



Designation: E 2452 – 05

Standard Practice for Equipment Management Process Maturity (EMPM) Model¹

This standard is issued under the fixed designation E 2452; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ϵ) indicates an editorial change since the last revision or reapproval.

INTRODUCTION

Life-cycle equipment management has a great impact on business operations of almost all entities. In fact, the success or failure on an entity may hinge on how effectively and efficiently an entity performs in the equipment management life-cycle. Entities that sustain high maturity levels will generally be more effective or competitive or both than entities with lower maturity levels in that these entities will more efficiently and effectively acquire what is needed, use and control equipment better, and dispose of equipment when no longer sufficiently suitable for operations.

1. Scope

1.1 This practice covers a process for the assessment and reporting of an entity's overall equipment management process maturity (EMPM).

1.2 The highest value is placed on continuous improvement as reflected in measured increases in maturity over time.

1.3 The EMPM model is designed to be applicable and appropriate for all equipment-holding entities, however, the EMPM may not be the only acceptable assessment model available.

1.4 It includes all aspects of equipment management.

1.5 In addition to applicability to equipment and equipment management as defined in this practice, this practice may in whole or in part be effectively applied to intangible property, real property, and material.

1.6 There is great variation across organizations regarding the internal departments that accomplish the various aspects of equipment management. Thus, all criteria are not applicable to all entities.

1.7 *This standard does not purport to address all of the safety concerns, if any, associated with its use. It is the responsibility of the user of this standard to establish appropriate safety and health practices and determine the applicability of regulatory limitations prior to use.*

2. Referenced Documents

2.1 *ASTM Standards:*²

¹ This practice is under the jurisdiction of ASTM Committee E53 on Property Management Systems and is the direct responsibility of Subcommittee E53.05 on Property Management Maturity.

Current edition approved July 1, 2005. Published July 2005.

² For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard's Document Summary page on the ASTM website.

E 2131 Practice for Assessing Loss, Damage, or Destruction of Property

E 2132 Practice for Physical Inventory of Durable, Movable Property

E 2135 Terminology for Property and Asset Management

E 2219 Practice for Valuation and Management of Moveable, Durable Property

E 2220 Practice for Establishing the Full Valuation of the Loss/Overage Population Identified During the Inventory of Moveable, Durable Property

E 2221 Practice for Administrative Control of Property

E 2279 Practice for the Guiding Principles of Property Management

3. Terminology

3.1 *Definitions:*

3.1.1 *entity, n*—agency, company, organization, or institution.

3.1.2 *equipment, n*—non-expendable, tangible, moveable property needed for the performance of a task or useful in effecting an obligation.

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3.1.3 *equipment management, n*—systematic planning and control of equipment to optimize its service delivery potential and the management of associated risks and costs throughout its life-cycle in support of organizational objectives. This includes the process management and practice of acquisition or construction of the equipment; its operation, maintenance, and modification while in use; and its disposal when no longer required.

3.1.4 *operations, n*—exercise of the tasks that constitute equipment management.

3.1.5 *practice, n*—a definitive set of instructions for performing one more specific operations that does not produce a test result.³

3.1.5.1 *Discussion*—Of the several types of standards listed in the ASTM Style Guide, this standard is of the type designated as a practice.

equipment necessary to the functioning of the entity. It enables a holistic approach and vision for achieving cost-effective, responsive equipment acquisition, use, and disposition. It clarifies and illuminates functional responsibilities and associated functional areas.

4.2 The functional responsibilities chart in Table 1 presents

TABLE 1 Functional Responsibilities

Equipment Management Process Maturity (EMPM) Model Responsibilities (P = Practice, M = Process management)																		
Internal Responsibilities in the Subject Organization (Example)	Asset Management	Functional Organization	Procurement	Logistics	Contracts	Import/Export	Senior Management	Receiving	Warehouse	Quality	Finance	Material Management	Configuration Management	Program Control	IT Asset Management	Calibration	Tooling Management	TBD
1.0 Acquisition criteria																		
1.1 Process management																		
1.2 Practice																		
2.0 Use criteria																		
2.1 Process management																		
2.2 Practice																		
3.0 Disposition criteria																		
3.1 Process management																		
3.2 Practice																		

TABLE 2 Five Maturity Levels

Equipment Management Process Maturity (EMPM) Model Maturity Levels		
1.0	Basic	Processes are generally ad hoc and chaotic; success depends primarily on heroics.
2.0	Managed	Projects of the organization ensure requirements are managed and processes are planned, performed, measured, and controlled.
3.0	Defined	Processes are understood at the organizational level; standard organizational processes, standards, tools, and methods exist that are tailored for use on the projects.
4.0	Quantitative and Predictive	Sub processes are selected that significantly contribute to overall process performance and they are controlled using quantitative techniques; quantitative objectives for quality and process performance are established; special causes of variation are detected and corrected as appropriate.
5.0	Continuous improvement	The organization focuses on continually improving process performance through both incremental and technological improvements.

3.1.6 *process management, n*—planning and administering the activities necessary to achieve a high level of performance in a process and identifying opportunities for improving quality, operational performance, and ultimately, customer satisfaction. It involves design, control, and improvement of key business processes.⁴

3.2 *Acronyms*:

3.2.1 *CIP*—construction in progress

3.2.2 *EMPM*—equipment management process maturity

4. Summary of Practice

4.1 The EMPM model provides insight into the effectiveness of an entity as it acquires, uses, and disposes of the

the distribution of duties as a hypothetical entity embarking on an EMPM assessment.

