



How to Manage Your Assets in a Facility Closure from Start to Finish

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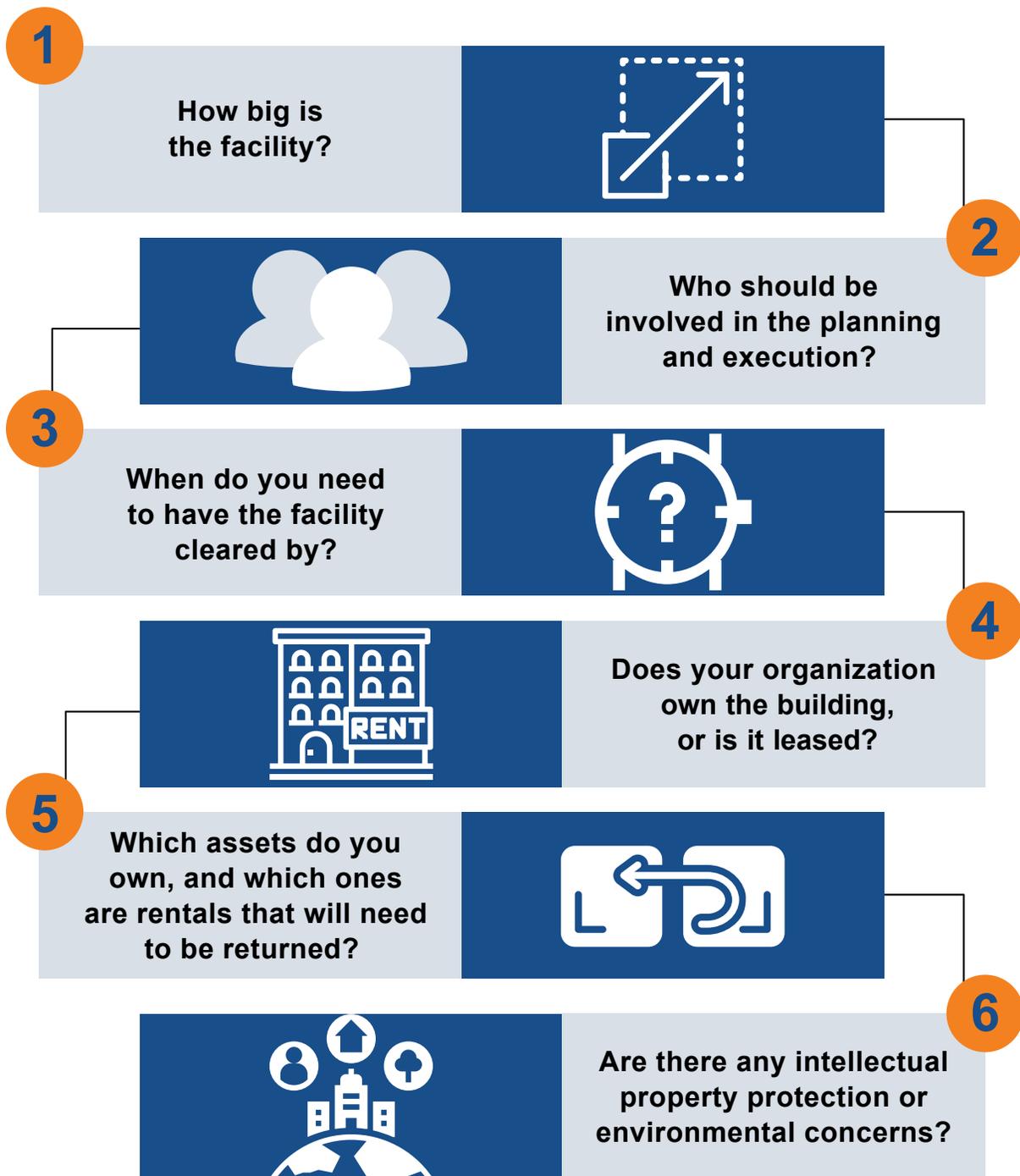
Managing a facility closure can be daunting, as these projects tend to be complex with short time frames. Focusing on the right processes and adhering to best practices will go a long way in helping you succeed and complete the project *on time, on spec, and on budget*, while being mindful of any potential employee impacts the closure may have.

