

EVOLUTION OF EAM:

WHEN TECHNOLOGY ADVANCES BUT RESULTS DON'T FOLLOW



INTRODUCTION

Canam Research partnered with Rizing to better understand the adequacy of Enterprise Resource Planning (ERP) systems along with Enterprise Asset Management (EAM) software specifically for asset-intensive organizations. We heard from respondents ranging in job function from Maintenance Managers and Operations Directors to IT Directors and CIOs.



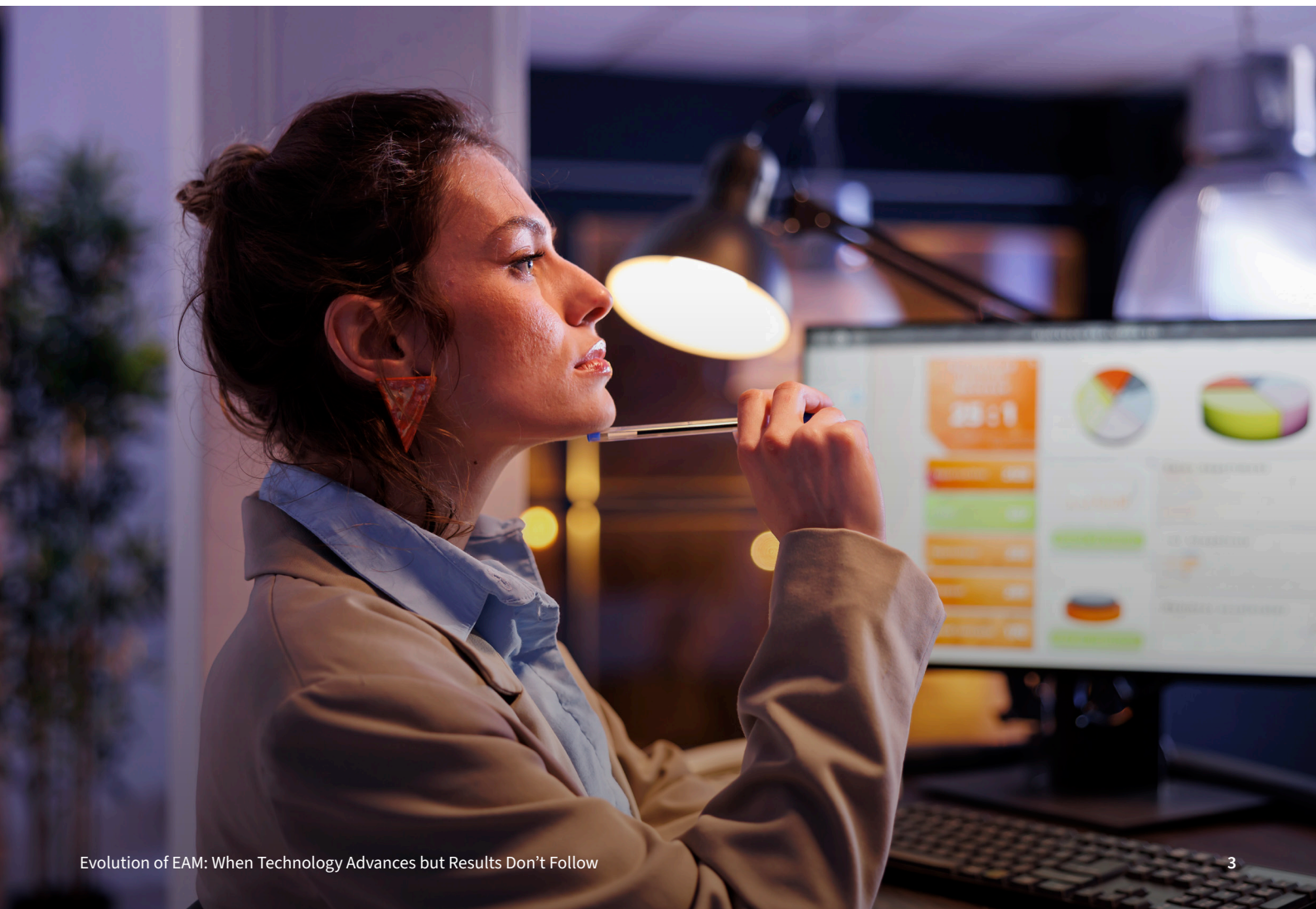
KEY OBSERVATIONS

Asset-intensive industries rely on advanced tech solutions to optimize asset utilization. Many of the ERP and EAM solutions in place among the organizations surveyed are falling short of company needs. Primary frustrations among asset-intensive organizations in Enterprise Asset Management revolve around access to complete and actionable data – both internal and external.

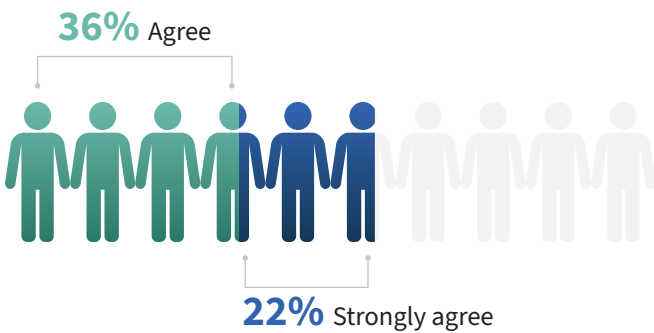
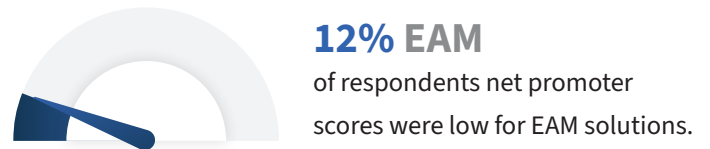
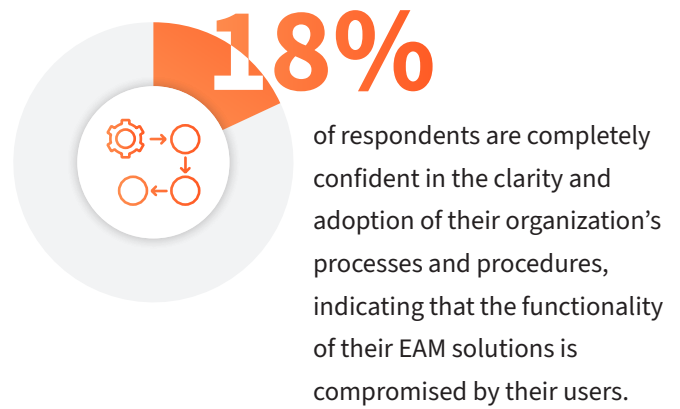
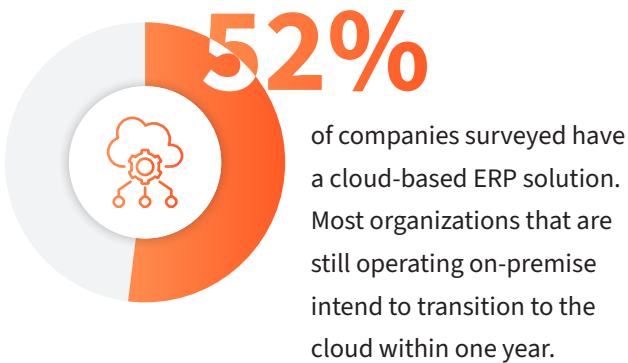
The implication here is that while EAM solutions have improved significantly, reported levels of satisfaction among key stakeholders haven't risen accordingly. We identify likely misalignment among four key factors: technology, data, people (user adoption) and processes. For example, many companies will heavily invest in a solution without re-aligning their processes, or re-engineer their processes for a unique scenario but not have quality data or technology to enable the process.

