



# Challenges in Asset Management

*And ways that you can deal with them*

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## Introduction

This document was originally published in 2009, and discussed features of Actenum Corporation's then-current maintenance and production scheduling software, Actenum MPS.

Since 2009 Actenum MPS has been renamed DSO/Maintenance, and has been upgraded with many significant features that provide additional capabilities and insight into asset performance and production operations. Accordingly, this document has been updated to reflect features and capabilities of current Actenum technology.

## Asset Management: An explanation

What is asset management? There is no question that there are various points of view about it. So let's get a generally acceptable perspective from two reliable sources:

- Wikipedia considers asset management to be: "... *optimal management of the physical assets of an organization to maximize value ... By managing assets across the facility, organizations can improve utilization and performance, reduce capital costs, reduce asset-related operating costs, extend asset life and subsequently improve ROA (return on assets)*".
- The University of Toronto's Professional Development Centre offers a Management Certificate Program in Asset Management. The official program description states "... *Asset Management can significantly impact an organization's bottom line by reducing maintenance costs, increasing the economic life of capital equipment, reducing company liability, increasing the reliability of systems and components, and reducing the number of systems and components.*"

In actual practice, though, asset management has been more about keeping track of data about assets from a **transactional** perspective. Asset management's traditional focus has been about gathering asset information, such as asset location, asset configuration, maintenance activities, production throughput, and so on.

In other words, asset management practices have typically provided a great deal of **information** about assets and their performance. But this information by itself does little, if anything, to actually improve an asset's effectiveness and performance. The information is, in fact, irrelevant unless and until someone acts upon it. **People** still need to analyze and use this information intelligently to make informed decisions that positively impact overall asset performance.

## Asset Management: **Why do we care?**

We care because managing assets effectively and maximizing asset effectiveness is the key to:

- Achieving production targets,
- Controlling costs, and
- Meeting corporate and organizational goals.

There is so much information gathered today by ERP, EAM, CMMS, and other systems that the dilemma for many organizations is how to identify the most relevant information. Almost too much data is gathered in many organizations to be reasonably interpreted.

So how do you pinpoint and take action on the most pressing challenges and issues to positively impact actual asset performance?

### Asset management and the bigger picture

In addition to individual asset management issues, management in asset intensive industries faces these and other key challenges as well:

- An ongoing retiring workforce sometimes referred to as “the Great Crew Change”.
- Corporate strategy and operational reality are out of alignment; in other words, what the corporation plans to happen frequently isn't what really happens.
- Organizational alignment issues: for example, maintenance management and production management goals and targets may not be in sync.
- Corporate or organizational backing for technology investments may be lacking or in-adequate.

Also, while many organizations have a plethora of asset information, some may still have a surprising lack. Some recent studies indicate that asset management is not always given the priority and attention that is merited.

The remainder of this paper will focus on how a technology solution can help improve both asset performance and positively impact the top three issues above—The Great Crew Change, Corporate Strategy and Operational Reality, and Organizational Alignment—at the same time.