

Ebook

The complete guide to effective fixed asset management in MENAT



Introduction

In today's increasingly regulated business landscape, it's crucial to keep track of your company's physical assets and account for each asset's current valuation. Businesses in the Middle East face an overwhelming amount of new global compliance requirements. By pivoting to a smarter Fixed Asset Management (FAM) strategy, these companies save enormous amounts of time, money and headache for their financial departments, and foster opportunities to outpace competitors in the global marketplace.

Hassle-free fixed asset management

This guide aims to help you understand fixed asset management and the benefits an end-to-end solution can provide to your organisation. It will also explain the best industry practices and long-term advantages of Fixed Asset Management, so that your company and financial teams can expertly learn how to:

- ▲ **Pass fixed asset audits effortlessly**
- ▲ **Perform preventative maintenance to extend asset lifetime**
- ▲ **Build a flawless fixed asset register**
- ▲ **Systematically tag, track and monitor assets and upload to the cloud**
- ▲ **Automate compliance and regulatory requirements**
- ▲ **Reduce financial damage from theft, loss or depreciation**
- ▲ **Generate accurate financial data views in real time**
- ▲ **Save time, money and effort on fixed asset verification**
- ▲ **Store and manage fixed assets in a sustainable manner**
- ▲ **Calculate and report asset depreciation**

About Iron Mountain fixed asset management

At Iron Mountain Incorporated (NYSE: IRM), we strive to give our customers end-to-end solutions—the people, processes and technologies—that streamline fixed asset verification. We work with our partners to help them become true industry leaders in efficient and automated asset accounting in ways that are sustainable, compliant, and competitive.

Proper fixed asset management can help your business cut costs, improve future planning, decision-making, as well as eliminate headaches from audits and regulatory pressures.

→ [Visit the website](#)

Fixed asset management defined

What is a fixed asset?

A fixed asset is a long-term physical or capital asset that a business owns and uses to produce income. They are tangible goods that allow a business to operate, from buildings, machinery and furniture, to computers, vehicles or any other physical objects considered an “asset” to business.

Typically, these assets are expected to last more than a year, without being consumed, sold, converted to cash or rendered useless. Importantly, fixed assets are not expensed normally during their time of purchase but are rather capitalised and depreciated over time.

Most common fixed assets

- > Buildings
- > Furniture
- > Office equipment
- > Vehicles
- > Machinery
- > Artwork
- > Computers

Fixed assets vs. capital assets

Fixed assets fall under the larger category of Capital Assets on a balance sheet. Just like fixed assets, capital assets are physical and generally illiquid properties which a business intends to use to generate revenue and expects its usefulness to exceed one year. In accounting, they are often represented as [Property, Plant, and Equipment \(PP&E\)](#) or buildings and factories. Knowing when, how, and why to depreciate (or appreciate) capital assets over the source of their lifetime is key to successful management.

Because capital assets are a broad category, it can include non-current assets, which should not be confused with fixed assets. Notably, some capital assets may appreciate in value over time (like artwork or intellectual property), while fixed assets often depreciate (like machinery or office furniture).

What is fixed asset management?

Perfect Fixed Asset Management is achieved when many solutions come together to create an overall streamlined process. It includes the processes, strategies, systems and professionals that help organisations efficiently measure, track, monitor, and maintain their fixed assets. This is essential for using assets effectively, verifying their value, and ensuring regulatory compliance.

Unify your fixed asset management

The future of fixed asset management means perfect synergy between advanced software solutions, reliable hardware, machine learning, and expert human input. Iron Mountain unifies all of these aspects for your financial department, so that you never need a separate solution for each challenge. **An end-to-end, fully integrated solution that provides a single source of truth for all your company's fixed assets.**

The full Iron Mountain ecosystem

Iron Mountain goes beyond just Fixed Asset Management services to ensure that your entire digital ecosystem thrives. Our expertise fulfills many solutions at the intersection of data management, digital security, and end-to-end paperless transition.



