



Enterprise Assets Management (EAM)

SAP Enhancements in Assets Management



Enterprise Assets Management in SAP

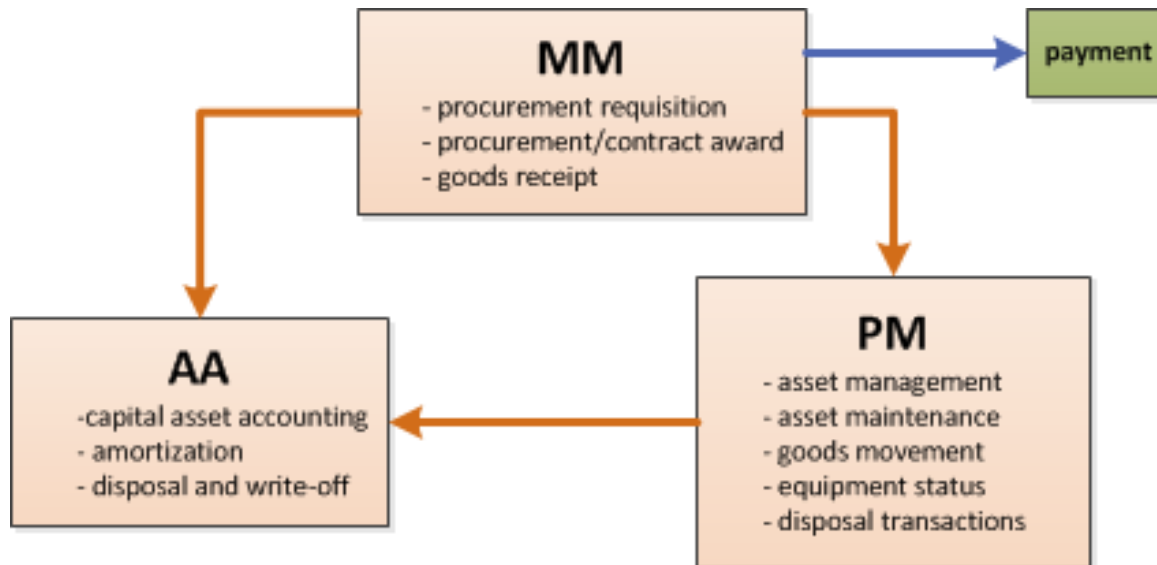
- Treasury Board has identified SAP as the standard financial and materiel management system in the federal government and as identified in the TB Standard for ERP Systems: <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=25687§ion=HTML>
- EAM in SAP provides the integrated system to support end-to-end processes to efficiently manage assets and reduce operating costs, improves asset utilization, minimizes manual intervention and helps keep asset record information more accurate.
- Exploring this functionality and how some federal organizations are currently using SAP, and understanding the integration of particular processes and transactions, is key to identify opportunities to better leverage the system to manage assets.
- This discussion highlights how HC are using SAP and how it has improved its management of assets and asset information.



What is Enterprise Assets Management (EAM)?

SAP is an integrated system that where information and transactions in various modules to is linked.

- Plant Maintenance (PM) to conduct equipment management transactions.
- Asset Accounting (AA) to conduct accounting transactions.
- Materiel Management (MM) to conduct procurement transactions.



SAP Asset Management Integrated Modules

Plant Maintenance (PM)

- SAP individual record to manage the lifecycle of an asset is called Equipment Master Record (EMR)
- The EMR records asset information for assets that are required to be managed in your department or agency.
- The EMR is used to manage the changes or updates to the status of the equipment throughout the lifecycle of the asset.

Asset Accounting (AA)

- SAP individual record to manage the accounting for a capital asset is called Asset Master Record (AMR).
- The AMR records the accounting information for “capital” assets as identified by your department or agency (usually \$10k).
- The AMR is used to manage changes or updates to Public Accounts and manage the depreciated value of a capital asset throughout the lifecycle of the asset.



Key SAP Functionalities

GOC SAP implementations are based on standardized business processes identified by Office of the Comptroller General (OCG) and with a particular focus on capital assets. Key SAP functions that promote standard processes are:

- Purchase Order for capital asset generates shell AMR
- System goods receipt that generates the EMR
- Synchronization between EMRs and AMRs
- Ability to mass change EMR asset information (ex. location)
- Workflow approvals and notifications



Key SAP Functionalities – PO and AMR

Purchase Order for capital asset generates shell AMR

- Section of the correct account assignment in any individual line item identifies that you are purchasing a capital asset.
- The shell Asset Master Record is then created in order to record that a capital asset is being purchased – and information further updated later in the process (i.e., EMR maintenance).
- Blair – can you add anything?



