

EXIGENCIES OF ASSET MANAGEMENT IN ASSET-INTENSIVE INDUSTRIES:

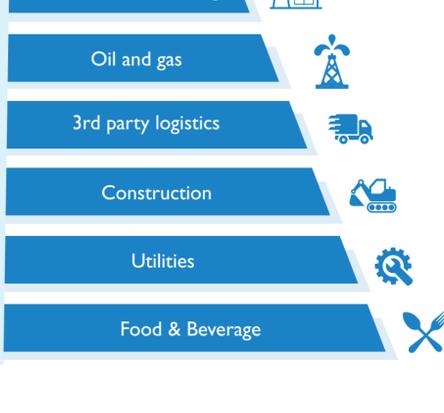
EQUIPMENT PERFORMANCE AS A MEASURE OF BUSINESS PERFORMANCE

As economic roadblocks to Enterprise Asset Management (EAM) investments are rapidly disappearing, it's time to get started down the path to true, 21st century upgrades and efficiencies.

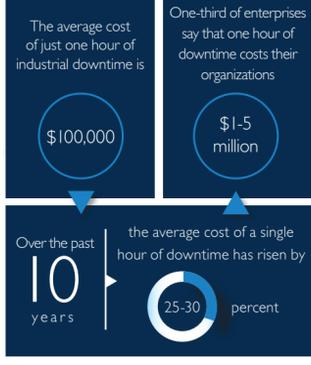
Managing assets in asset-heavy industries is extremely important given that the turnover is largely dependent on the performance of critical assets. For example, if a 2,000-barrel-per-day pump goes down with oil at \$100 a barrel, a company can be losing \$200,000 a day because of a single piece of faulty equipment.



Assets occupy more than half of the balance sheets in many industries across the globe



The cost of ineffective asset management in asset-heavy industries severely impacts both business operations and planned ROI realization. Asset downtimes can be catastrophic in these industries as evidenced by the following:



Section 1

While the natural tendency to focus on immediate savings can lead organizations to concentrate on the perceived costs of design and construction, it is imperative for asset-heavy industries to equally focus on "below the line" costs. In order to maximize the financial value of assets, it is critical to have complete visibility on their cost-impact, i.e. balancing capital versus operational expenditures.

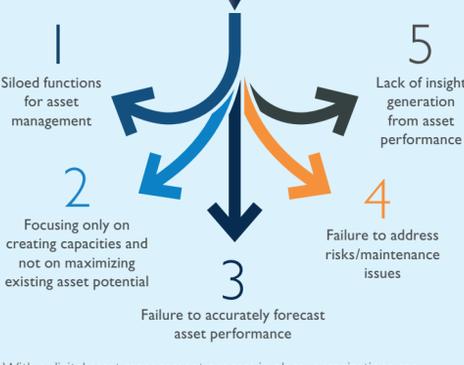
COSTS OF ASSET MANAGEMENT: CALCULATING THE IMPACT ON BUSINESS PERFORMANCE



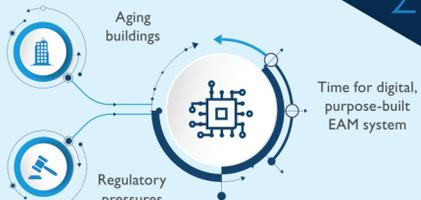
MEASURING ASSET PERFORMANCE: RETURN ON NET ASSETS (RONA) IS DECLINING IN ASSET-INTENSIVE INDUSTRIES

Asset-heavy industries are revving up digitization of their extensive physical assets after recovering from the 2009 economic downturn.

Most asset-heavy industries still utilize rigid, hierarchical, and siloed tools for asset management. This has an adverse effect on the RONA as decisions are made by different teams handling different aspects of asset management. In asset-heavy industries, RONA is adversely affected by the following:



With a digital asset management process in place, organizations can leverage information across the asset's lifecycle to make better, more well-informed decisions. Combining the capabilities of digital innovations in the technological space such as IoT, Smart Manufacturing, Artificial Intelligence and Machine Learning, organizations can utilize the insights generated from operating and maintaining assets for future planning and design phases.



The right EAM solution helps realize savings of up to 20% of total lifecycle costs.

The functionality in the EAM market is mature, with notable differentiation in product quality, integration, support and how well solutions perform industry-specific processes.