Our services are built to encompass the entire fixed asset lifecycle, combining the best of both software and hardware solutions to ensure tailored, rapid, interconnected, and effective outcomes. Our cutting-edge, innovative asset tracking solutions seamlessly blend physical and financial asset management to maximise your revenue by minimising depreciation and reducing maintenance and reporting costs. Our comprehensive approach helps businesses stay compliant with regulations while harnessing the full potential of their assets in a rapidly evolving digital landscape.

Fixed asset strategy

To ensure successful utilisation and maintenance of fixed assets, companies must have a reliable and forward-looking framework in place. Organisations should maintain detailed records of their physical assets to support informed decision-making and implement appropriate portfolio and risk management strategies. An effective asset management strategy balances accounting, operational and technological processes.

- > Accounting processes involve properly calculating depreciation, managing costs, and ensuring accurate financial reporting.
- > Operational processes include tracking asset location, managing maintenance schedules, and maintaining overall asset performance.
- > Technological processes focus on the digitalisation of fixed asset record-keeping procedures, automation, and ensuring consistent connectivity and accessibility.

5 factors to consider when creating your FAM strategy

Iron Mountain goes beyond just Fixed Asset Management services to ensure that your entire digital ecosystem thrives. Our expertise fulfills many solutions at the intersection of data management, digital security, and end-to-end paperless transition.

- > Local policies and regulations
- > Organisational management and planning framework
- > Technical and commercial viability of assets
- > External or market factors
- > Quantity of high-value assets

Integrated digital fixed asset management solutions allow companies to achieve balance between accounting, operational, and technological processes.

Why fixed asset management is vital to success

Importance of fixed asset management solutions

In the Middle East, North Africa, and Türkiye (MENAT) region, fixed assets represent a considerable portion of capital investments. Globally, **fixed assets account for 35-50%** of total assets when looking at **Fortune 500 companies**.

MENAT has witnessed impressive growth since the 2008-2009 financial crisis, particularly in the Gulf Cooperation Council (GCC) countries. With **an average real GDP growth rate of 5.2%** from 2010 to 2014 and a strong performance in subsequent years, the MENAT region's economy offers vast opportunities for businesses.

In 2022, the value of fixed assets in MENAT reached USD 64.27 billion and is projected to grow at a robust CAGR of 8.13% through 2027.

Big opportunities: how companies can save big with fixed asset management

Investing in fixed asset management (FAM) solutions can yield significant benefits for businesses, as evidenced by A.T. Kearney's **survey** of 558 companies. Companies that implemented integrated FAM solutions reported:

- > **28.3% increase in maintenance productivity**
- > **20.1% decrease in equipment downtime**
- > **19.4% savings in material costs**
- > **17.8% reduction in maintenance costs**



Revenue opportunities

Fixed assets often represent a considerable investment for many companies and serve as a primary source of revenue. As a result, optimising fixed asset management to maximise the revenue generated is vital for business success. Effective fixed asset management can reduce overall operational costs and mitigate the risk of accidents and miscalculations. For large organisations, addressing these concerns can safeguard revenue and ensure compliant and sustainable operations.

Effective management of your assets opens up an arsenal of opportunities, allowing your business to:

- Maximise asset utilisation and lifespan
- Minimise assets' downtime and maintenance costs
- Ensure accurate financial reporting and overall regulatory compliance
- Optimise capital budgeting and planning
- Improve operational efficiency and productivity

Enterprise benefits

Integrated fixed asset management solutions, powered by a combination of digital and traditional tools, encompass and interact with every stage of business. This ensures that you can leverage both accounting and operational benefits:

- Ensure quick, centralised access to asset-related information to facilitate decision-making
- Maintain a sustainable and compliant overall operational cycle
- Keep a comprehensive asset record, including warranty information, maintenance manuals, schedules, and service history
- Track the location of fixed assets to ensure proper oversight and protect against theft
- Monitor physical equipment to minimise downtime
- Oversee assets across multiple locations for streamlined operations
- Reduce maintenance costs
- Improve overall productivity
- Keep an up-to-date record of assets that are no longer in use
- Streamline employee performance

Business growth and continuity

As the MENAT region continues to evolve and expand, businesses must be prepared to navigate the unique challenges and opportunities that come with growth. By mastering the art of fixed asset management, organisations can harness their full potential, ensuring that their tangible assets are efficiently utilised and maintained, and that their financial and operational goals are seamlessly aligned. By implementing comprehensive asset management solutions into your operations, you can excel in both accounting and operational aspects, setting yourself apart from competitors by minimising financial losses, protecting your assets from depreciation, and alleviating your employees from the burden of excessive bureaucracy.