Organizations recognize the importance of cloud-based solutions to maximize performance. Many have transitioned to the cloud, with more planning a transition. A significant cohort, however, has no transition plans, citing cost and ROI as restricting factors.

The ultimate takeaway is that it is not enough to solely focus on improving one of these factors to achieve ultimate results – but rather to manage your program holistically across these four key factors.



FEATURED STATS



58% of those surveyed either agree (36%) or strongly agree (22%) that their organization has very mature asset management tools and processes, despite the fact that they also reported a low NPS score for their solutions and a low confidence in their organizations processes and procedures. Organizations need the technology, people and process to be updated and in sync, which requires the proper training and adoption.



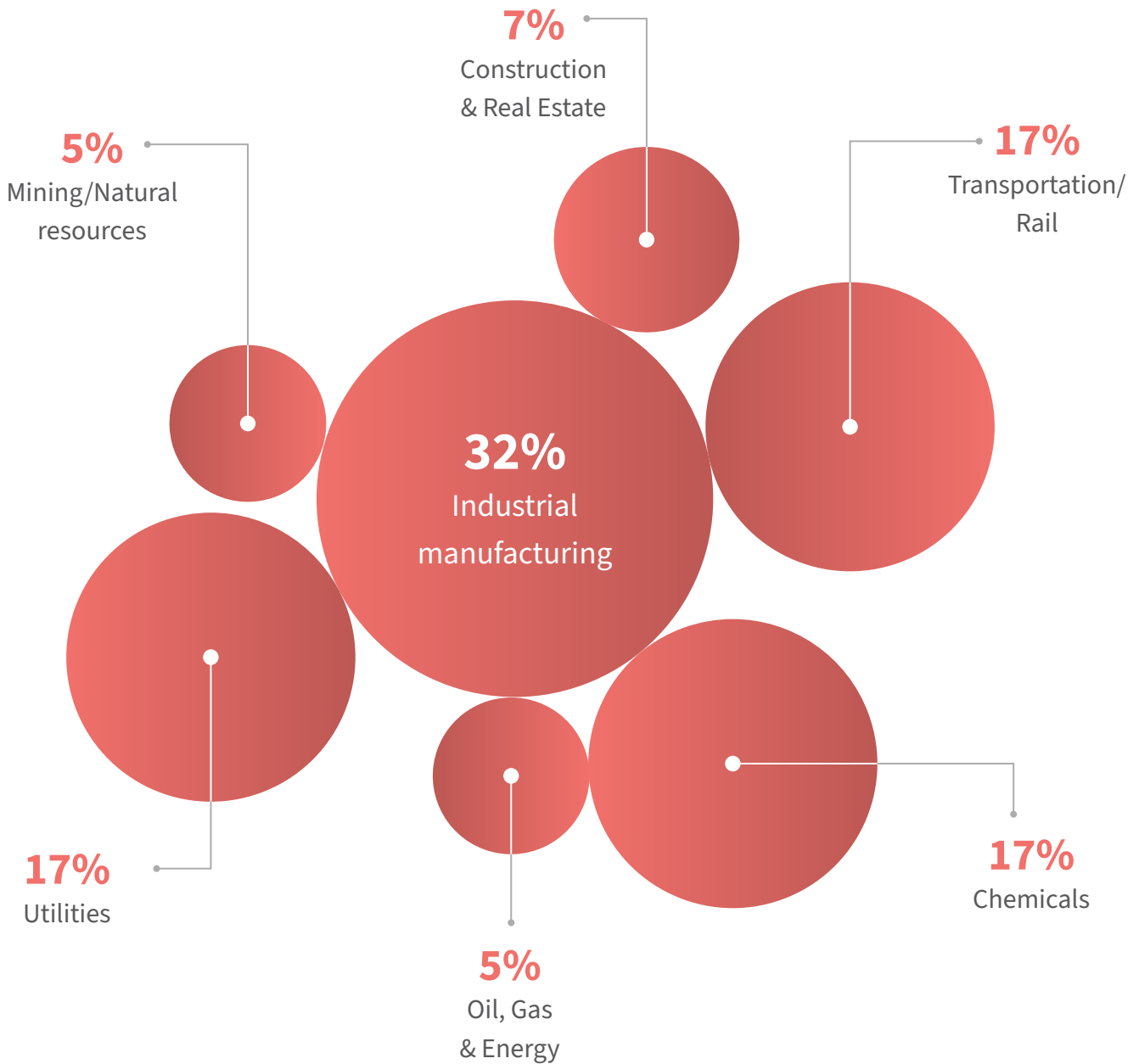
Changing regulatory environments and fluctuations in the economy are being highly monitored for how they can or will impact asset-intensive companies. Higher costs from the former are worrisome, especially if there is a downturn in the latter.

Net Promoter Score (NPS) is a metric used to measure customer loyalty and satisfaction, usually between -100 and +100 calculated from surveys to customers.

RESPONSE RECAP

■ We heard from asset-intensive organizations in a range of industries, with most in industrial manufacturing, chemicals, utilities and transportation. Other industries represented in the survey include construction/real estate, mining/natural resources and oil, gas and energy.

