Enterprise Assets Management
SAP Enhancements

Presentation to CIPMM

February 2017

YOUR HEALTH AND SAFETY... OUR PRIORITY.

Enterprise Assets Management (EAM)

- 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&section=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, was 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 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
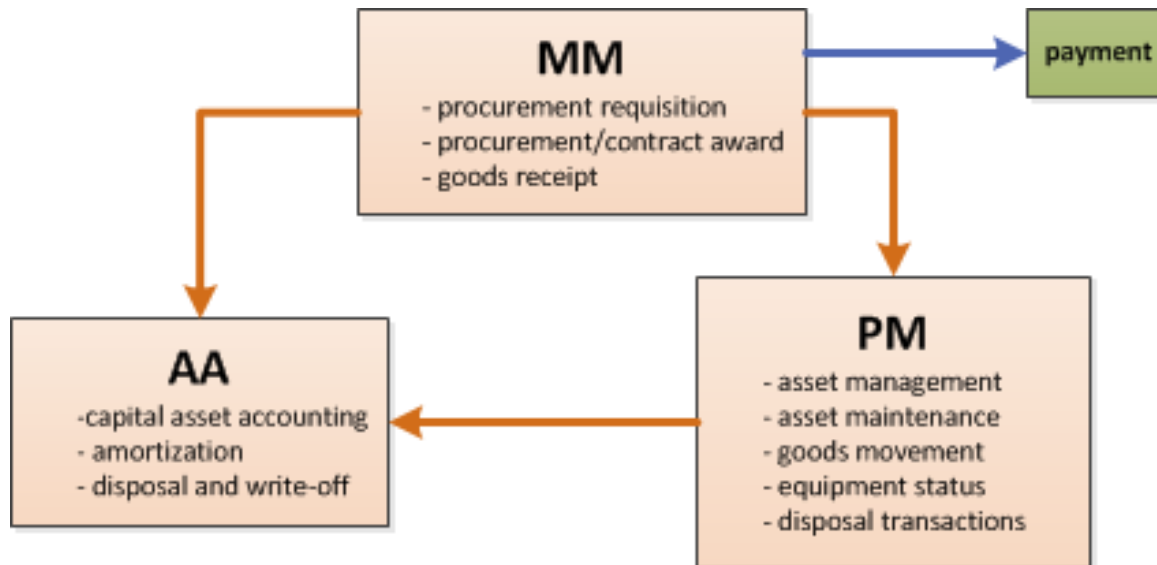
HC Assets Management Achievements

- The first phase of the Enterprise Assets Management initiative allowed:

  - The automation of Assets Master Records (AMR) requests capitalizing on the existing specimen signature card system buy allowing the workflow of asset transfers, disposals and requests which eliminate the requirement for paperwork and streamline the process and provide greater accountability

  - Introduced the Goods Receipt functionality that made it a requirement to enter the receipt of an asset (good) into SAP and to capture all of the asset information and enter it in SAP with minimal keystrokes.

The benefits from the introduction of Phase I

- 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 capital asset request process

- Synchronised the AMR and Equipment Master Records (EMR)

HC Assets Management Achievements continued….

- The next three phases of the project will allow to capitalize further on the EAM functionality by implementing changes in the Material Management Module (Procurement and Warehousing Module) the Plant Maintenance Module and the Sales and Distribution Modules in collaboration with key stakeholders IT and other clients

- These enhancements will allow for all entries into one consolidated system, the elimination of two standalone systems, and result in greater life cycle management of IT assets and Health Canada and Public Health Agency warehouse management. As a result, materiel management in the department will be streamlined overall in part because data entry duplication will be eliminated

Enterprise Assets Management Phases

- Phase 1 – Enterprise Assets Management (Implemented September 2014)
  - Leveraged the SAP Portal investment by developing user friendly workflows that ensure consistent use of data for monitoring and reporting as well as standardized business processes with a particular focus on capital assets

- Phase 2 – IT Assets Management (ITAMS)
  - Represents the configuration of the SAP Plant Maintenance (PM) and the Materials Management (MM) modules to support migration of IT data to the SAP solution from Assets Centre

- Phase 3 – CIO approvals process
  - Automates the IT approval process as it relates to a standardized catalogue of IT assets and services

- Phase 4 – Inventory Management and Warehousing enhancements
  - The conversion of the Public Health Agency's National Emergency Strategic Stockpile (NESS) to the SAP asset management solution

HC Assets Management Achievements continued….

- Training and Communications

  - Updated Assets and Fleet Management Guidelines and tailor to processes

  - Communicate via intranet and via departmental broadcast news

  - Work with key stakeholders to validate roles and responsibilities

HC Assets Management….The way forward

- In September 2016, the verification of Capital and non-capital assets will take place via the SAP portal. This process will automate the verification process and leverage the technology used for the Specimen Signature Card verification tool

- The continuation of training sessions on assets management roles and responsibilities along with SAP training to Cost Centre Managers (CCMs) and Cost Centre Administrators (CCAs) in the regions and the NCR is an important success factor

- Functional lead and ongoing support provided by Materials Management on the disposal of surplus equipment along with guidance to CCM and CCA responsibilities will occur