Key SAP Functionalities – GR and EMR

System goods receipt that generates the EMR

- Purchase orders identify the type of assets being purchased by referencing a Materiel Master Record (MMR) and identifies particular assets that require to be tracked in SAP and have asset tags and numbers.
- When a “system” goods receipt is done for an asset that is required to be tracked in your department, there is a trigger to create the EMR.
- All assets that are being received will then have an individual EMR associated with them for until disposal – **and this EMR number is also the asset tag number.**
- The EMR done at GR ensures a linkage between the EMR and Purchase Order.



Key SAP Functionalities – Sync EMR and AMR

Synchronization between EMRs and AMRs

- After the AMR shell is created from the purchase order and the EMR created from the goods receipt the AMR and EMR are linked and in sync.
- Updates made to the EMR are reflected in the AMR.
- In SAP you can easily look at the AMR from the EMR and vice versa – as these are fully integrated.
- Blair – anything to add



Key SAP Functionalities – Mass Change EMR

Ability to mass change EMR asset information (ex. location)

- Managing equipment in SAP can be done by conducting mass changes.
- For example, large quantities of assets changing location can be easily done using the mass change function.
- Blair – anything to add?



Key SAP Functionalities – WF Approval/Notification

Workflow approvals and notifications triggered particular transactions can set up on SAP to satisfy further controls and processes. For example:

- Change of status of an asset in the EMR to “End of Life” trigger approval requests to individuals possessing delegated authority to approve the disposal. These appear in a users SAP workplace inbox to easy approve or deny the request.
- Disposal transaction for capital asset can trigger a notice to corporate accounting operations to track the disposal of a capital asset to ensure accounting records can reflect the disposal when required.
- Blair – add any possible workflows.



SAP at Health Canada

Blair – can you do these slides as you see fit.

Ability address systemic challenges with capital assets life cycle management
SAP.

- Leverage current SAP Portal by increasing its capabilities to include Assets Management functions
- To ensure accurate accounting
- Eliminate duplicate entries
- Automate asset transfers between CCMs
- Automate the disposal process for all assets

▪ Synchronization between AMRs/EMRs



SAP at Health Canada

Blair – can you do these slides as you see fit.

- Equipment Master Record
 - An entry in the Plant Maintenance Model of SAP used to track all equipment with a value of \$1,000 or greater and all “attractive” items
 - EMRs now include Real Property, Fleet and Software
 - Excludes Office Furniture (i.e. chairs, desks, etc.,....)
 - Created/updated in SAP by CCM/CCA when item has been received and barcoded
 - An EMR may be linked to an AMR



SAP at Health Canada

- Blair – can you do these slides as you see fit.
- Asset Master Record
- An entry in the Assets Accounting Module of SAP used to track all assets with a value of \$10K and greater from a financial aspect
 - AMRs include Real Property, Fleet, Software, IT and Lab Equipment
 - Used to track depreciation
- Created/updated in SAP by Materiel and Assets Management Division (MAMD) prior to the asset being purchased



SAP at Health Canada

Equipment Master Record

- An entry in the Plant Maintenance Model of SAP used to track all equipment with a value of \$1,000 or greater and all “attractive” items
 - EMRs now include Real Property, Fleet and Software
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Health Canada – Key Improvements

Summary of Key Improvements:

- Reduced duplicate entry requirements
- Greater accountability for Cost Centre Managers
- Greater asset tracking within the department
- Accurate asset records
- Automated the disposal and transfer process
- Automated the asset request process



SAP at ESDC

ESDC implement SAP April 2014 and this provided a good foundation for concurrent changes to the overall asset management portfolio.

- Decided not to asset tag and track low risk or low dollar value items (no more low dollar furniture etc.) – which reduced the number of assets to put in SAP from 1M assets to less than 100k. (The decision of what to managed in SAP based on risk rather than value).
- Worked closely with accounting to identify and write off a large number of capital assets prior to SAP.
- Linked workflow approvals for disposal to delegated authority.



SAP at ESDC

- Darin to add more



SAP at ESDC

- Darin to add more



ESDC – Key Improvements

Summary of Key Improvements:

- ✓ Promotes standardization of Business Processes for capital assets
- ✓ Simplified recording of capital assets
- ✓ Availability asset information drill-down capability
- ✓ Workflow for approval of disposal (linked to disposal authority)
- ✓ Easy access reporting in SAP (e.g. asset inventory list by RC, location, asset class)
- ✓ AUC information maintained and automatic accounting entries to capitalize AUC including the ability to post-capitalize newly identified capital assets and create the asset master record in one step
- ✓ Triggers workflow to “end of life” or “not found” for capital assets



Summary and Discussion Points



Presenter

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