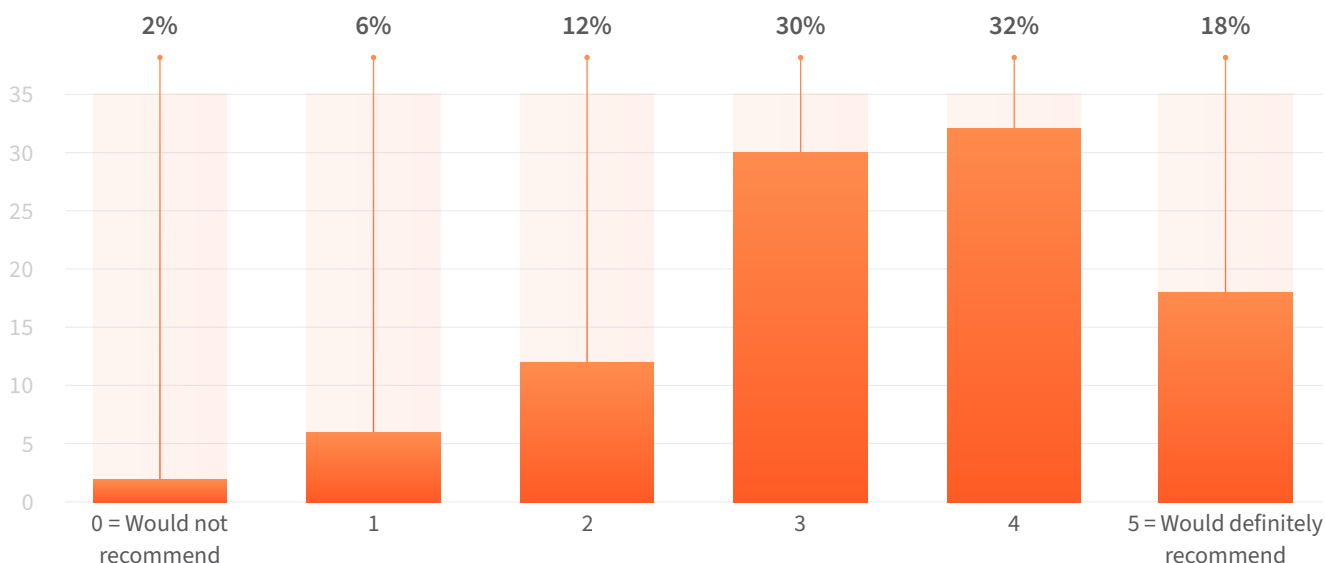
What is your company's primary industry?



SURVEY TRENDS

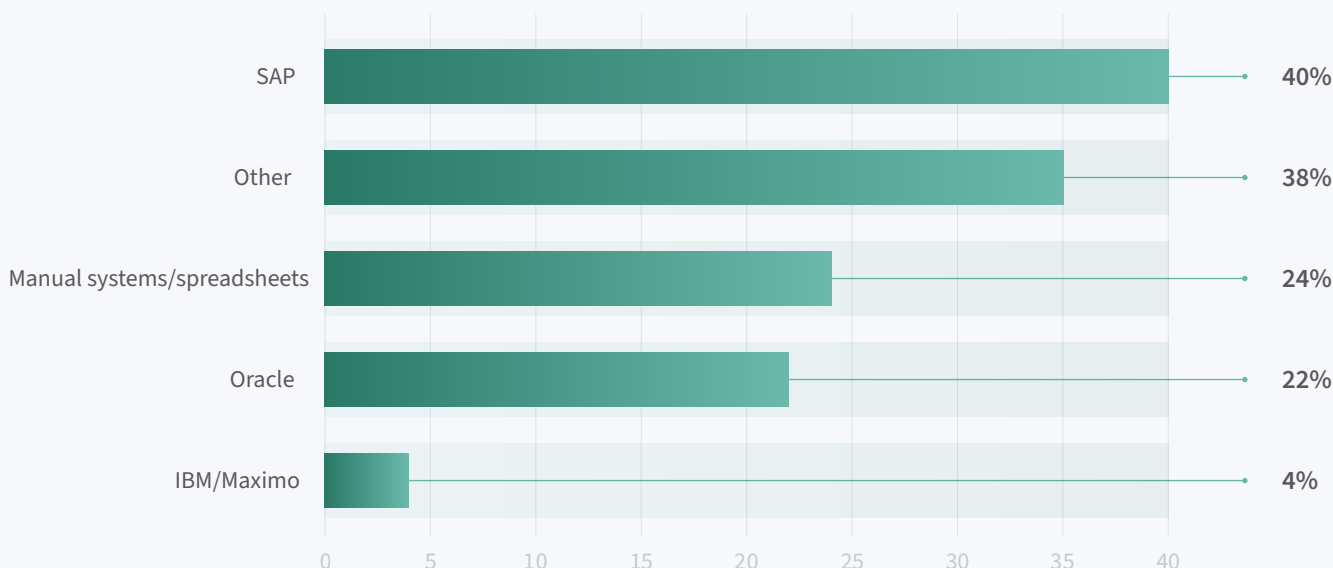
■ Satisfaction with the status quo is low. Under one-fifth are promoters: the customers so satisfied with a product that they'd recommend it to others. About one-third are passives: they are satisfied enough but not so pleased that they'd suggest it to peers. The remaining half are detractors. Detractors will likely switch and would possibly discourage others from adopting the product.

Q1 - On a scale of 0 to 5, rate how likely you are to recommend to your peers your current ERP solution.



■ SAP is the most widely utilized ERP solution in use among respondents. Surprisingly, almost a quarter of those surveyed are using manual systems and spreadsheets – sometimes as a standalone solution, and sometimes as a back-up or fail-safe for an ERP. In the latter case, manual systems fill gaps in system functionality or the users' knowledge of using their ERP's full range of capabilities.

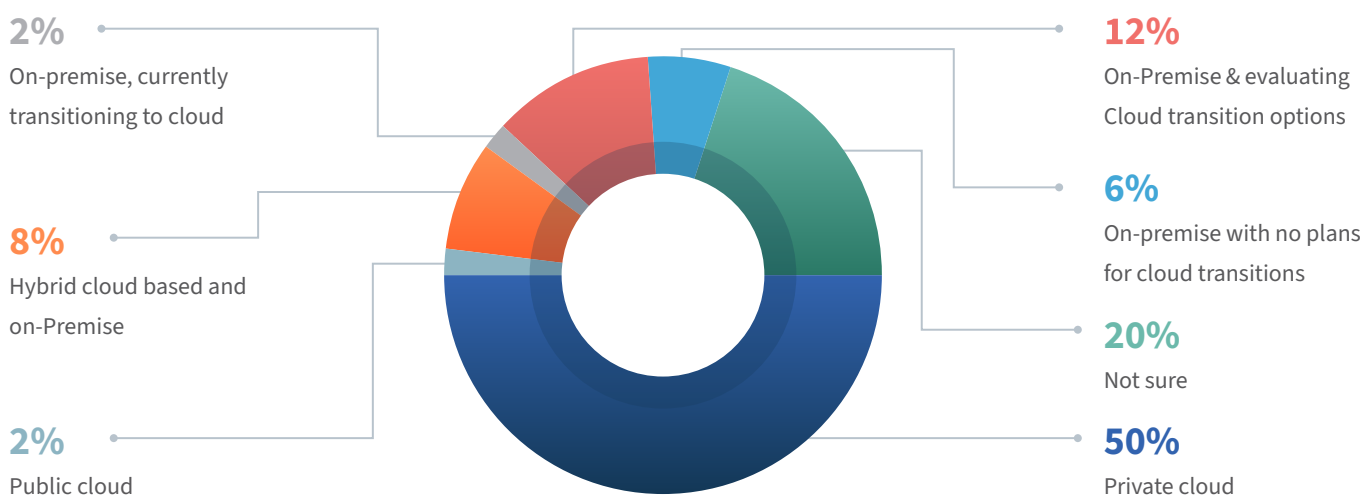
Q2 - What solution(s) are you currently using for asset management?



