

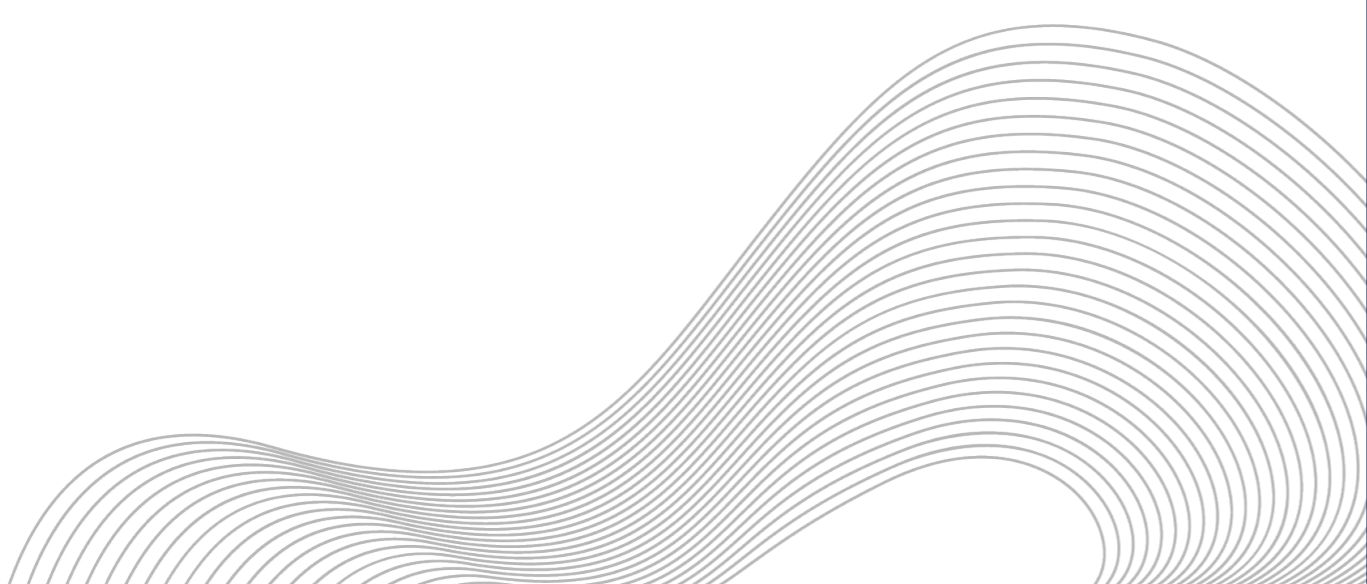
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# **Enterprise Asset Management Trends Report**

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# Aptean Analysis



The importance of digital transformation has become more apparent across enterprise asset management (EAM) in recent months. There is an increased need for intelligent systems as companies continue their journeys from reactive to predictive maintenance strategies.

The Copperberg survey highlights valuable insights from 200 asset management and maintenance experts who have shared their very latest opinions about current industry developments and challenges.

The results themselves were fascinating.

42% of survey participants said digital transformation was the biggest problem they were facing in enterprise asset management. Those manufacturers are likely operating with older machinery, a non-integrated EAM, and no OEE solution. For work environments that rely so heavily on collaboration, transparency and control across the entire business, it can be challenging to work effectively when there isn't EAM software to offer access to real-time data, visibility and control. Best in breed EAM solutions capture real-time data, delivering accuracy and visibility to control every aspect of your business.

One of the most significant benefits of digital transformation is your ability to collect data. 20% of survey participants said they're either not collecting data or don't have enough data to use, while 42% said that they have data, but they're not sure how to use it. That is almost two-thirds of respondents not using data.

Your data is your most powerful tool, but it's only as good as your ability to use it. Getting to a place where you can predict breakdowns before they occur doesn't happen overnight. It's a steady progression of collecting data and studying it over



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time for insights that lead to more focused data collection and smarter decision-making. It's a process, and it takes time. Managing an enterprise smoothly, effectively and profitability, particularly during challenging times, demands the right tools. That starts with your EAM.