Assets Management…the way forward continued

- Other branches *could* adopt the functionality of ordering and warehousing of drugs and sundries for First Nations Nursing and Dental services using the shopping cart functionality
  - This would allow for greater control, faster turn-around-time and reduce paperwork for nurses and the dental groups along with expediting the ordering of drug/dental requirements
  - Other branches *could* benefit by reducing paperwork and allowing clients to order stocked items via the SAP Portal
  - Branches *could* benefit from the housing of their lab supplies in SAP and eliminate the duplication of purchasing of the same supplies for their labs by viewing the departments availability of stock
  - Elimination of date sensitive consumables being left on shelves or in storage – better control over inventories
- Ability to track the full life-cycle cost (maintenance, calibration, up-fit) and the ability to initiate and action a Preventative Maintenance schedule in SAP which can track the time it takes to complete the service on the item
- Assist in IP projects such as-Replacement of capital equipment. Branches would be able to capture the total life cycle cost when requesting Capital dollars

Roles and Responsibilities of Materiel Management Specialists

- Assesses and plans for materiel requirements and activities to support the delivery of government programs.

- Provides strategic analysis and business cases on investment, acquisition, management, operation and maintenance decisions, as well as, on environmentally-sustainable disposal and sale of surplus assets.

- Supports achievement of departmental objectives by recommending the use of goods and services based on quality, performance, reliability, cost, and lead time, while always striving to reduce total life cycle costs.

- Provides advice on the custody of assets and inventories; and ensures the security and heritage preservation of the departments materiel assets.

- Advises clients, management and suppliers on the application and interpretation of materiel management policies, legislation, regulation and practices.

- Prepares strategic investment plans, acquisition and disposal strategies, Memoranda to Cabinet and Treasury Board Submissions related to transactions involving materiel.

Material Management Core Competencies Presentation to CIPMM

November, 2016

Management of Materiel Core Competencies

- **Management of materiel (MM) :** Manages materiel in a sustainable and financially responsible manner that supports delivery of programs and operational requirements, and satisfies reporting requirements.

Level 1 behavioural indicator statements

- MM.1.1. Promotes management of materiel in an environmentally responsible manner that is consistent with the principles of sustainable development (i.e., recycles, reuses and refurbishes end products) when possible.

- MM.1.2. Collects and generates complete and accurate data on materiel.

- MM.1.3. Distributes materiel in support of clients, projects and organizational requirements and timelines.

- MM.1.4. Tracks age and usage of materiel, condition and performance, and warranties using paper and electronic information systems.

- MM.1.5. Physically verifies assets and reconciles verification information with an assets management system.

- MM.1.6. Considers relevant legal and policy obligations.

Level 2 behavioural indicator statements

- MM.2.1. Considers relevant legal and policy obligations. Consults with clients and procurement early to clarify logistic requirements, assess various options and identify appropriate strategies, taking into consideration life-cycle management of assets.

- MM.2.2. Ensures that management of materiel is performed in an environmentally responsible manner that is consistent with the principles of sustainable development and the whole life cycle.

- MM.2.3. Analyzes how the management of assets supports the business needs of clients.

- MM.2.4. Shows an understanding of the characteristics, availability, condition and performance history of the materiel, as well as its direct and indirect costs.

- MM.2.5. Fulfills relevant legal, financial and policy obligations.

- MM.2.6. Participates in assessing risk of loss or damage to materiel assets and develops appropriate mitigation strategies.

- MM.2.7. Analyzes data on materiel to support reporting requirements.

- MM.2.8. Safeguards materiel.

Disposal (DS): Uses the most appropriate disposal process by ensuring prudence, probity and integrity to obtain the highest net value for the Crown.

- **Level 1 behavioural indicator statements**
- DS.1.1. Assists stakeholders and clients in identifying assets that are surplus or obsolete to the organization's requirements.
- DS.1.2. Reallocates surplus materiel by various means such as reusing materiel internally and transferring materiel to other government departments in accordance with legal and policy obligations (e.g., controlled goods).
- DS.1.3. Ensures that materiel is disposed of in an environmentally responsible manner that is consistent with the principles of sustainable development.
- DS.1.4. Ensures that materiel is prepared for Government of Canada Surplus (GCSurplus) or any other disposal method and prepares the appropriate documents.
- DS.1.5. Maximizes investment recovery.
- DS.1.6. Applies relevant legal and policy obligations.

Disposal (DS): Uses the most appropriate disposal process by ensuring prudence, probity and integrity to obtain the highest net value for the Crown. Continued….

- **Level 2 behavioural indicator statements**
- DS.2.1. Develops processes that strive to encourage sharing, redistribution of materiel and elimination of waste.
- DS.2.2. Identifies materiel that is no longer required or fully utilized and identifies potential recovery options.
- DS.2.3. Encourages others to dispose of materiel in an environmentally responsible manner that is consistent with the principles of sustainable development.
- DS.2.4. Ensures the effective and timely disposal of surplus materiel, thereby reducing warehouse costs.
- DS.2.5.Applies relevant legal and policy obligations.

Material Management Core Competencies

- For further information on the MM Core Competencies please refer to the [Treasury Board](#)website.

SAP Assets Management Working Group?

- Looking for a representative from each Department who would represent
- their respective department in a SAP Assets Management that would be held every 3 months.
- Each member must host a meeting at their department
- First meeting would be held at Health Canada in January 2017

Questions?