The Capital Asset Lifecycle Experts — providing comprehensive advisory solutions, systems support and resource assistance for Accounting, Tax, and Regulatory departments in property intensive industries.
Agenda

• The Future...

• What does that mean for Fixed Assets?
  • Business Processes Trends
  • Data & Reporting Trends
  • Technology Trends

• Recap and Questions
Perspective...
Capability Maturity Model

- Developed at Carnegie Mellon University
- Popularized by usage from U.S. DoD with Software Development & Implementations
- Reactively “Doing” → Proactively “Improving”
Fixed Asset Accounting’s Role

- Break-down “Silos”
- Reduce redundant and potentially contradictory data capturing across Enterprise
- Proper functions in the proper systems
- Supported by a level of Automation that facilitates time and quantifiable data for proactive analysis
The Future... Business Processes
Capital Asset Lifecycle

- Planning, Forecasting, Budgeting
- Procurement and Construction
- Plant In-Service
- Plant Accounting
- Book Depreciation
- Tax Depreciation
- Regulatory Rate Recovery
- Book Retirement
- Tax Retirement

RCC
The Future... Business Processes

Capital Asset Lifecycle Department: Fixed Assets
The Future... Data & Reporting
Physical Assets vs. Financial Assets

<table>
<thead>
<tr>
<th>Physical Asset (WMS)</th>
<th>Financial Asset (Continuing Property Records)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed Type, Size and Rating of Equipment</td>
<td>Retirement Units Rolled Up by Function</td>
</tr>
<tr>
<td>Mass Property at GIS Location</td>
<td>Rolled Up Mass Property Locations</td>
</tr>
<tr>
<td>Detailed Location Records for Maintenance</td>
<td>General Situs Locations</td>
</tr>
</tbody>
</table>
Mass Property Allocated GIS Statistics

Common Pain Point – Mass Property Tracked by Property Tax Jurisdiction

- CPR Assets - Mass Property (State or County Level)
  - Balance by Plant Account

- GIS – Spatial Statics (Number of poles feet of wire by Tax Jurisdiction)
  - Asset Cost by Jurisdiction

- Property Tax Return

Proprietary and Confidential
The Future... Data & Reporting

Financial Fixed Asset Tracking - Level of Detail

1) Avoid redundant and potentially contradictory data capturing across the organization
2) Trend towards leveraging EAM for operational asset information
3) Trend towards leveraging GIS for geographical asset location information
4) Methodology to assign/allocate financial costs to these attributes and supported statistical asset retirement methods.
5) Leverage simplified and better controlled CU’s for Integration
The Future... Technology
Where are we now?

**Are you ready to meet about “digital transformation?”**
- We can’t see your slides.

**Do you need to download the video plug-in?**
- We’re restricted to I.E.7.

**OK, I tried to email the slide deck but it bounced back.**
- Our file limit is 1 MB.

**Dropbox? Or WeTransfer?**
- Blocked by our firewall.

**Google Docs?**
- Yeah, right.

**I’m not sure how to present to you.**
- Can you fax it to us?

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Polling Questions

Digital Transformations...
Where Are We Going?

Technology should facilitate the evolving Business Processes and Data & Reporting needs:

1) Automation & Efficiencies –
   • Robotic Process Automation (RPA) – Mixed Results
   • Focus first on process improvements

2) “Quantitatively Managed” Decision Making

3) Fixed Asset Solution:
   • Evolve to facilitate the “Capital Asset Lifecycle” Department
The Future...

- Continuous improvement...
  - Business Process Improvements
    - Capital Asset Lifecycle Department
  - Data & Reporting
    - Eliminate redundant and contradictory information across the organization
  - Technology
    - Focus on Process Improvements & Controls
    - FA Systems to facilitate the Capital Asset Lifecycle Department and tighter integration with various “asset data” across the organization
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