

Redeployment Checklist

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If your CFO and IR Department cannot answer, “Yes” to most of these questions, then significant added value and cost savings opportunities exist within your organization. Surplus asset redeployments improve the ROI of those assets by extending their useful life within the organization and lowering the cost of potential new capital expenditures. The net result is that the company’s bottom line is enhanced when proper redeployment principles and practices are followed. Ask yourself these questions:

- ✓ **Is surplus identified and cataloged?** Do we have a program to conduct field inventories of surplus for the operations personnel? Operating functions (e.g., maintenance, etc.) do not have the time, personnel or incentive to compile the detailed catalog descriptions that are necessary to facilitate redeployment. Does the Investment Recovery department search for and identify the surplus? It should!
- ✓ **Are the surplus assets made “easily visible” to all potential users?** Is there a user-friendly surplus asset database for all potential users to access? If so, is it being utilized? Is your internal marketing engine running at full throttle?
- ✓ **Is use of surplus assets a priority for senior management?** Is use of surplus, and the benefit to the company, acknowledged by senior and middle management? Are redeployment accomplishments an agenda item? Does Internal Audit have surplus asset identification and redeployment as an interest item?
- ✓ **Are operations, engineering and maintenance personnel recognized for utilization of surplus assets?** Are the benefits of utilization of surplus (e.g., cost savings, cost avoidance, acquisition lead time reductions, etc.) acknowledged, in a meaningful way, by senior and middle management?
- ✓ **Does accounting policy and procedure have a positive or a negative effect on promoting the use or re-use of surplus assets?** Do operating units receive the savings benefits from both the identification and utilization of surplus in lieu of purchasing a new item? Do the business units identifying and disposing of the surplus receive the value returned from the sale of surplus? If not, the lack of a financial incentive is a disincentive for the operations personnel to devote their limited time and effort to identifying the assets available for redeployment (or sale).
- ✓ **Is Investment Recovery proactive in increasing redeployments?** Does Investment Recovery conduct field inventories to identify and catalog the surplus, or do they rely on the operating personnel to do that? Does Investment Recovery review purchasing requirements to determine if suitable surplus assets already exist within the organization? How is Investment Recovery promoting surplus redeployment?
- ✓ **Is IR recognized and rewarded for devoting time and resources to the use of surplus assets?** Does Investment Recovery report the value of savings derived from redeployment?
- ✓ **Are redeployment figures discussed in management meetings?** What value does management place on the utilization of surplus to satisfy current asset requirements? At what organizational level are redeployment efforts discussed and evaluated? Is the question “Can’t we use surplus for this?” ever asked?
- ✓ **Is Purchasing / Investment Recovery involved in screening for surplus prior to a purchase order being created?** If Investment Recovery is involved in identifying available surplus, are new purchase requisitions being screened for possible use of existing assets? Is Investment Recovery meeting with planners and designers to locate surplus that may be available from “idle” assets not yet identified as surplus for future projects?