your company thriving or sinking.

Asset management is a vital strategy for improving company revenue for several reasons. First, asset tracking **streamlines your operations and reduces time wasted** on inefficient tracking methods, such as manually entering assets in a spreadsheet or letting only a handful of individuals deal with assets (which can lead to oversights and discrepancies).

Savvy businesses are realizing how much they have to lose in terms of productivity if they don't update the way they handle assets by moving away from solutions which are quickly becoming not only obsolete, but costly due to their drain on company time.

Second, asset management can help you **stay ahead of your competitors** whose own tracking practices are out-of-date. A number of businesses don't even track their assets or use a manual method such as Excel spreadsheets. When you have a powerful asset management system in place, you can focus your attention on areas which will directly grow your business (like marketing, sales, or customer service), which gives you the upperhand in your industry, as well as a better financial outlook for the future.

Third and finally, asset management is more important than ever because it **increases profits by reducing unnecessary expenditures and losses**.

An extreme example comes from NASA, which, according to a 2007 report from the United States Government Accountability Office, lost approximately $94,000 of fixed assets over the course of ten years because of loss, theft, and asset misuse.

By knowing exactly where your assets are at all times, you eliminate problems such as these, as well as instances of duplicate purchases or last-minute, costly maintenance needs.

It may seem easy to overlook the importance of asset management within your company. But this mistake could cost you upwards of tens of thousands of dollars per year. By putting into effect a streamlined asset management system, you can avoid needless profit loss and ensure your company is earning exactly what it deserves.

The Problem with Traditional Asset Management Technology

TRADITIONALLY, THERE ARE TWO POPULAR TYPES OF ENTERPRISE TECHNOLOGY FOR ASSET MANAGEMENT:

Free software: This can be a good solution for small- to medium-sized businesses who often don't have a lot of capital to put towards more expensive asset management technology.

Paid software: Asset management solutions which come with a price tag are often more robust than free options, and therefore normally used by mid- to large-sized corporations who have the money to invest in training on the product.

While both of these asset management solutions may appear to have benefits for businesses of all sizes, companies often experience a variety of problems when using either free or paid solutions on a regular basis. For example, many free asset tracking solutions lack customization, a robust set of features, and full functionality, which is often saved for only premium upgrades or tiers. Some drawbacks of paid software can include the expense of purchasing it, a high learning curve to understand the software, and the time it takes to install standalone versions on various company computers.

But the worst drawbacks to the two types of traditional, popular asset management software are the models they operate on, which **limit the number of users or accounts and restrict accessibility**.

In many cases, both free and paid asset management software put a cap on how many employees can access and manage your company's assets. If a free solution doesn't allow unlimited users, it will likely seek to charge you to add more user licenses to the system. Paid asset tracking products are typically limited to the employees of only one or two different departments in a company (such as operations or HR), because they are the only ones who are trained on how to operate the program and it would cost even more money to train other employees.
As for difficulties with accessibilities, both free and paid enterprise technology for asset tracking are at fault. Not all free solutions are available across multiple platforms such as desktop and mobile, which really hinders their usefulness to streamlining your business's asset management. And traditionally, paid asset management software is available solely as a standalone product installed on a company's computer network, and therefore an employee can only access the software while physically in-house at a connected computer.

Restricted users and accessibility in traditional enterprise tech often result in inefficiency and miscommunication in your business. When all of your employees are unable to see and track the current status of assets whenever they want to from wherever they are, assets can be lost, employee can steal from your company, and other issues which could easily be avoided must be dealt with. Ultimately, this all leads to thousands of dollars of lost profits.

The First Solution to Asset Tracking Problems in Enterprise Technology: Make It Available to All

At this point, it might seem like traditional models of asset management software will not help you run an efficient business and properly keep track of all your assets. The tendencies of these types of software to limit the amount of user accounts and make it difficult to access assets from anywhere in the world will ultimately end up costing your business money, instead of aiding you in making more of it.

Fortunately, the days of limiting asset tracking to a select group of HR employees or operations team members are quickly becoming obsolete. Advancements in technology have eliminated this particular drawback, and another system is quickly growing in popularity which may be the answer to your company's needs.

This new asset management model is based on the idea that any person who touches an asset has the right to track and manage it.

The theory behind this asset management model is simple: a business can operate more effectively if everyone who needs to know about the company's assets understands exactly where they are and what condition they're in at any given time. Quick, easy access to assets means all your employees will be able to work more productively instead of waiting to hear back about their inquiries from the select individuals who have access to the company's asset tracking software. A more productive workforce inevitably results in higher profits for your company.