In this ever-changing environment, those who embrace the power of integrated fixed asset management solutions will not only adapt and thrive, but will also pave the way for future innovation and success in the region.



Security

Top-notch solutions to protect your assets and data from depreciation or damage



Compassion

Expert-level support and guidance to help you navigate through challenges



Trust

Secure storage of data to protect your business interests



Compliance

Automated tagging, reporting, and tracking capabilities to stay compliant with IFRS



Accessibility

Reliable and convenient storage of vital asset information to ensure quick decision-making



Customisation

Tailored tracking, tagging, and reporting mechanisms to meet your business needs



Digitalisation

Integrated hybrid solutions that combine human input and digital tools to streamline your operations



Vigilance

Comprehensive asset tracking solutions to prevent theft or loss of equipment



Key challenges of fixed asset management

To thrive in this burgeoning economy, companies must invest in fixed asset management solutions that help them tackle the challenges associated with asset management. A key aspect of this is maintaining customer satisfaction, which is crucial for business success. As the Harvard Business Review notes, retaining existing customers costs 5 to 25 times less than acquiring new ones. Effective asset management, an integral component of asset management, significantly impacts customer perception, as well-managed facilities contribute to higher overall customer satisfaction and profitability.

According to [Bloomberg Tax](#), It is not uncommon for companies to underreport 50% of their assets.

Key challenges of asset management

The majority of difficulties stem from adopting a singular approach, focusing exclusively on either digital or hardware solutions for fixed asset management. Those who opt for such a limited perspective, or choose to forego fixed asset management entirely, run the risk of encountering the following challenges:

- > Complexity of the process
- > Increased maintenance costs and taxation
- > Decreased operational efficiency
- > Workforce dissatisfaction
- > Growing regulatory pressures

Complexity of the process

Despite the promising opportunities in the MENAT region, businesses face various challenges in managing their fixed assets. Asset Management Resources [estimates](#) that 65% of fixed asset data is incomplete, inaccurate, or missing altogether. This lack of reliable data can lead to companies overpaying taxes and insurance on ghost assets by up to 30%

Most common challenges of FAM

- > Maintenance of high-value assets
- > Managing assets across multiple locations
- > Navigating acquisitions, divestitures, and mergers

Decreased operational efficiency

Businesses face the high costs of equipment and facilities downtime, with 98% [reporting](#) that an hour of downtime costs over \$100,000, 81% estimating costs over \$300,000, and 33% indicating costs exceeding \$1 million per hour.









Workforce dissatisfaction

According to [UiPath's 2021 Office Worker Survey](#), 67% of global office workers report feeling burned out due to repetitive tasks, and 59% believe that data input and dataset creation tasks should be automated as they are among the most tedious.

Meeting sustainability goals

Operating a large company often negatively impacts the environment through traditional asset management procedures, resulting in increased transportation, emissions, and raw material usage. This can lead to costly fines and a tarnished reputation.

The top 8 pain points for fixed asset managers & accountants







		Without Iron Mountain	With Iron Mountain
1	Carrying out manual labour	 Accountants waste time and sanity physically tracking assets	Time freed with team-leasing and field services that track assets for you
2	Poor IFRS reporting quality	 Corporate losses resulting from improper asset management	Extremely accurate and real-time asset value reporting
3	Dealing with spreadsheets	 Manual cataloguing prone to errors with siloed information	Automated calculations, real-time reporting and holistic view of value
4	Handling multiple locations	 Assets (even entire buildings!) are often forgotten, lost, unknown	Every location's assets digitally accounted for in one screen
5	Incorrect counts & depreciation values	 Reporting data by inaccurate means, falling below standards	Reduced tax liability by deducting expenses properly over time + Transfer and/or Disposal, including any loss or gain on the sales of an asset
6	Depreciation and cost-effectiveness	 MENAT has volatile depreciation and tax deduction schemas	Our MENAT experts are familiar with challenges in the region
7	Unoptimised inventory & maintenance	 Fails to perform a correct asset record (warranty information, maintenance manual and schedule and service history)	Allows for regular inventory checks and preventative maintenance
8	Lack of insights	 Poor forecasting capabilities	Better plan for the future with real time data analytics

