



Asset management standards of excellence

With the economic repercussions of the 2016 UK EU referendum still unknown, it's vital for organizations around the world to prepare to withstand any future problems, securing business efficiencies wherever possible. Enterprise asset management (EAM) programs provide one potential source of efficiency savings. With businesses readily seeking to optimize their assets to maximize performance across the board, EAM programs can help secure gains on the bottom line and create a vital competitive advantage.

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Driving business action

Enterprise Asset Management (EAM) programs are instrumental in driving business action. EAM programs can maximize not only the availability, but also the reliability and performance of assets, minimizing that all-important total cost of ownership. But, to be truly effective, asset management strategies must be continually reviewed and evaluated, taking into consideration not only internal change, but external factors. More businesses are waking up to the fact that asset management relies upon the standardization of practices and processes to be successful. These businesses are adopting ISO standards to help drive the adoption and effectiveness of asset management programs.

Looking towards standard expansion

The most widely adopted standard for asset management is the ISO 55000 series. Many businesses have adopted ISO 55000 because they recognize the importance of standardizing the management of their assets and asset data. This is closely followed by ISO 50001, a standard that sets out best practices for energy utilization through the establishment of a dedicated energy management system. It involves creating a policy, setting targets, and using data to gain insights, make decisions, and measure energy performance against these targets, with a view to continual improvement.

But some businesses—for now mostly those who are running expensive assets in uptime-critical industries, such as process manufacturing, power generation and oil and gas—have started to adopt ISO 14224, a standard that originates from the oil and gas industry, but is increasingly relevant for other industries operating against an ever-more-globalized, 24/7 business landscape.

ISO 14224 calls for organizations to establish a systematic and reliable process for collecting and exchanging equipment reliability and maintenance data, facilitating the exchange of information between parties and helping to shape a pragmatic and effective asset management program.

Ultimately, ISO standards in asset management are intended to prevent loss of revenue, as well as damage to people and the environment. However, as the extended enterprise becomes more global, there are more practical and mission-critical reasons why organizations would want to standardize their asset management programs. A few reasons could include: increasingly complex supply chains, the prevalence of Big Data, the factory of the future concept, and increased automation.

Getting management on board

Traditionally, operational decisions have been made at the facility level, whereas strategic and financial calls have been the domain of the executive team. This disconnect can result in board-level neglect of asset management, as it can be viewed as a shop-floor issue. In reality, without buy-in from senior managers, organizations cannot realize the significant cost savings they can make with an effective asset management program. Asset management engagement from top down is crucial.

The adoption of ISO standards for asset management facilitates that vital boardroom focus, putting accountability and overall responsibility for effective asset management into the hands of senior managers. It also puts the framework in place to highlight the very real financial and operational gains to be made via an optimized asset management program. A robust asset management program can help businesses better align manpower, equipment, and resources to achieve a competitive advantage.

Taking a stand—No more silos

It's not just board-level buy-in that standards can ensure, but company-wide buy-in as well. More often than not, EAM programs exist in silos, managed by different individuals and departments. If communications are lacking between all those involved, it's extremely difficult to optimize asset management. ISO 55000 encourages better communications within the organization when it comes to asset management. ISO 14224 goes one step further by facilitating the exchange of data between all interested parties.

By removing the siloed approach, organizations can gain a comprehensive, holistic view of asset integrity for the entire business, aligning processes and resources to put the emphasis on total business impact as opposed to localized, short-term, often competing priorities. Standards have the ability to inject some much-needed discipline to asset management, increasing cooperation among all areas of the business, from board to shop floor, and enabling organizations to make decisions in the best interests of the business, in line with the company's strategic vision.

Setting a global benchmark

Standardization also has a crucial role to play when it comes to optimizing asset management across multiple sites. With standards in place, businesses can set the benchmark for performance across all locations, a welcome ability in an increasingly globalized business world. As well as facilitating a sound understanding of what is and isn't working in one site, the adoption of asset management standards provides asset visibility across multiple plants and locations. Benchmarking with other sites in the organization can bring previously hidden asset management insights to light and encourage best practices across multiple plants and locations.

This benchmarking can help to de-risk a business as well, both operationally and financially. An asset issue in one location can be prevented from happening in other sites. With an EAM program in place, organizations can reduce the potential for failure or mishap in other locations by mitigating a problem before it happens. Similarly, when it comes to suppliers, if there is an issue with one facility's supplier, asset management information can be used as a company-wide benchmark, enabling a direct comparison to be made with alternative suppliers elsewhere in the business.

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Navigating external communications

In addition to helping with internal communications, asset management standards can help organizations navigate communications with external agencies and other interested parties. Having internationally recognized standards in place can help convince regulators, stakeholders, and customers that a business is following asset management best practices, as well as comprehensive standards, best practices in safety, risk mitigation, reliability, and profitable asset operations. Being able to demonstrate how a business is using an ISO standard, highlighting efficiencies brought about via standardization, can also inspire confidence in investors, convincing them that investments in asset maintenance and management is money well spent.

Improving the bottom line

The need to adopt standards in a modern asset management program has never been more pressing. There is no spreadsheet in the world that is capable of capturing, let alone processing, the immense amounts of data involved in today's business operations. Adherence to the right standards can have a dramatic and direct impact on the bottom line, keeping businesses one step ahead of the competition and standing them in good stead to weather future economic storms.



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