

Key Challenges in Implementing an Enterprise Asset Management System

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Summary

Although enterprise asset management may be one of the least appreciated functions, it impacts many areas of an organization. An Enterprise Asset Management (EAM) system affects the People, Processes, and Technology in an entity. That's why properly implementing a system that interacts with all three of these areas can present unique challenges.

As more and more organizations realize the value of improving the Enterprise Asset Management function, the need for effective EAM system implementation increases. That is why we have put together this white paper to help them to better prepare for implementation of an Enterprise Asset Management system.

Why Implementing an EAM System Can Be Difficult

While many expect implementing an Enterprise Asset Management System to be as simple as installing a word processing software, implementing this system can be much more complex. An Enterprise Asset Management system is not a standalone application. Rather, it is an operational platform. The implementation of an EAM system requires cross-functional coordination and impacts multiple systems and processes.

Enterprise asset management may be one of the least appreciated organizational functions. That's why most entities haven't fully achieved the potential benefits from managing enterprise assets efficiently.

Consequently, EAM software solutions are 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.

An EAM system is an operational platform, not just a standalone application. The international standard body for physical asset management, the *British Standards Institute Publicly 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 receives all physical, financial, and contractual information of assets from all touch points in the asset’s lifecycle and update the information to other systems. It is a separate system from the other systems and tools, but connects with many other applications, such as procurement, fixed asset management, project management, maintenance, warehouse management, mobile asset tracking, resource scheduling, and work order management tool.

Enterprise Asset Management Platform



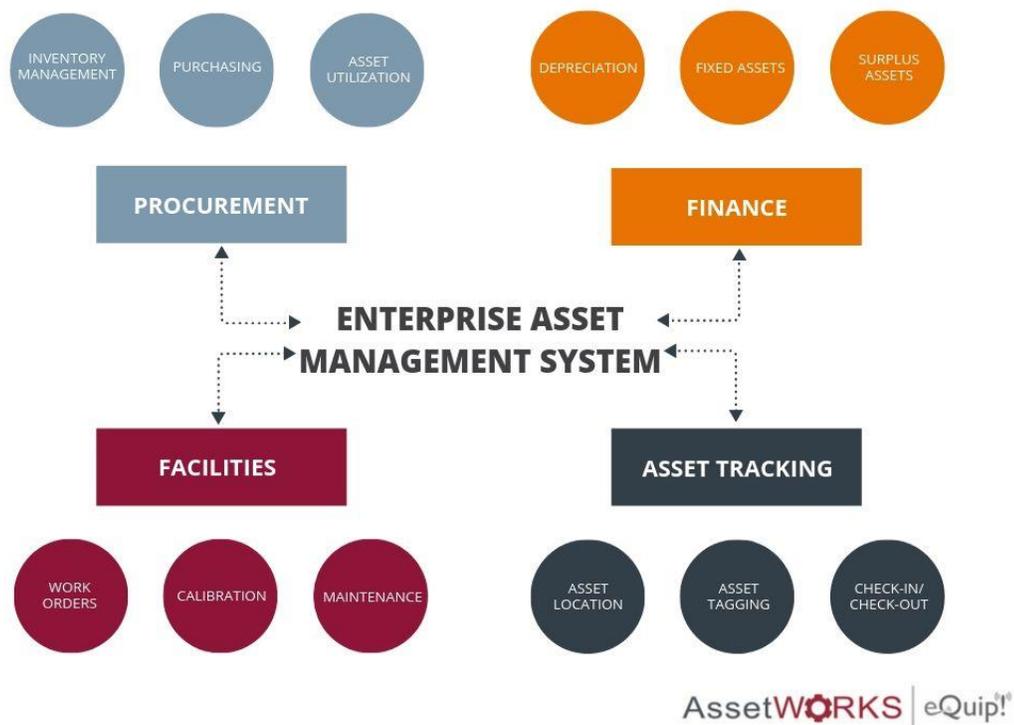
AssetWORKS | eEquip!

Challenges for Implementing an EAM System

Implementing an Enterprise Asset Management system requires changes in three organizational 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 an EAM 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 touches many departments, it is even harder to organize all stakeholders to march towards to the same goal.
2. **Process:** Most organizations have a clearly defined Procurement, Purchasing, and Accounts Payable process. But once the equipment is purchased and distributed, the processes for moving, assigning, auditing, and disposing are often less defined.
3. **Technology:** Most organizations have individual applications to manage different portions of the enterprise asset management function. But these applications don't always connect to each other.



How to Overcome Challenges in Implementing an EAM System

Key Elements in Implementation	Challenges	Best Practices
People	<ul style="list-style-type: none"> • Functional silos – Finance, IT, Facility, Property Management • Formalized roles and career paths for asset management professionals • Support for training and development 	<ul style="list-style-type: none"> • Executive level support/mandate • Cross functional collaboration – Finance, IT, Facility, Property Management, Inventory Control • Knowledge and training in asset management • Holding people accountable for their contribution to the process
Process	<ul style="list-style-type: none"> • Lack of ownership • Updated documentation on business rules and processes • Lack of visibility on performance 	<ul style="list-style-type: none"> • Documented and updated processes end to end • Training all stakeholders • Measuring performance during the processes
Technology	<ul style="list-style-type: none"> • Stability and scalability • Implementation complexity • Future proof • Vendor ongoing support • Integration with other systems • Cost 	<ul style="list-style-type: none"> • System is driven by Business Requirements • Consulting with technology experts • Thorough analysis on total cost – deployment and ongoing

Success Stories in Implementing the eEquip EAM System



NCI Inc.

Result: The eEquip Enterprise Asset Management system was implemented with data integration with the purchasing system in less than 6 months.

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

“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

COBHAM

Cobham

Result: In less than half a year, the team implemented eQuip, including data set up, system configuration, and user training.

Key Success Factors:

1. Support from senior leadership
2. Implementing the system with core users first
3. Investing in user training

“[The eQuip System] allows Property Custodians to learn a new system in support of continuous improvement.”

— Tharus Bradley, Government Property Administrator