■ Over half of respondents are using a private or public cloud for their ERP, as recommended by most providers. Around 18% are still on premise, though about two-thirds of that group are planning a cloud transition. For those planning to transition, the majority had timelines of one year or less. Only 2% cited public cloud, which may lend itself to more flexibility; however, this may lead to limitations in using AI which could cause future barriers.

Seeing that only 52% of respondents are fully cloud-based could explain some of the dissatisfaction from question two, since cloud deployment allows regular updates with new functions and improved usability. Other sources of dissatisfaction could be lack of a clear transition plan or, for the 40% either hybrid or in evolution, confusion about moving forward.

Q3/3A - How is your ERP deployed? If still on-premise, what's your cloud transition timeline?

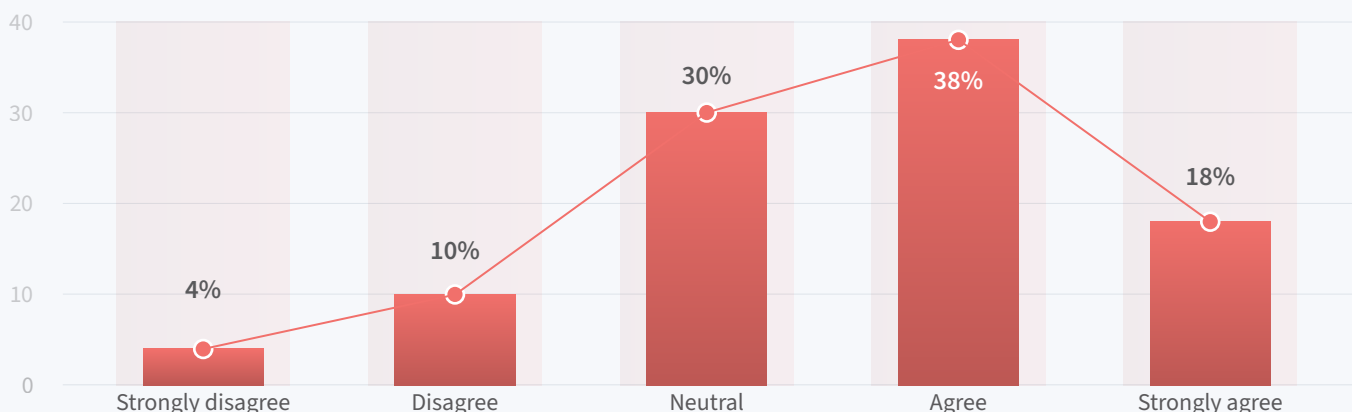


■ Respondents have decent confidence in their organizations' internal processes. About 18% think their company has clear, universally adopted processes and procedures. Another 38% have fair confidence with some room for improvement. Another 44% acknowledge either moderate or serious lack in this arena.

For asset management to run smoothly, updated technology must be aligned with the processes and the necessary training and change management. Without consistency across the organization, major, costly errors can ensue – particularly among the asset-intensive organizations represented in this survey.

Q4 - To what extent do you agree with this statement?

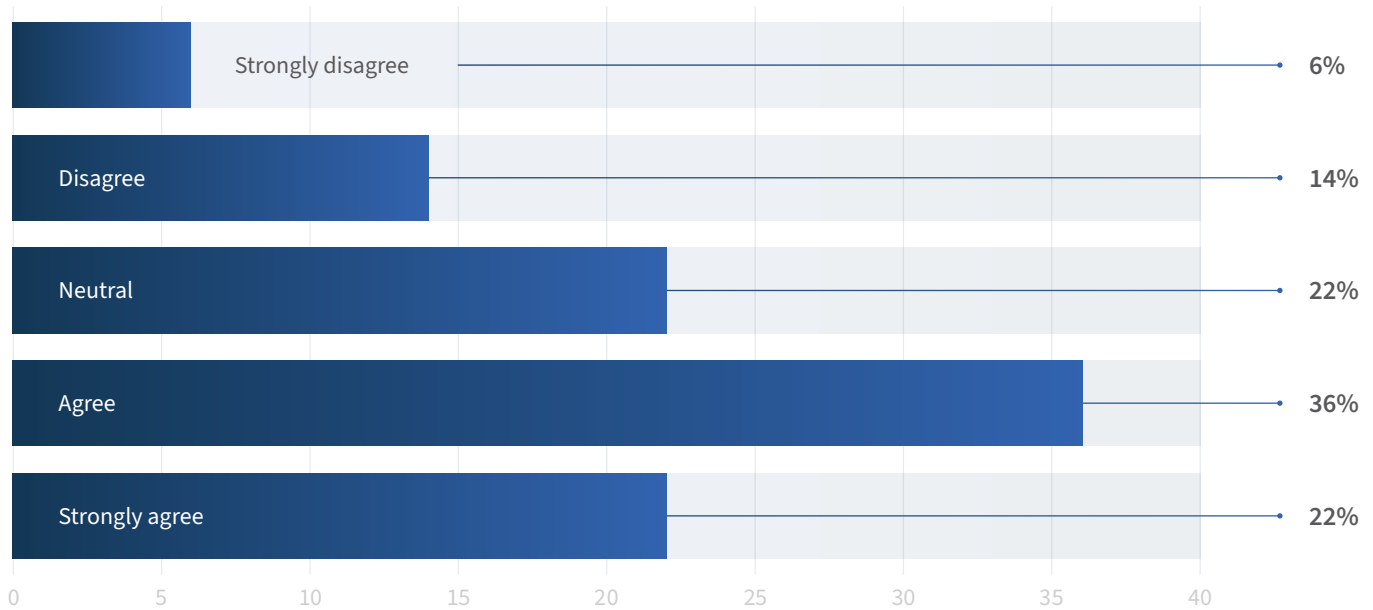
Our organization has defined, universally adopted processes and procedures for asset management.



