

Asset Management Roadmap for the Largest U.S. Army Logistics Contractor

Business Case: Developing a Practical Path Forward.

The Challenge: To fully analyze all current operations and determine the most effective ways to deploy physical, technology and human assets.

The Solution: Customized, integrated approaches for continuous improvement of operational efficiency.

- ❖ **The Result:** Utilizing the Value Impact Assessment developed by Total Resource Management, a well-known military contractor is able to help its client – the U.S. Army – optimize assets, lower costs, improve productivity and demonstrate return on investment.

Using a highly structured approach contained within the Integrated Asset Management framework, TRM reviewed current practices in:

- Asset management
- Work management of maintenance resources and support staff
- MRO procurement
- Storeroom and inventory management practices

Working with you, we will identify specific, achievable better and best practices that advance your company's strategic asset objectives. Upon agreement of the practices (people, processes and technology) to be deployed, we will estimate the resource requirements, forecast the adoption rates and calculate the financial benefits that you can achieve.

Total Resource Management (TRM) Helps KBR and the U.S. Army Develop Practical Paths to Success

KBR In order to win an award to augment the U.S. Department of Defense's asset management at military bases, a contractor must demonstrate that it can outperform current operations. Kellogg Brown and Root (KBR) is such a contractor. KBR has long since proven its effectiveness in terms of providing engineering, construction, operations and maintenance, logistics and project management services in its work with military and civilian branches of governments around the world.

As is the case with any business – public or private – however, the demand for demonstrated return on investment is ever on the rise. Since 2002, KBR has been working with Total Resource Management (TRM) to deliver that quantifiable analysis. KBR recently engaged TRM to help demonstrate how KBR would be able to support base maintenance at a lower cost than the Army could – that is, outperform the Army's efforts – even while the Army invests in new technologies that support managing its physical assets.

A Structured Assessment with Demonstrable Results

The value that TRM brings to asset management service providers like KBR is not just the ability to implement technology. It's also consulting and strategy development, including a structured assessment of operations that provides a high-level strategic asset management plan that allows an organization to set a practical path forward. This includes a baseline, a phased-in approach, and a sustainable plan for up to five years. Results are seen in the form of continuous improvement, optimized performance, and, most importantly, return on investment.

TRM utilized a structured analysis that assesses current operations, outlines a practical path forward for operational improvement and proves ROI. In this case, TRM was able to provide KBR and the Army with a high-level practical path forward in terms of a sequence of activities and recommendations that would:

- Align operations with strategic objectives
- Leverage know-how and technology
- Improve organizational transformation
- Optimize performance and value

“ Total Resource Management’s strategic assessment document was magnificent ... it was comprehensive and provided the guidance and visibility of information we needed to make good decisions now, as well as for the future. ”

Mario Sotelo, Operations Manager, KBR

On the simplest level, TRM can tell a client what specific activities to undertake to optimize labor, materials and assets. All of this is presented in a practical sequence that can be undertaken in phases, according to the client’s needs. This structured framework has the flexibility to identify and articulate different drivers (e.g. extending asset lifecycles, planned redeployment of assets, environmental degradation of assets, etc.) and recommend the key areas where value can be improved.

Putting Strategic Analysis to Work for the U.S. Army

KBR asked TRM to examine the way it was supporting the Army at six very different military installations – from Ft. Knox and Houston to Kosovo, Iraq, Kuwait City and Dubai. Each base has a very different mission; each has a very different asset lifecycle. TRM’s methodology, however, allows our consultants to determine which drivers and which strategies for improvement will deliver the greatest operational improvement.

In Kosovo, for example, the Army designed bases for a three- to five-year deployment. It did not build permanent buildings; rather, it set up tent cities. However, the Army still requires assets to support base life – generators, stoves, wastewater systems, etc. KBR was charged with getting the most value from these assets. That’s why one of the most critical components of the analysis done for the Kosovo base was to put performance metrics in place that helped KBR determine which of these assets could be redeployed elsewhere at mission’s end.

The situation is significantly different in Iraq. Over time, the number of Army bases there will be reduced, and assets will need to be redeployed. Before this can happen, however, the Army has to account for the vast military assets strewn across the war-torn country. Here, TRM’s strategic analysis indicated that a portal of assets could be created using Maximo®, the leading software for enterprise asset management. Per the recommendations of TRM, the Army chose to invest in software licenses that KBR now uses to track money, resources and assets; determine effective

asset utilization; and manage service level agreements with a host of civilian contractors. The software has the ability to collect data about asset conditions, then convert that data into information that drives better decision-making. In other words, the software becomes more than a data repository – it becomes a leading indicator, capable of facilitating decisions about prioritizing maintenance activities. To date, the Army has saved several million dollars. The Army is so pleased with the performance of the software that it intends to make Maximo its standard EAM system.

The Army’s investment in Maximo also will impact its facility in Ft. Knox. There, KBR’s greatest challenge was to prove to the Army that it could outperform existing maintenance operations and extend the facility’s lifecycle. TRM’s strategic analysis indicated that preventive maintenance must be done in addition to corrective maintenance. KBR has been able to demonstrate added value by implementing this preventive maintenance at lower-than-current cost. The practical path forward that TRM provided helped KBR improve operational performance at military bases around the world.

About Total Resource Management

Total Resource Management (TRM) is focused on improving the asset and operational performance of organizations through the effective use of information technologies. TRM is an IBM Premier Business Partner with over fifteen years; experience delivering asset and service management solutions based upon IBM Maximo. TRM supports clients across a wide range of industries, including government, defense, cities, facilities, energy, utilities, transportation and life sciences. TRM is based in Alexandria, Virginia and has business centers across the U.S. For more information, visit www.trmnet.com or call 703-548-4285.