Over the past few years, we've helped hundreds of organizations manage workstreams for their assets in a facility closure project end to end. While every project is different, we have seen some common themes organizations have followed to reduce the stress and potential issues that may arise.

1. Understand Your Objectives

It's imperative that you have a detailed project plan to succeed with these types of projects. To develop a good plan with responsibility matrixes and timelines, you first must understand the basic details of the facility closure.

Here are a few to consider:



2. Build a Plan



Now that you have all the required details, it's time to start building out a plan. You will want to map out (to the best of your ability) every task that will need to be done. No task is too small. Once you have your list of tasks, you can start to put them in categories, departments and, chronological order. From there, you'll want to identify team members or vendors responsible for each task along with progress checkpoints and a final due date. If it's a big task, divide them into smaller, more measurable subtasks to make it easier to execute and track progress.

Make sure to communicate the plan frequently to all stakeholders and include progress, at-risk tasks, or any new tasks that have been added. Scheduled cadence meetings are an excellent idea to keep everyone accountable and on track.

3. Catalog and Take Inventory

One of the biggest tasks will be understanding where all your facility assets and equipment will need to go. You'll want to set aside ample time to do a complete inventory of everything you have in the facility. This includes (but are not limited to):



Manufacturing and Assembly Equipment



Plant Support and Operations Equipment



Heavy Machinery



Vehicles and Fleets



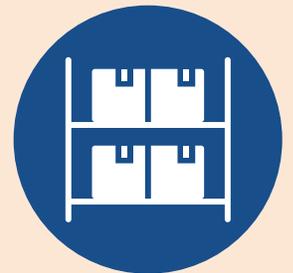
Office Equipment



Mobile Equipment



Tools and Spare Parts



Inventory

If there are too many assets and equipment at your plant to do the inventory exercise in-house, consider external organizations that offer cataloging services. These organizations will generally send in a team who have experience with these types of services and will have a robust process to do this quickly and effectively. They'll do a walk through within the facility, track, categorize, tag and prepare all the assets for wherever the asset needs to go next, along with taking any pictures or other media required.

4. Conduct Risk Assessment



A. Identify any Intellectual Property on-site.

These may be manufacturing assets that are proprietary and require destruction or rigging to transport to another site.



B. Identify IT assets or access to sensitive information.

These will need to be removed or deactivated.



C. Identify any hazardous materials on-site and re-mediate.

This can be production materials, chemicals, or flammable ingredients.

5. Schedule Returns for Rental Equipment

You would've identified and properly tagged all the rental equipment you have within the facility from your efforts in #1 and #3. Next, you'll need to coordinate a schedule to return the equipment on a timeline that minimizes the disruption of any ongoing operations while ensuring you follow the terms stated by the vendor.

You'll want to coordinate a schedule that will avoid increasing costs or entering into another committed contract. If the vendor has month-to-month or week-to-week options, those could be worth considering as you start winding down operations.



6. Find Internal Customers



This is the step most organizations miss but is probably one of the most valuable.

If there are still ongoing operations or other locations within your organization, consider if they may have a use for all the items listed in #3. ***This is the lowest cost and yields the highest return*** as you are still retaining the book value for these assets and simply transferring to another facility within your organization.

If your Supply Chain or Procurement team is using an asset management or recovery platform, this is where you can utilize the solution to help you with re-deploying these assets within your organization. Some of the features to look for include: the ability to enable internal workflow approvals, tracking the path of assets, coordinating the release of these assets and integration with your organization's financial systems so that there are minimal disruptions from a financial perspective.

Set clear timelines and communicate that any assets which are not claimed by a specific date will be re-routed for other plans to avoid the risk of jeopardizing the project.