■ Responses were similar regarding organizations’ capabilities in asset management. How many consider their asset-intensive company “very mature” in managing those assets? While the majority of respondents either agree (36%) or strongly agree (22%), making a positive collective majority, there is still room for improvement.

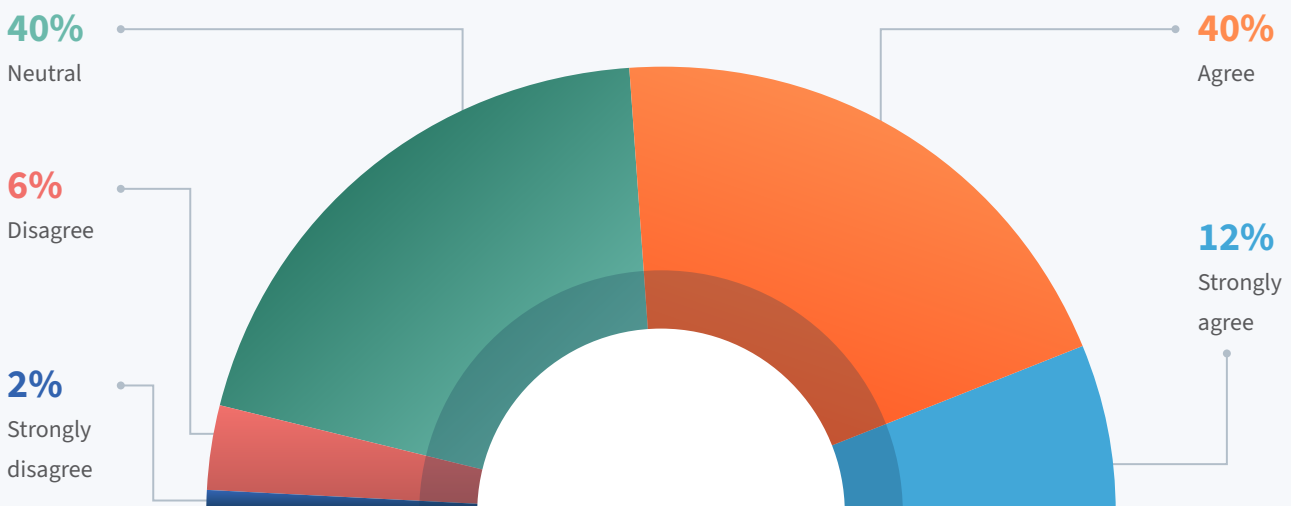
This collective majority ironically highlights the gaps we see between people, processes, data and technology. Respondents confident in their asset management would reasonably recommend their system – but the opposite is true, as seen in the low NPS scores below. This signifies a disconnect between confidence in the process and confidence in the results.

Q5 - To what extent do you agree with this statement?
 Our organization is very mature in asset management.



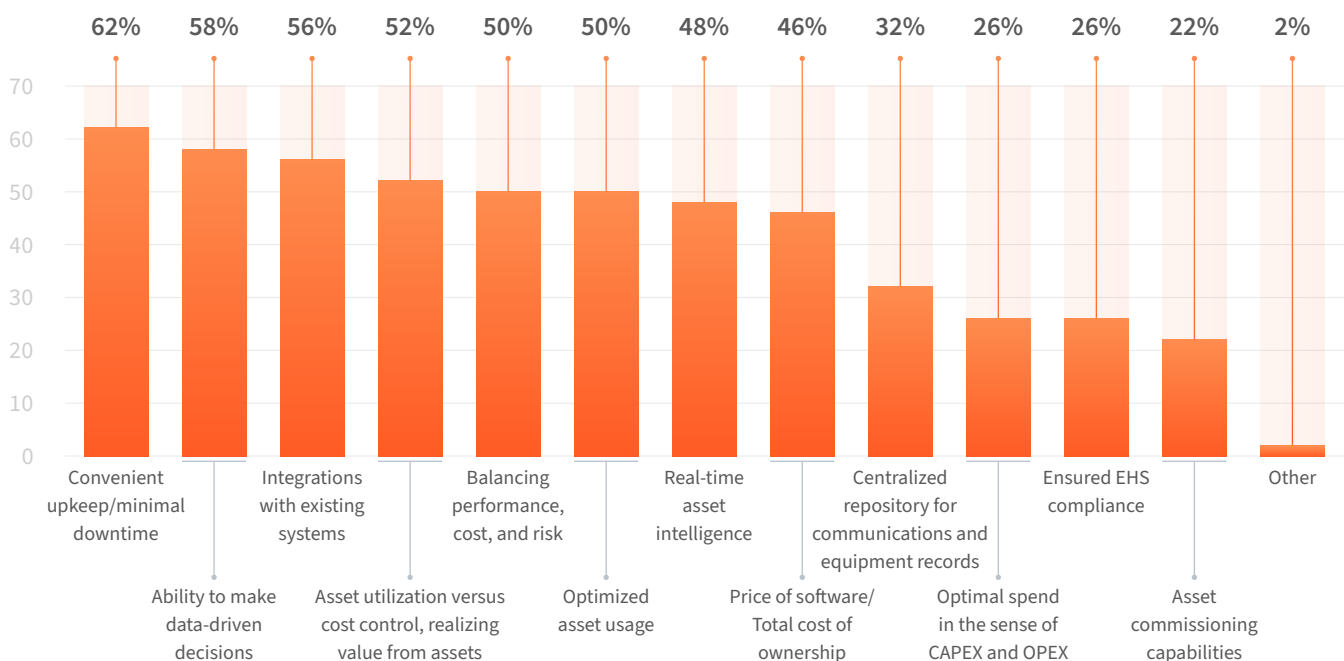
■ Enterprise Asset Management (EAM) solution satisfaction is similar but slightly lower than overall ERP satisfaction. Only 12% are promoters. Another 40% are passives, and 48% are detractors.

Q6 - To what extent do you agree with this statement?
 We are satisfied with our current EAM solutions.