And based on the results, we know one thing for sure: digital transformation will be THE trend in 2021. The majority of survey participants confirmed asset managers are interested in investing in digitization to improve operations, communications and efficiencies throughout their respective enterprises.

This EAM trend report highlights the most valuable developments in the discrete and industrial manufacturing fields. It underscores what managers and manufacturers need to do to stay ahead in the game and future-proof their businesses in 2021 and beyond. —

# The current state of asset operators



The number of companies willing to embrace new technologies has increased up to 18.99%.

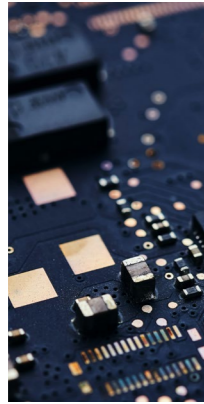
The last Copperberg EAM trend report showed how companies succeeded to manage their assets and adapt to rapid changes in the industry. Staying competitive while systematically executing digital transformation was a top priority for many. Giving the fact that the assets were situated across departments and locations, the asset transparency showed to be a necessity. The new technologies such as IIoT helped the trailblazers to optimize the performance of their assets.

Just as 2020 was starting the companies were challenged with an unprecedented global crisis which forced the asset managers to react quickly and answer the new problems on a daily level. The implication of the disruption was that the internet and mobile business solutions were needed more than ever: The innovation in handling workforce, running the facilities, maintaining the equipment, the processes had to be changed overnight. This was an incredibly hard task, but it was a lesser challenge for those organizations and managers who have already embarked on their digital journey.

Asset administrators have always needed to make informed decisions based on the available asset data, but now the increased need for adaptability and connectivity has made the complex asset management environment even more demanding. However, the research showed that **8.86% of companies still use paper records to track their current maintenance operations**, while 35.44% of companies rely on in-house spreadsheets. While there is less time invested in training and learning new technologies, the knowledge management and remote work capabilities are lower within the companies that insist on old-fashion operations.

On the other hand, **the number of companies willing to embrace new technologies such as IoT-enabled APM + EAM systems has increased up to 18.99%**. Similarly, 22.78% of companies have fully integrated mobile devices into CMMS/





This year another 10% of companies have integrated IoT to their maintenance operations.

EAM/IIoT systems for daily maintenance operations. Additionally, the majority of companies are interested in using, or are using mobile devices right now to handle daily maintenance operations.

**Improving communication, removing the silos amid running a company remotely during COVID-19 became a new normal.** The extensive effects of the disruption have been seen across industries. Therefore, Copperberg gathered the experts from various industries and heard their insights on the current state of asset operators. This trend report was written based on the research of the 2020 trends as seen from the perspective of asset and maintenance manager, plant managers, division managers, general managers and many other executives.

If the data from the previous year is compared to the most recent research findings it can be seen that **this year another 10% of companies have integrated IoT to their maintenance operations.** Right now there are about 20% of companies that lead the way of IoT-driven maintenance digitalization.

In between two opposite sides of the companies that still work with hard copies to track assets and the ones that are working with sensors and actual predictive techniques, there is a significant number of companies that have incorporated the use of CMMS (36.71%) and EAM (31.65%). They operate the assets which are still predominantly owned by the enterprise itself (87%). In 17% of cases the enterprise assets are managed and operated by a specialized company on behalf of public authorities or different owners, while a fairly small amount of companies (about 2%) buy the outcomes instead of owning assets. —

# Impact of COVID-19



The need to maintain the workers' safety during COVID-19 has forced many companies to change their rulebooks. The leading cause of business disruption was the inability to move the manpower and coordinate human resources as before. Inability to travel, to cross borders and social distancing forced companies to change their current ways of functioning, and deeply rethink the asset management options. Furthermore, 35.44% have invested in remote support technology as a consequence of COVID-19.

When companies were asked to identify the biggest problem that they are currently facing in EAM today, the majority of answers addressed the digital transformation of asset management (42.03%). The next big problem in EAM today was the need to get real time usable analytics from data (28.99%). Other answers included attaining enterprise asset transparency, connecting assets across business applications, asset and data security, changing the culture of our staff and earning enough funds to cover up the maintenance costs.

