



THE ROI OF ASSET OPTIMIZATION

Asset Optimization reduces the total cost of testing by activating two levers: reducing the overall asset base and optimizing the use of remaining assets.

What are the mechanisms to achieve this and how much is it worth?

The first step, **asset base reduction**, is achieved by eliminating unused assets, improving asset sharing between labs or sites and by reducing part number proliferation. However, this cannot be done without full visibility of asset location, configuration and utilization. An advanced asset optimization solution provides these insights.

The second step, **optimizing the use of remaining assets**, is achieved by improving calibration management, implementing parameter search and timely recognition of asset disposals. How does this work?

- Improving calibration management means calibrating only what needs to be calibrated, while continuously improving calibration turnaround times. This eliminates unnecessary costs and reduces the buffer inventory required to cover for assets in calibration.
- Parameter search allows users to better match asset needs to asset availability. Rather than searching the asset base by part number or description, users can search by technical specifications, which provide greater choice of available equipment
- Through better measurement and reporting of asset utilization, users can identify redundant or obsolete assets sooner. This will result in higher financial recovery of assets that tend to decline in value over time.

So What is This Worth?

In our experience, organizations can reduce their overall cost of test by 20% to 25% by implementing an asset optimization solution. The majority of value will come from:

- **Reduced ownership cost:** as the overall asset base is reduced, the capital cost for buying equipment or operating cost for unneeded rental equipment will be reduced.
- **Recovery value of unused equipment:** a one-time cash infusion will be received from selling unneeded assets in the secondary market.
- **Lower operating cost associated with a lower asset base:** the cost of calibration, storage, insurance, inventory management and tax will be reduced.
- **Improved availability:** although this is hard to quantify, there is a real benefit associated with having the right asset available, where and when it is needed. This will reduce product development timelines and the time needed to search for equipment.

To learn more about Electro Rent Asset Optimization Solutions, visit: https://www.electrorent.com/us/page/Services_Asset_Optimization.

Contact us today to learn more about our complete portfolio of services, call us at **1.800.553.2255** or email **AOSolutions@electrorent.com**. Our experts are available to assist with your product testing and financing needs.