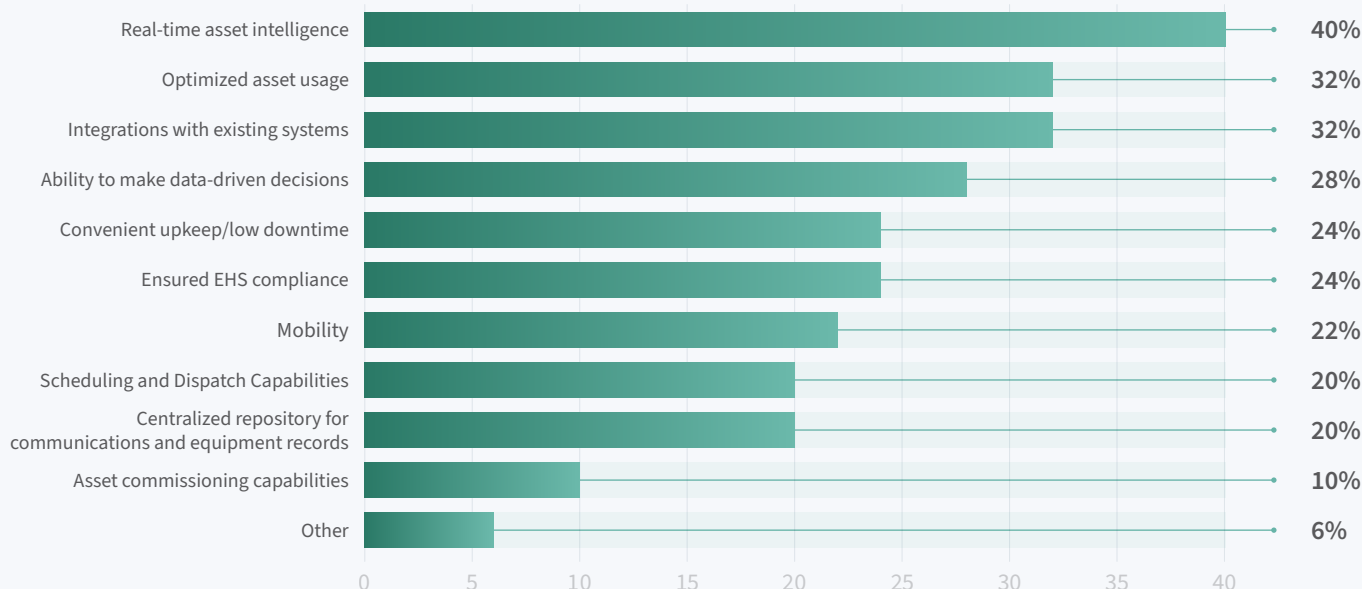
■ The selection process for any system is complex. When asset-intensive companies choose an EAM solution, most look at integrations with their tech stack, optimal asset utilization, balancing performance with costs (financial and otherwise) and convenient upkeep with minimal downtime. Other common factors include the ability to make data-driven decisions and costs involved with a systems change. The “other” option added was user friendliness.

Q7- Which factors are important when selecting an enterprise asset management solution?



■ Looking at current EAM solutions’ shortfalls, we see some overlap with the functions deemed important in the previous question, particularly the functions that utilize data for optimal operations. Optimized asset usage, cited as important by half of respondents, is lacking for 32% of asset-intensive companies. Real-time asset intelligence, important for just under half of respondents, is lacking for 40%. Ability to make data-driven decisions was cited as important by nearly 60% of respondents and is lacking for almost one-third. Interestingly, all open-ended answers for “other” were uncertainty about current lack.

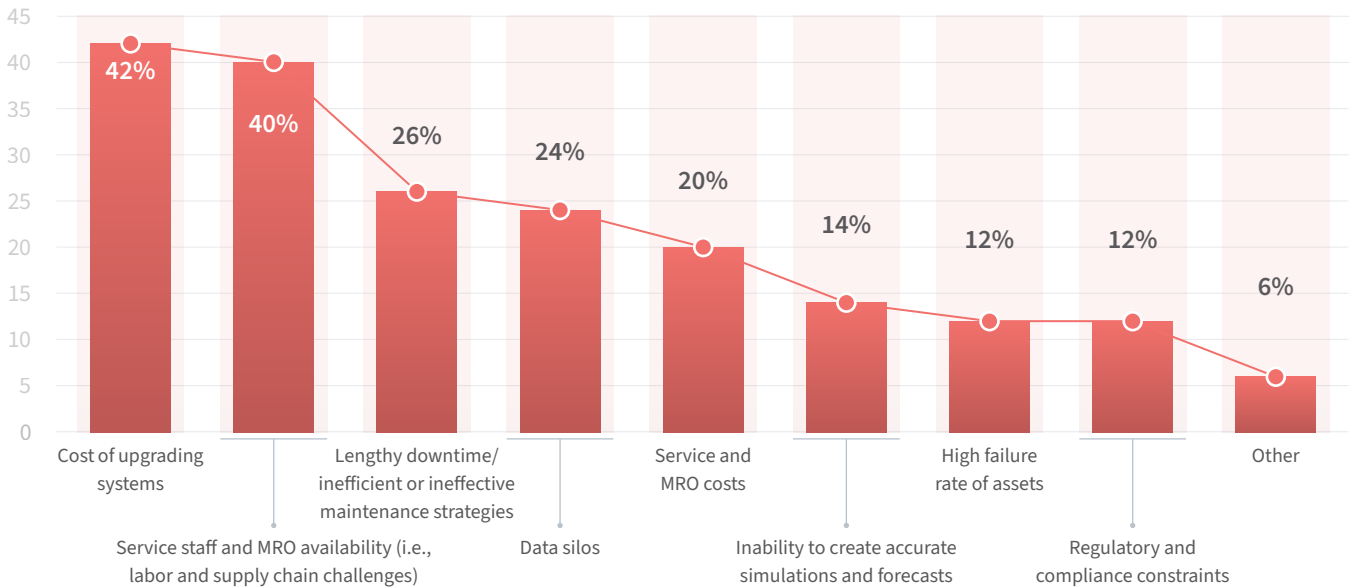
Q8 - Which functions are lacking in your current enterprise asset management solution?



■ Companies know that staying current with ERP and EAM solutions are critical for success and growth. This question revealed why dissatisfied companies haven't yet upgraded: cost. Of course, cost must be balanced with safeguarding for the future. Necessary investments curtail risk for potential harmful challenges, like failure rates.

Other barriers to optimal performance in the coming year included persisting labor shortages and supply chain challenges, ineffective maintenance strategies (and the ensuing downtimes) and data silos. Open-ended answers revealed that organizations see other factors contributing to their success probably more than their ERP.