Overall, the biggest changes caused by the pandemic as identified by the companies' managers can be grouped by taking into account several different factors. These factors include commercial downtime, inability to access sites, securing the right spare parts, facing client expectation thus providing stable cash flow and making profit. The groups below were identified by following the answers received from the Copperberg network of managers across various industries:

### **1. Human Resources: Office and field service personnel reorganization**

The pandemic raised fear among everybody included in the business from employees such as technicians, board mem-



## **35.44% have invested in remote support technology as a consequence of COVID-19.**

bers, to external workers, partners and clients. Nevertheless, technicians whose work is mainly done inside a facility have faced the biggest threat. Consequently, they feared to go to work, while the access to sites which needed to be maintained by employees was also often limited.

Additionally, the new circumstances reportedly led some top managers and board to an uneasy situation of uncertainty and fear for the operations. In order to find adequate solutions to the unprecedented problems, the help was found in digital space. Digital solutions for connecting teams and support remote working apps helped the managers in their massive undertaking. **Copperberg survey results reported**



companies switching up to 2000 employees to work from home in a few days. Others reported a couple of dozen working teams that were forced to split, reschedule and communicate online only for time being.

COVID-19 has tremendously impacted logistics of personnel. Not only it was and it still is hard to get contractors to work in the stations. Reduced traveling has made requests for international and off-shore specialists and their inventions sometimes impossible. Because of that the number of skills and information had to be transferred to local organizations and their workforce.

## 2. Production: Maintenance work and spare parts

At the core of every manufacturing company lies inventory. Moving spare parts across borders and enabling a steady supply of material and parts was impossible at times.

Implementing the new health rules was a must in order to keep the operations going. Yet, keeping the staff healthy and providing them with new safety medical equipment was indeed a challenge that still continues to impact everyday operations. Implementation of the required hygiene rules and regulations put additional pressure on the managers who've had the task of keeping the people operating in the field safe.

Inside a factory, monitoring how often frontline teams are dealing with equipment maintenance, ideally using sensors, can give team leaders and plant managers an early warning of potential problems. McKinsey & Company note how historically, senior managers would rely review these activities in person, but now with only remote monitoring possible these



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data points can fill critical information gaps. By using these easy-to-implement technologies (hardware and software could be set up within a company in less than a month time), companies are able to monitor operations.

Growing backlog of scheduled and unscheduled maintenance events and inventory levels raised concerns as service leaders struggled with restrictions on travel and on-site work, reduced recovery rates for parts and dwindling inventory, one interviewee reported. This description provides a clear picture of COVID-19 impact on all assets.

## 3. Customers, Sales and Income

Due to the lockdown and COVID-19 related changes in normal many businesses were forced to close. The companies that have succeeded to adjust had to close dealerships, high street venues and face reduction in income. Lack of business in general impacted the companies that continue to do business with uncertainty.

Customers were directed to use remote support capabilities, while customer call centers moved to work from home. This also caused companies to reconsider adding new budget lines for customer innovation programs in order to adjust to the long-term disruption. —

# Challenges & opportunities of digital transformation, data-driven asset maintenance



Today most of the companies (approximately 70%) are using IoT-enabled asset management.

Recent COVID-19 problems have underlined the need for resilient and agile organizations prone to fast changes and flexible deployment. The challenges of remote work, inaccessibility to sites, and disrupted supply chain, directed companies to seek better transparency of assets. **Today most of the companies (approximately 70%) are using IoT-enabled asset management.** 38.46% of companies have connected some of their assets, 25.64% have connected most of their assets, while **6.41% have connected all their assets.** 15.38% of companies said that there are not yet connected, but plan to switch to IoT-enabled asset management. Following the research findings, it can be concluded that almost 80% of companies are on the way of connecting their assets via IoT.

