Key Challenges in Implementing the Enterprise Asset Management system

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Summary

Enterprise Asset Management probably is the least appreciated function in businesses and other entities. However, if the function is managed well, it can not only improve operations and reduce risks, it can also be a source of competitive advantages.

Enterprise Asset Management is a business system that includes People, Process and Technology. Implementing a business system likes that requires making changes in all these areas.

As more and more entities realize the value of improving the enterprise asset management function, we have put together this white paper to help them to better prepare for the implementation.

Why Implementing the Enterprise Asset Management System is More Difficult than Expected

Enterprise Asset Management system is not a standalone application. Rather, it is an operational platform. That’s why the implementation of the Enterprise Asset Management System requires cross functional coordination, impacts multiple systems and processes, and therefore more difficult than expected.

“Enterprise Asset Management” is perhaps one of the least appreciated functions in businesses and other entities. That’s why most entities haven’t fully achieved the potential benefits from managing enterprise assets efficiently.

Consequently, “Enterprise Asset Management” software solution is often confused with many other applications related with managing assets, such as Maintenance and Work Order Management, Fixed Asset Management, IT Service Management, Facility Planning or Space Management.

“Enterprise Asset Management” software solution is an operational platform, not just a standalone application. The international standard body for physical asset management, the British Standards Institute Publically Available Specification (PAS) 55, defines the Optimal Management of Physical Assets as:

“Systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organizational strategic plan.”
The Enterprise Asset Management platform is the central point that receive all the physical, financial, and contractual information of assets from all touch points in the asset’s lifecycle, and update the information to other systems. The Enterprise Asset Management is a separate system from the other systems and tools, but it’s a system that connects with all the other applications, such as procurement, fixed asset management, project management, maintenance, warehouse management, mobile asset tracking, resource scheduling, and work order management tool. That’s why Enterprise Asset Management Software is a platform, not a standalone application.
Specific Challenges for Implementing the Enterprise Asset Management System

Implementing the Enterprise Asset Management system will require changes in all three elements: People, Process, and Technology. This is the same with any other system implementation, such as ERP, Supply Chain Management, or Financial systems.

However, implementing the Enterprise Asset Management system has its unique challenges. There are three key contributing factors:

1. People: Most organizations understaff the enterprise asset management function. The career track for asset management personnel is not clearly defined. Moreover, since the asset management process touch multiple department, it is even harder to organize all the stakeholders to march towards to the same goal.
2. Process: Most organizations have a clear defined Procurement, Purchasing and Accounts Payable process. But once the equipment is purchased and distributed, the processes for moving, assigning, auditing disposing are often less defined. These are
3. Technology: Most organizations have individual applications to manage different portion of the enterprise assets or different processes. But these applications don’t connect to each other. The chart below best illustrates this problem:

Legacy Technology for Managing Enterprise Assets
How to Overcome the Challenges in Implementing the Enterprise Asset Management System

<table>
<thead>
<tr>
<th>Key Elements in the Implementation</th>
<th>Challenges</th>
<th>Best Practices</th>
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</thead>
<tbody>
<tr>
<td>People</td>
<td>• Functional silos – Finance, IT, Facility, Property Management</td>
<td>• Executive level support/mandate</td>
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<tr>
<td></td>
<td>• Formalized roles and career paths for asset management professionals</td>
<td>• Cross functional collaboration – Finance, IT, Facility, Property Management, Inventory Control</td>
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<td></td>
<td>• Support for training and development</td>
<td>• Knowledge and training in asset management</td>
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<td></td>
<td></td>
<td>• Hold people accountable for their contribution to the process</td>
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<td>Process</td>
<td>• Lack of ownership</td>
<td>• Documented and updated processes– end to end</td>
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<td></td>
<td>• Updated documentation on business rules and processes</td>
<td>• All stakeholders are trained</td>
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<td></td>
<td>• Lack of visibility to the performance</td>
<td>• Measure the performance in the process</td>
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<tr>
<td>Technology</td>
<td>• Stability and scalability</td>
<td>• Driven by Business Requirements</td>
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<tr>
<td></td>
<td>• Implementation complexity</td>
<td>• Consulted by Technology Experts</td>
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<tr>
<td></td>
<td>• Future proof</td>
<td>• Thorough analysis on total cost – deployment and ongoing</td>
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<td></td>
<td>• Vendor ongoing support</td>
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<td></td>
<td>• Integration with other systems</td>
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<tr>
<td></td>
<td>• Cost</td>
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Success Stories – implementing the eQuip! Enterprise Asset Management System

NCI Inc. – (www.nciinc.com)

Result: the eQuip! Enterprise Asset Management system was implemented in less than 6 months, with data integration with the purchasing system

Key Success Factors:
1. Leadership from the top level (CIO and CTO)
2. Designated cross functional team from Finance, IT, and Asset Management
3. Experienced staff in both asset management processes and systems

“\textit{I like how eQuip! can be customized to fit our organizational processes. As the administrator, I also like the fact that I can manage the user permission easily, giving different users different access rights to different set of information. The level of customization that is available right out of the box far surpasses our expectations, and allows us to meet all of our organizational requirements.}”

— Mark Brown, Property Management Specialist, NCI Information Systems, Inc.

Child Care Resource Center – (www.ccrrca.org)

Result: the eQuip! Enterprise Asset Management system was implemented to solve their critical problems in tracking not only the assets, but the funding sources for these assets in order for them to report to their funding organizations. The total annual savings from implementing the eQuip! Enterprise Asset Management system is $10x$ the cost of the annual subscription.

Key Success Factors:
1. Support from the top leadership
2. Invested time and resources in updating the processes, including procurement, purchasing, receiving, tagging, transferring, retiring.
3. Connected the procurement system to the eQuip! Enterprise Asset Management system.
About E-ISG Asset Intelligence

We provide out-of-box software solutions and implementation services for managing enterprise assets. Our software can be installed on premise or delivered as Software as a Solution. Our software is Flexible, Extendable and Mobile. To find out more, please call our sales team at 1-866-845-2416, or visit www.e-isg.com.