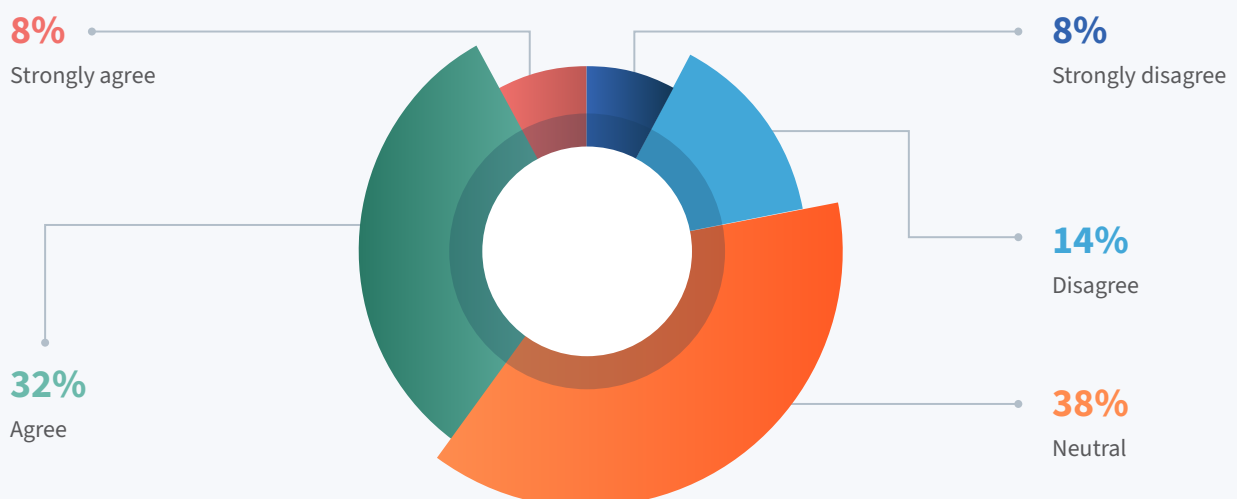
Q9 - What are the largest factors impeding your organization's growth or success in 2025?



■ Earlier questions established the frustration with lack of centralized, actionable internal data. Even worse is access to external data; most respondents are flying blind on industry comparative information. Only 8% strongly believe that they have a clear grasp on their company's place in their industry. Another third has moderate faith in their industry insights, and the remaining 60% have neutral or negative sentiments about their company's insights on essential industry data.

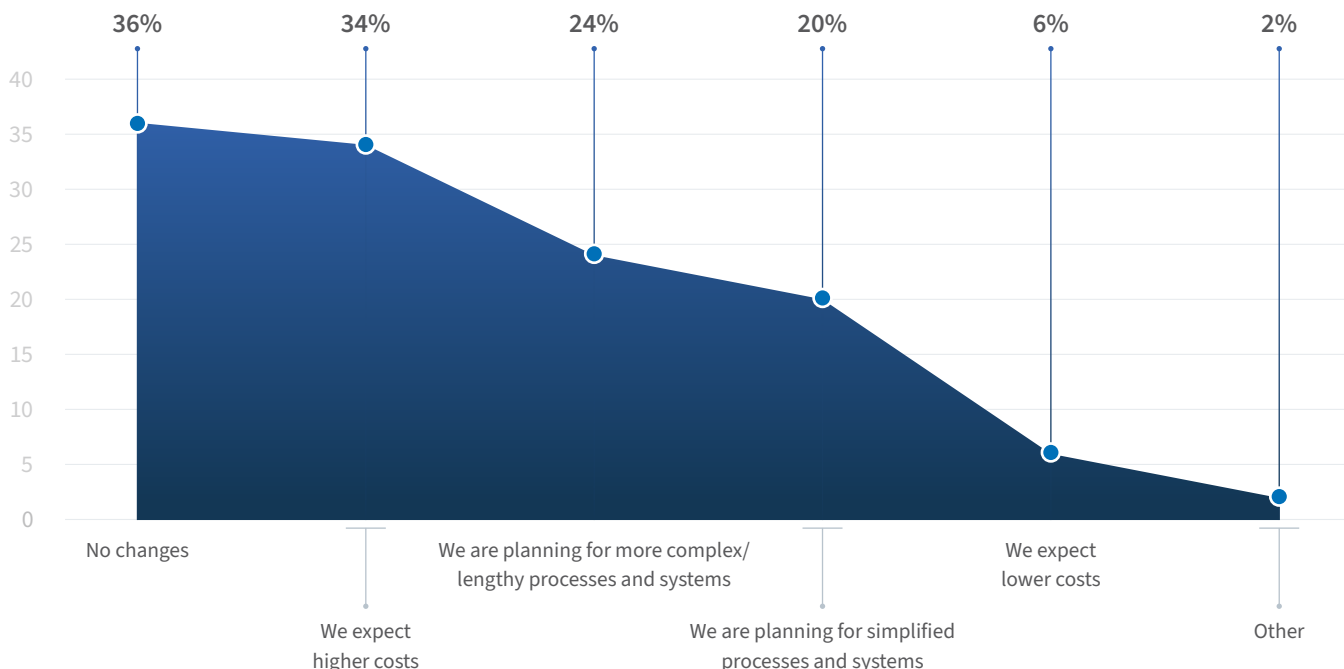
Q10 - To what extent do you agree with this statement?

Our organization has a clear grasp on data and how we stack up within our industry.



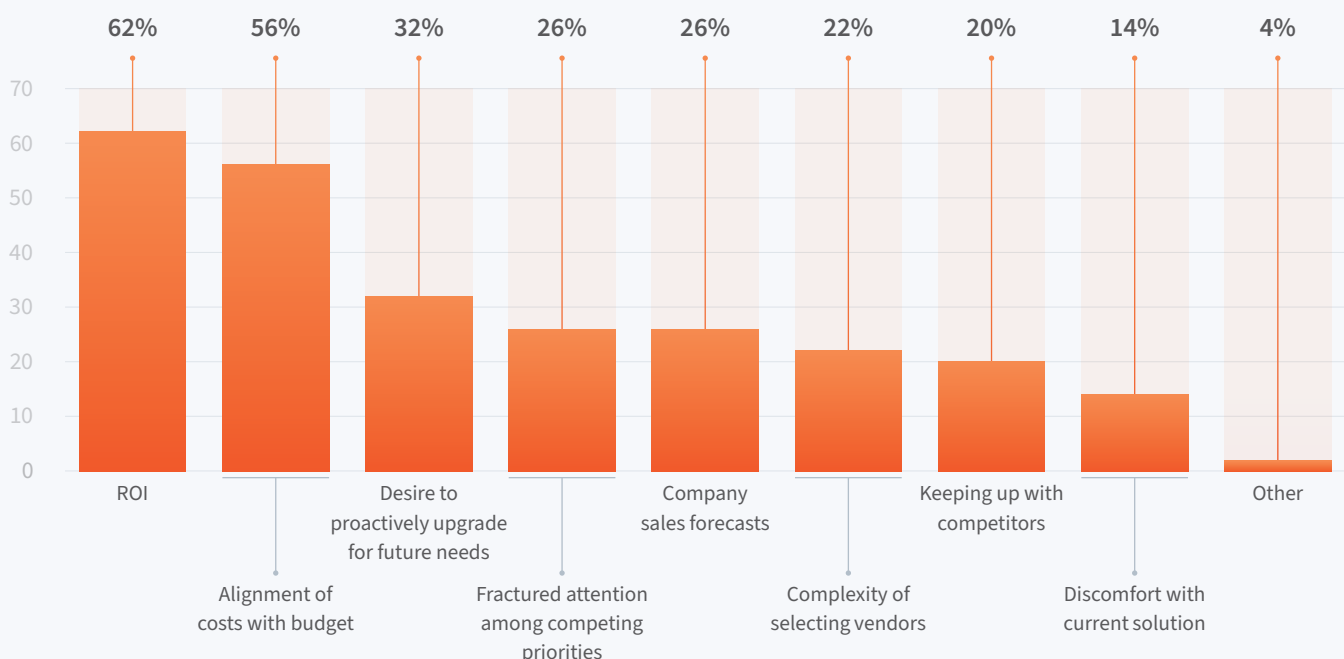
■ **Asset-intensive organizations tend to operate in industries subject to complex regulations. A third of businesses anticipate increasing costs, and just under a quarter foresee more complex and lengthier processes. Interestingly, the most common answer was that no changes are anticipated in business operations or strategy.**