The model of giving asset access to any employee who needs it also means your business will reduce unnecessary expenditures and losses, such as duplicate purchases and stolen goods. While this is a benefit of asset tracking as a general business practice, it's especially relevant to the right-to-track-and-manage model. For example, if all the individuals in your company track assets, it's unlikely anyone will overlook an discrepancy or miss a previous purchase before ordering a new product.

In practice, allowing any person who touches an asset to track it means you need an asset management program which will suit the needs of everyone in your company. Because of this, look for a solution which boasts the following characteristics:

Intuitive: The asset tracking software must be easy to learn and use so employees don't feel overwhelmed or confused.

Customizable: Your asset management solution needs to work the way your company needs it to in order to keep operations flowing smoothly.

Flexible: As the needs of your company change, your asset tracking program should adjust to meet those new expectations to avoid costly delays and disorganization.

Powerful: The right asset management solution for your needs should be able to process your needs efficiently and quickly.

These three features will help you get started down the path of the right-to-track-and-manage asset tracking model. But there's one more concern to consider regarding your assets, and that's ease of accessibility of your chosen solution.

The Second Solution to Asset Tracking Problems in Enterprise Technology: Make It Mobile

The second reason most asset management solutions are outdated and could cost your company thousands of dollars instead of helping you improve your bottom line is how they aren't accessible outside of an office setting. For example, some asset software can only be installed on the local computer network, and isn't available via the cloud or outside of that particular location. How are you supposed to effectively run your company if you can't access your asset system if you're not physically in the office?

The answer is simpler than you might think: use smartphones. The proliferation of smartphones has made it easier than ever to handle your company's assets on-the-go. Pew Research Center estimates about 64% of Americans now own smartphone owners, and information and communications technology company Ericsson believes that by 2020, there will be 6.1 billion smartphone users worldwide. Logically, there should be more businesses using mobile-based solutions for asset management.

While at first it may seem absurd to deal with asset management via a mobile app while you're away from the office, think about the times this could actually benefit your business. Let's say, for example, you're on a business trip, and one of your colleagues needs you to verify the maintenance needs of a particular asset, such as your office's lights or service truck. Without a mobile asset tracking app, you'd be forced to pull out a laptop and find wifi before you could check the asset maintenance records, both unnecessary steps in a day and age where mobile phones are part of everyday life.

Another common concern about tracking company assets on smartphones is that it would infringe on an employee's personal property (i.e. their phone). However, in terms of using personal items for work, smartphones are essentially like cars; you use your vehicle (or even public transportation pass) to get to work, and so using your smartphone for your job shouldn't seem like such a stretch. And in many cases, employees even expect to use their phones for their jobs; Gartner discovered in 2014 that approximately 40% of employees of large enterprises use personally-owned smartphones for work.

Opting for an asset management program which capitalizes on today's mobile-friendly business world means your company is a more financially smart decision that will likely help you profit in the long run. Problems that arise from limited accessibility, such as delayed response times and inability to manage/update assets immediately as needed, are eliminated when asset tracking is available right at your fingertips wherever you go. As such, your company runs more effortlessly, productivity increases, and your numbers only go up.

Example of How Much a Company Could Save Using a Mobile Asset Management Platform Available to All Employees

Don't believe an asset management software based on the right-to-track-and-manage model and mobile accessibility will actually save your company money in the long term? Let's look at a hypothetical situation of a mid-sized company called First-Rate Contractors with 75 employees and roughly 5000 trackable assets at an average cost of $500 per asset. This company therefore boasts about $2.5 million in assets each year.

Unfortunately, First-Rate Contractors estimates it loses about 5% of its assets (or $125,000) every year due to misplaced, stolen, or deteriorating assets. This business also overpays about $42,500 in yearly taxes because of ghost assets which weren't properly tracked or recorded in the first place. The contracting company spends about $9000 per year on 30 days' worth of asset inventory audits and searches, assuming a rate of $300 per day.

When all's said and done, First-Rate Contractors is looking at an annual estimated profit loss of $176,500.

With mobile asset management software available to all its employees, First-Rate Contractors could eliminate that loss entirely, a 100% savings each year. Alternatively, if the contracting company provided its asset tracking solution to even half of its workforce, its annual estimated loss would be significantly reduced to only $88,250 per year instead of $176,500.

If you would like the same savings as the theoretical First-Rate Contractors business received after implementing an efficient asset management system, consider Asset Panda's solution. Our free iOS and Android mobile apps sync to the cloud (eliminating the need for extra hardware or the problems associated with location-restricted software), and Asset Panda also allows an unlimited number of user accounts so your entire workforce has access to the business's assets.

Sign up for a free, 14-day trial to start tracking your assets exactly how you want.