CAPITAL ASSET PLANNING

INSPECT, MAINTAIN, REPLACE

PLANNING TODAY TO AVOID PROBLEMS TOMORROW



Most organizations don't plan to replace equipment until a failure forces the issue. By then, costs are often higher, options are limited, and unplanned downtime can disrupt operations.

Capital asset planning helps organizations identify future equipment needs, understand risks, and build a roadmap for maintaining reliable operations while managing budgets effectively.

INSPECT: Understand What You Have

Effective capital planning starts with understanding the condition of your assets.
An equipment assessment should consider:

- Age and expected service life
- Maintenance history
- Reliability concerns
- Operational performance
- Safety and environmental risks

While older equipment may still be performing well, age often signals when a deeper review is needed. The goal is to understand the level of risk associated with each asset before problems occur.

MAINTAIN: Extend Asset Life

Maintenance and capital planning work hand-in-hand.

- A strong maintenance program can:
- Improve reliability
- Reduce unexpected repairs
- Extend equipment life
- Support better budget forecasting

Tracking maintenance costs over time also helps identify when investing in new equipment may provide better value than continuing to repair aging assets.

IMR STRATEGY

REPLACE: Make Informed Decisions

Equipment replacement shouldn't be based on age alone.

Instead, evaluate:

Reliability Risk	Financial Impact	Safety Concerns	Business Objectives
How would operations be affected if the equipment failed?	**What are the costs of downtime, repairs, or lost productivity?**	**Are there risks associated with continued operation?**	**Can newer equipment improve efficiency, sustainability, or system performance?**

Taking a proactive approach helps organizations avoid emergency replacements and make capital investments on their own timeline.

Building a Strong Business Case

Securing capital funding often requires more than identifying aging equipment.

Decision-makers need to understand:

- Why action is needed
- What risks exist if nothing changes
- Expected operational benefits
- Long-term cost implications

The strongest plans connect equipment investments to organizational goals such as reliability, safety, efficiency, and sustainability.

Key Takeaways

- ✔ Review capital asset plans annually
- ✔ Evaluate asset condition, not just age
- ✔ Align maintenance and capital planning efforts
- ✔ Prioritize projects based on risk and business impact
- ✔ Plan early to reduce costs and minimize downtime



Beyond the System Podcast Insights

"The best time to plan for replacement isn't after equipment fails. It's when you still have options. Capital asset planning gives organizations the information they need to make smarter decisions before risks become problems."

Need help evaluating your system? CIMCO can help assess equipment condition, identify capital priorities, and support long-term capital planning strategies.