Q11 - How are unfolding regulatory changes impacting the way you do business?



■ **The anticipation of increasing costs from regulatory changes could be impacting timelines for ERP and/or EAM solution upgrades. Over half of respondents cited both ROI and alignment of costs with budget as major internal factors in tech decisions. In the other category, respondents shared desires for needs assessments, as well as control over upgrade decisions being held within the upper echelons of leadership.**

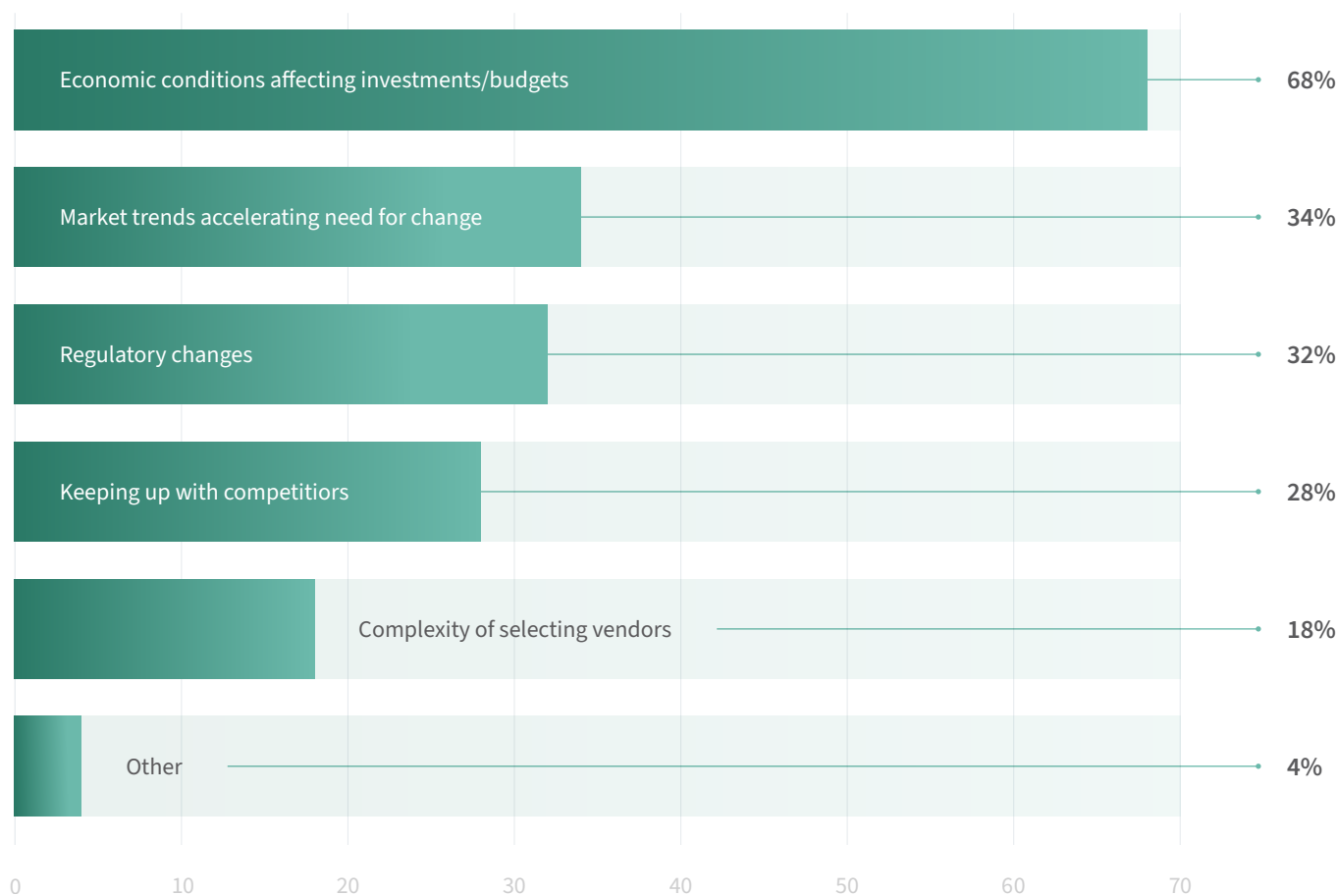
Q12 - What internal factors affect decisions and timelines on tech upgrades?



■ Looking at external elements impacting tech upgrade decisions, the frontrunner is the economy’s influence on companies’ spending power. The next most popular indicators are market trends, regulatory changes and keeping up with competition.

While companies address cost concerns and potential economic swings, a third financial and ROI consideration is crucial: cost of failure. Strong asset management is risk management – from critical points of failure to observing and screening high risk operations. If something goes wrong, like a pump not working or a transmission tower falling over, good data can mitigate detrimental outcomes – or prevent the incident in the first place.

Q13 - What external factors affect decisions and timelines on tech upgrades?



Conclusion

Although EAM software has improved significantly in recent years, a lack of insight remains around the people and process elements of the overall programs. In such complex environments, improving one factor will not automatically improve the others. Holistic and integrative improvements are critical.

So where can an organization go from here?

The question is not whether to move to cloud or not, this direction is the direction of the industry. But while technologies continue to update and evolve, the business processes need to evolve in parallel to drive the greatest value. In parallel, organizations need to equally invest in change management to ensure training and user adoption of tools, as well as confirming that processes are reflected in the technology and calculated into your ROI. Therefore, gaining the support of external advisors that can help safeguard this journey is critical to ensure you are getting the most of your overall program and remain competitive into the future.

In essence, the choices are threefold



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