4.3 The equipment life-cycle as addressed in this practice encompasses three fundamental life-cycle phases: acquisition, use, and disposition.

4.4 This practice addresses two fundamental levels of equipment management activity within the entity: process management and operations.

4.5 This practice recognizes five maturity levels (see Table 2).

5. Significance and Use

5.1 *Internal*—The EMPM provides assessment results that are easy to understand and communicate. Areas requiring additional resources become apparent, and thus, can be more readily addressed. Improvement can be tracked in meaningful ways. Assessment detail allows attention to be drawn to

³ From the ASTM Form and Style Guide, Available from ASTM International Headquarters, 100 Barr Harbor Drive, PO Box C700, West Conshohocken, PA 19428-2959.

⁴ Evans, James and Lindsay, William, *The Management and Control of Quality*, 1999, pg 340.

processes of exceptional maturity and areas in which changes or additional resources, or both, are required to achieve process improvements.

5.2 *External*—Meaningful comparisons to external requirements are enabled. Comparisons of equipment management between entities in different operational or business environments become meaningful and provide insight previously unavailable.

6. Applicability

6.1 This practice may be applied to the entirety of the legal entity or a clearly defined, designated constituent part.

6.2 An entity's equipment holdings may encompass equipment acquired by all legal means:

- 6.2.1 Company owned equipment,
- 6.2.2 Leased equipment,
- 6.2.3 Licenses,
- 6.2.4 Customer-provided equipment,
- 6.2.5 Seized equipment,
- 6.2.6 Bailed equipment,
- 6.2.7 Borrowed equipment, and
- 6.2.8 Loaned equipment.

6.3 This practice may be applied to the entirety of the entity's equipment holdings or a clearly identified subset. This designation constitutes the assessment universe for the designated entity.

6.4 To the extent this practice is applied to a limited equipment universe or is limited to a portion of the entity, these limitations should be prominently noted when presenting results of the assessment.

6.5 This practice should be applied to the designated equipment universe regardless of the internal organization acquiring, using, or disposing the equipment.

7. Levels of Equipment Management Activity

7.1 There are two fundamental levels of equipment management activity within the entity: process management and operations.

7.2 Process management encompasses criteria for the people, processes, and systems involved in equipment management for each life-cycle phase.

7.2.1 Leadership:

7.2.1.1 *Outcome/Process Orientation*—Management and control systems are based on specific desired outcomes or process-oriented metrics that encourage improved performance and effective management. (See Practice E 2279.)

7.2.1.2 *Best Value Products*—Management systems are designed to deliver on a timely basis the “best value” product to the organization and its customers, while preserving the confidence of internal and external stakeholders. (See Practice E 2279.)

7.2.1.3 *Personal Initiative*—Practitioners exercise personal initiative and sound business judgment in providing the “best value” services to meet the organization's needs. (See Practice E 2279.)

7.2.1.4 *Lines of Authority/Accountability*—Management and control systems have clear, direct lines of authority and organizational accountability for performance and custodial care. (See Practice E 2279.)

7.2.1.5 *Best-in-Class Management*—Best-in-class management practices and integrated management systems are recognized, identified, and adopted. (See Practice E 2279.)

7.2.1.6 *External Interface*—Effective partnerships with external customers are established, and effective service is provided.

7.2.2 Planning:

7.2.2.1 *Strategic Plan*—Entity has developed and implemented an ongoing equipment management strategic planning process leading to a strategic plan with clear goals, objectives, and programs that is consistent with entity plans and objectives.

7.2.2.2 *Metrics*—Standard and entity specific measures have been identified and implemented. Examples of metrics that may be used include: (1) average time taken to tag and insert data into a property database upon receipt, (2) average time taken for a property custodian to recognize data accuracy and physical control upon initial receipt, (3) average annual cost of an inventory per item, (4) inventory accuracy per Practice E 2132, and (5) average time taken to dispose of an item once it is declared excess.

7.2.2.3 *Financial Plan*—The entities need for equipment resources is viewed holistically, and financially planned.

7.2.3 Policy, Procedures, and Internal Controls:

7.2.3.1 *Exercise of Responsibility*—Equipment management officials may assume that if a specific strategy, practice, policy, or procedure is in the best interest of the agency, company, institution, and stakeholders and is not addressed in operating policies or a consensus standard nor prohibited by law, executive order, or other regulation, that action, in accordance with the strategy, practice, policy, or procedure, is an acceptable exercise of responsibility and authority. (See Practice E 2279.)

7.2.3.2 *Sound Policies*—Entities have established policies and management systems for the acquisition of equipment.

7.2.3.3 *Reutilization*—Entity has programs to encourage the reutilization of equipment and facilitate the reassignment of equipment among organizational elements when such equipment is determined to be no longer needed for the current purpose. (See Practice E 2279.)

7.2.3.4 *Consensus Standards*—Equipment management is performed in accordance with existing applicable consensus standards.

7.2.3.5 *Available, Implemented, and Enforced*—Entity has devised and maintains a system of internal management controls sufficient to provide reasonable assurances that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary in conformity with generally accepted accounting principles; access is limited; and the recorded accountability for equipment is compared with existing equipment at reasonable intervals and appropriate action is taken with respect to any differences. (See Practice E 2279.)

7.2.4 Personnel and Staffing:

7.2.4.1 *Adequate Staffing*—Equipment management process management and operations roles are adequately staffed to achieve the entity's equipment management goals and comply