Our fixed asset management solutions

Iron Mountain FAM at your service

Full visibility and tracking of your assets goes beyond the basics of accurate financial statements. Our solution enables you to reduce dependency on individuals and ensure full control over your fixed assets through periodic audits and asset data mapping.

Components of our FAM solution

 <p>Policy review & procedure consultation</p>	 <p>Physical audit</p>
 <p>Barcoding & tagging</p>	 <p>Physical tracking software module</p>
 <p>Integration with financial module</p>	 <p>[optional] Financial management software module</p>

Policy review & procedure consultation

We combine a human approach with software to give a truly end-to-end solution with fixed asset management. Our teams will gain a thorough understanding of the customer's buildings, asset catalogues, locations, and existing physical objects.

- › Provide an executive presentation summarising the above
- › Collect data required for the Empirical Survey
- › Define assets categories and subcategories and their respective attributes

Physical audit

Iron Mountain is one of the only providers in the MENAT region able to conduct a comprehensive physical audit when your company requires a physical count, tagging, and data reconciliation process that requires professional manual work. The Iron Mountain FAM Solution is able to provide:

- › Comprehensive and cost effective physical audits
- › Verification and reconciliation against book values and vice versa
- › List of assets including: Missing, Unfound, Damaged, Mislabeled, Scrap Assets

Barcode and tagging

Our physical counting teams will tag all the required assets and remove the old tags if required. We use special labelling, tagging, tracking and monitoring tools, including asset codes that are both human readable and data-enabled (using RFID or Barcode) that uniquely identifies each Asset type. Our clients can expect services that allow for:

- › Cataloguing important tags including region, city, building, floor and room
- › Defining each asset type according to the policy and procedural consultation
- › Specifying the condition of each asset and any other relevant details

Integration with financial and ERP technology

Centralise access to one source of financial truth for your entire fixed asset register. Asset tracking, labelling and software can easily be integrated to major ERP with the ability to read, extract, store and upload the data to third party applications or other major formats.

- › Build a flawless Fixed Asset Register and Catalogue
- › Connect fixed asset tracking with other business-critical operations
- › Accurate production planning and reporting

Physical tracking software module

Transform your manual processes and paper-based workflows into digital systems. Iron Mountain FAM software helps you stay organized, automate inventory tracking, and ensure seamless communication between sales, production, warehousing, procurement, administration, and finance.

- > Reduce data entry and dependency on individuals
- > Mitigate risks of loss or theft by ensuring all assets are monitored
- > Automate generation of data rather than manual work on spreadsheets

[Optional]

Financial management software module

Fixed asset management software stores details about each company-owned asset in the cloud, calculates depreciation using various methods, and posts information to the accounting system. This ensures accurate and up-to-date financial statements. Integrated solutions provide a central location for asset details and automating depreciation calculations and accounting system updates.

- > Accurate asset depreciation forecasting and reporting
- > Clean assets' list (fixed asset register) cross matched with your financial database
- > Hierarchical classification structure of your assets for financial and physical tracking



[ironmountain.com](https://www.ironmountain.com)

About Iron Mountain

Iron Mountain Incorporated (NYSE: IRM), founded in 1951, is the global leader for storage and information management services. Trusted by more than 220,000 organizations around the world, and with a real estate network of more than 85 million square feet across more than 1,400 facilities in over 50 countries, Iron Mountain stores and protects billions of information assets, including critical business information, highly sensitive data, and cultural and historical artifacts. Providing solutions that include secure storage, information management, digital transformation, secure destruction, as well as data centers, art storage and logistics, and cloud services, Iron Mountain helps organizations to lower cost and risk, comply with regulations, recover from disaster, and enable a more digital way of working. Visit www.ironmountain.com for more information.

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