7. Set up Sale Events

Once you've accounted for what equipment needs to be returned to vendors and what other internal facilities have a use for your existing equipment, you'll likely have a list of surplus assets that you will need to make plans for.

The best way to recover value and generate a positive cash flow to impact your bottom line is to resell these assets.

There are several different options you can explore:



Auctioneers

Auctioneers will typically take a look at your list of surplus assets. Depending on the assigned value of these items (usually heavily discounted), they will allocate a date and time to invite their network of buyers to participate in an in-person auction. Through traditional bidding wars, the highest bidder will win the item and the auctioneers will take anywhere between 25-40% of the sale price as their fee.

Equipment Dealers

These are vendors who specialize in the resell of specific equipment types. They are usually local and have a network of buyers around the area who are looking for particular types of equipment. Equipment dealers typically charge a fee of 30-40% of the equipment sale price.



Request for Proposal (RFP)

You could choose to sell these items on your own by sending out an RFP detailing the items you have along with a final date to receive offers. You'd be responsible for all communications with these buyers as well as any Q&A sessions the buyers may have during the process. Once you've agreed to the best offer, you'll need to coordinate invoicing and payment collection as well as

the safe removal and release of the assets. Proper documentation would be required for financial and compliance audits. There would be no upfront costs but this would require a considerable investment of your own time and effort to coordinate.

Invite Only/Employee Sales

If your Supply Chain or Procurement teams have a group of buyers they generally work with, you could choose to sell these surplus assets through an Invite Only Sale to give this group exclusive access to your items. Some organizations may also want to open the Sale Event up to their employee base. Although there is no actual cost associated with this option, you will need to coordinate every step involved in the sale. Your target audience may be limited, meaning you could potentially see a lower return and the items may take longer to sell.



Online Marketplaces

Lastly, you could consider an online Marketplace, where there is typically a network of willing and waiting buyers from around the world looking to purchase all types of different assets and equipment. These Marketplaces will help you host a sales event, (some will even offer complimentary marketing to attract buyers), facilitate the end-to-end invoicing and

payment process and have transaction details and reports for your audit purposes. All the above would take place online so there is no need to transport assets to a certain location prior to setting up a sale. Shipping arrangements would be made only after a sale has been approved. Typical fees are around 15-25% but some Marketplaces will charge this fee to the Buyer only, known as the Buyer's Premium. This means there would be no cost for you to use this service.

8. Identify Reputable Riggers



This step can be done in parallel to #7. For items that require extensive deconstruction or special treatment to take apart, you'll want to bring in professional riggers. In most instances, Online Marketplace platforms, equipment dealers or auctioneers will have a list of credible and professional riggers they know well, that you may choose from.

9. Asset Release and Shipping

As you get closer to the final date for project completion, you'll want to start coordinating the release of rental, redeployed and sold assets. You'll want to keep in mind the Health and Safety requirements within your organization and the opposite party. It is best to leave at least a two-week buffer to ensure you have enough time to truly empty the facility.



10. Final Clean-up and Wind Down

Take this time to review your project plan to ensure you haven't missed anything.

During the final weeks, have you considered:

- Isolating primary energy sources and reconfiguring power systems to reduce load?
- Alternate plans for items that didn't get returned, redeployed, or sold?
- Last check to remove IP and hazardous waste and chemicals safely
- General clean up

Do you have a facility closing soon?

Find out how we've helped hundreds of organizations seamlessly transition out of their facility and how we can help you too. Book a meeting with one of our Asset Recovery Experts today.

[BOOK A MEETING](#)



About Aucto

Aucto is an enterprise platform that empowers organizations to manage and recover capital from surplus assets. The platform enables companies to identify surplus assets across the enterprise and evaluate, redeploy and resell these assets on private and public marketplaces. The public marketplace connects sellers directly to buyers around the world who are looking to source quality equipment, machinery, materials, and parts.

Headquartered in San Francisco and Toronto, the platform is being used in over 70 countries to help organizations achieve sustainability goals, meet compliance mandates, all while maximizing asset value.



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