SMART FACTORIES: EFFICIENT ASSET MANAGEMENT FOR CONNECTED, SMART AND COLLABORATIVE ENVIRONMENTS

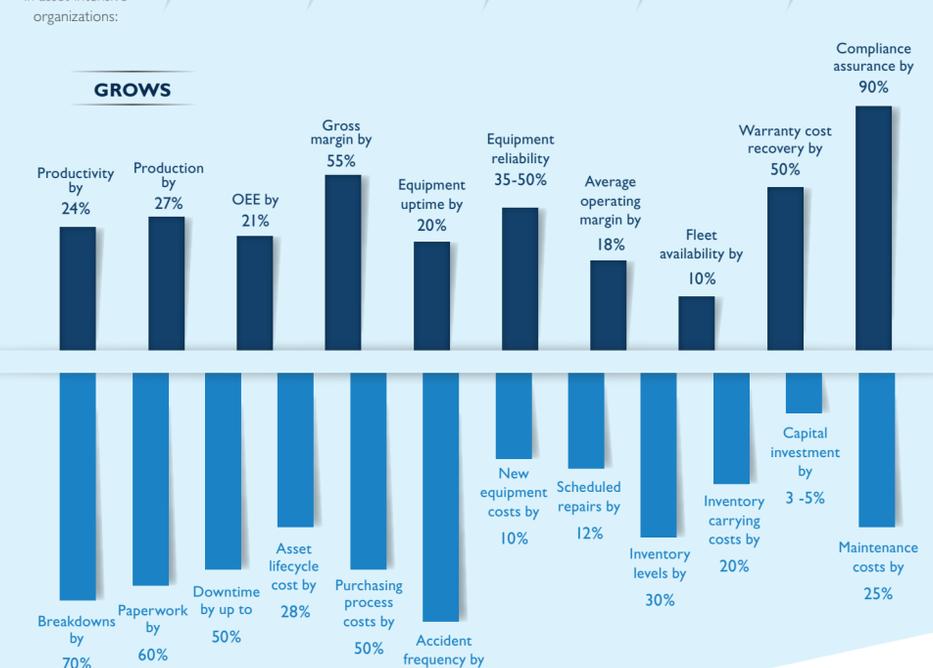
The advent of Industry 4.0 has blurred out the lines between the physical, digital and biological elements to extensively transform industries all over the world.



AUTOMATING EAM: GENERATING THE ABILITY TO MEASURE, MONITOR AND MONETIZE ASSET PERFORMANCE

Automated EAM systems can help achieve the following in asset-intensive organizations:

- Remote Asset Tracking
- Asset Health/Condition Monitoring
- Asset Lifecycle Management
- Asset Workflow Automation
- Predictive Asset Maintenance



ENTERPRISE ASSET MANAGEMENT IN INDIA: WHY SMART VISIONS NEED SMART SOLUTIONS

It is expected that India will become the 5th-largest manufacturing country in the world by the end of 2020. Further, the "Make in India" initiative by the government to facilitate investment and build best-in-class manufacturing infrastructure is expected to drive the growth of asset-heavy industries in the future.

The following key trends are expected to be seen in the manufacturing space:



How automated EAM systems can help transform asset-intensive organizations in India

- Get rid of maintenance backlogs
- Shift from reactive to proactive maintenance
- Improve health and safety practices
- Go mobile
- Keep up with changing technology
- Realize real ROI
- Improve decision making capabilities

SELECTING THE RIGHT EAM SYSTEM FOR ACHIEVING BUSINESS GOALS

While the underlying need for an effective EAM system is clear, it is essential that asset-intensive organizations understand and evaluate the options for managing their assets in a comprehensive manner.

	Managing asset lifecycle	Asset events—monitoring & maintenance	Track changes involving assets
Managing and Operating Assets	Trade-off between CAPEX & OPEX for keeping/replacing an asset	Remote asset tracking	Inventory level changes
	Depreciation costs	Asset health/condition monitoring	Purchasing behaviour against assets
	Cost of repairs	Work on asset maintenance requests	Impact and value of assets on ROI
Asset Activity	Overly aged asset	Capturing consumption and requirements	Asset transfer/change of ownership
	Asset breakdown	Capture labour efforts	Procurement of spares and services
	Asset shutdown	Capture work order details	Reallocation of cost of assets
Stakeholders Involved	Corporate finance	Site managers	Contract managers
	Department finance	IT managers	Internal and external auditors
	Planning and budgeting departments	Facilities managers	Department managers
Organizational Benefits of utilizing EAM systems	Informed decisions on asset acquisition and disposal	Increase productivity	Automated reports on asset activities
	Lower/defer tax on assets	Lower asset downtime	Enables for smooth facilitation of audits
	Higher efficiency and lower OPEX	Monitor asset related KPIs effectively	Increased visibility on asset value chain