IoT based scalable solutions are an important opportunity for most maintenance organizations. They are beneficial in equipment (repository for asset information, specification, purchasing, warranty, cost history). Other benefits include easier and more transparent management of long list of procedures such as work orders, preventive maintenance, inventory, event tracking, resources, requisitions, multiple warehousing, scheduling, purchasing, invoice matching, security, analytics, and more.

Before the global disruptions the markets were on a high-note and asset flows were the highest they had been in a decade. Unfortunately, the asset management industry faced a set of structural challenges which resulted in a marginal decrease in profitability as described by Boston Consulting Group: „The firms that lead in distribution are beginning to put a number of best practices into effect. They are creating data-driven business intelligence to help the entire organization develop a deeper understanding of client needs. To enable that intelligence, they are building strong data science capabilities that operate in partnership with sales and marketing.



Indeed, the most challenging aspect of digital transformation and technology integration today is effective data usage. Data collection and analysis is one step forward in a competitive race today. Good news is that 36.36% of companies state that they have the data and that they are using it effectively. However, 42.86% of managers said that the data within their organizations is not yet effectively used. At the same time 19.48% don't have enough data to use, whilst 1.30% is not collecting any data.

The biggest opportunities for companies can be seen in data-driven asset maintenance, and the determination to go forward with it seems stronger than before. Interestingly, a lot of managers said that understanding the need for change is one of the main challenges in adopting new technologies, and that "nothing happens without people understanding it".

The majority of companies have a common IT department in the organization, while approximately one third of all companies have a dedicated IT department for maintenance/ asset management activities. 42.47% managers say that there is always mismatch in thought and strategy between the maintenance personnel and IT department. 23.39% of managers said that they are pushing for a dedicated IT department for maintenance, while some of the managers argued that there is no real relationship with maintenance focus. Even though 34.25% of managers define the relationship between two sectors as perfect, it is still one of the most challenging problems seen in enterprise asset management today (see table 2).

When asked to identify the opportunities for improving long-term strategic maintenance and asset management in the next 5 years many companies have mentioned the power of data as being one of the most important progress conditions. Answers included the opportunities for monitoring and



## Many companies have mentioned the power of data as being one of the most important progress conditions.

mass data analysis, and the need to collect data in order to improve the predictive techniques.

Additionally, the process of collecting and using the reliable data includes long-term building of a system that can secure both data quality and data security. Data security can be a problem bearing in mind that it is seen as very challenging by companies. As explained by Accenture[5], "Creating cyber resilience includes re-architecting business

Within the next 12 months many companies will invest in data analytics and in software development to support the EAM strategies and decision-making processes.



processes, reducing access to, dissemination of and reliance on highly sensitive data". Withal, investing effort in a companies' infrastructure seems fundamental for those firms ready to embrace new ways of work in a world that has been forever changed.

Ultimately, within the next 12 months many companies will invest in data analytics and in software development to support the EAM strategies and decision-making processes. For some that means investing in cloud-based applications, SaaS, custom reporting and inspection tools, securing remote connections. For others it means buying intelligent wearables, developing virtual training, online service platforms, augmented services and/or mobile applications for maintenance workers. Whatever the needs are it seems that the answer can be found in a scalable software solution and the company's culture ready to continuously learn and adapt.

# About



Aptean is a global provider of mission-critical, industry-specific software solutions. Aptean's purpose-built ERP and supply chain management solutions help address the unique challenges facing process and discrete manufacturers, distributors, and other focused organizations. Aptean's compliance solutions are built for companies serving specific markets such as finance, healthcare, biotech and pharmaceuticals. Over 5,000 organizations in more than 20 industries across 54 countries trust Aptean's solutions at their core to assist with running their operations. To learn more about Aptean and the markets we serve, [visit our website](#).

## Aptean EAM API PRO Edition

Aptean API PRO EAM — the leading CMMS / EAM solution for organizations who want the functionality needed to support a true digital workflow across essential processes. Designed by maintenance professionals, Aptean EAM API PRO Edition is proven to maximize asset performance, resulting in reduced operating costs and higher profit margins. [Visit our website](#) to find out why leading organizations depend on Aptean EAM API PRO Edition to keep their assets up and running.

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