

# ENTERPRISE ASSET MANAGEMENT

## MAXIMIZE RETURN ON ASSETS WITH AN END-TO-END SOLUTION

What is your strategy for maximizing return on enterprise assets? You must reduce costs, manage capital expenditures, and improve asset utilization and maintenance. The SAP® Service and Asset Management solution can help, providing end-to-end, integrated functionality for complete enterprise asset management.

### Gaining Competitive Advantage with Integrated Asset Management

These are challenging times for companies in capital-intensive industries, especially discrete, process, and service industries. These companies require large up-front investments. While the opportunity for economy does exist after start-up, the level of financial commitment remains high because of the depreciation, maintenance, and upgrade of fixed assets. Experts estimate that maintenance costs in these industries – which can represent 20% to 40% of operating costs<sup>1</sup> – have risen an average of 10% to 15% per year since 1979.<sup>2</sup> These experts state that up to one-third of the now over US\$1 trillion spent annually for maintenance may actually be wasted.<sup>3</sup>

Companies are under increasing pressure to reduce costs, meet tougher performance and production targets, comply with regulatory requirements, and maximize return on assets. Those with vision are looking for opportunities to reduce the cost of maintaining their assets and to improve the performance and extend the life of those assets. To accomplish this, they want to speed up information and decision making and gain a competitive advantage by opti-

mizing business processes throughout the asset life cycle. A collaborative and integrated approach to enterprise asset management can yield significant savings and improve the operational performance of your asset investments. This new approach spans all phases of the asset life cycle – investment planning, specification, design, asset construction, operations and maintenance, and, ultimately, decommission and disposal.

### Driving Profits Through Maintenance Excellence

Are your physical and production assets underperforming? Do you spend too much time reacting to maintenance events or coordinating information across departments instead of proactively managing equipment uptime? Do you see an opportunity for a positive impact on the bottom line if you could just improve your asset management processes?

If your answers are “yes,” it may be time to look at asset management in a more holistic and collaborative business context. Like many other companies, you can drive profits by balancing performance, risk, and cost to achieve asset management excellence and optimum return on your asset investments.

1. IBM Business Consulting Services (previously PricewaterhouseCoopers).  
2. Terry Wireman, *Benchmarking Best Practices in Maintenance Management*.  
3. Ibid.



You can drive profits by balancing performance, risk, and cost to achieve asset management excellence and optimum return on your asset investments.

Many companies of the following asset-intensive industries already benefit from this collaborative and holistic approach of enterprise asset management:

- Aerospace and defense
- Automotive
- Building materials
- Chemical
- Facilities management
- Fabricated metal products
- Forest products and paper
- Government and public sector
- High tech
- Mining
- Petroleum
- Primary metals
- Transportation
- Utilities

### **An End-to-End, Integrated Solution for Enterprise Asset Management**

The SAP® Service and Asset Management solution provides complete, end-to-end, integrated functionality for efficient

enterprise asset management. The solution gives asset owners and operators, asset service providers, and all parties involved in the asset service network visibility into real-time, real-world awareness of asset performance and maintenance issues. Real-world awareness, in turn, enables proactive response to and rapid correction of concerns or problems.

With the SAP solution, you can manage physical assets – production plants, capital equipment, vehicle fleets, and facility complexes – over the entire life cycle of the asset. In conjunction with its powerful reporting and analysis functionality, the SAP software helps you reduce operating costs, better manage capital expenditure, and improve asset utilization. In addition, your staff gets straightforward, role-based access to their tasks – including maintenance planning, maintenance scheduling, and maintenance execution – which increases their efficiency.

Based on the open architecture of the SAP NetWeaver® technology platform, SAP Service and Asset Management can be seamlessly combined with SAP and non-SAP applications for network-wide visibility and control of your asset services.

#### **Investment Planning, Asset Specification, and Design**

With support for investment planning, asset specification, and design, you will be able to plan and simulate business

growth, manage investments, enable collaborative engineering for specification and design, and enable collaborative project management.

#### **Procurement and Asset Construction, Installation, and Implementation**

The software gives you support for procurement and asset construction, installation, and implementation, which can help you more effectively select qualified suppliers and candidates. You gain support for managing the bidding process and handling contracts. The software helps you manage collaborative projects, collaborative engineering for change management, and information and documents for commissioning and start-up activities. In addition, it can help tighten your control over projects and investments.

#### **Maintenance and Operations Management**

With support for maintenance and operations management, you will be able to manage all technical assets, including documents and equipment. You gain support for planning and executing general maintenance for reliable operation as well as preventive and predictive maintenance. The software helps you manage environment, health, and safety issues as well as work clearance issues. You will be able to manage mobile assets by integrating radio frequency identification technology. Comprehensive support is provided for managing maintenance, repair, and operations (MRO) parts and services

procurement as well as MRO inventory. The software facilitates management of employees and contractors, integrated asset accounting, maintenance budgeting, and analysis of asset performance.

#### Decommissioning and Disposal

The support the software provides for decommissioning and disposal can help you better manage asset transfer and disposal, regulatory compliance, and asset remarketing.

#### Benefits of Using SAP Service and Asset Management

SAP Service and Asset Management can help your enterprise get the most from its assets and facilities. The software's functionality covers the entire asset life cycle across the asset support network, helping you manage those investments and related costs through every phase of ownership. Your internal organization gains broad, efficient support for maintaining in-house equipment and assets that covers installation, repair, decommissioning, and disposing of products, equipment, and facilities. Because the software helps you manage these activities so efficiently, you gain the opportunity of expanding your service offering to include fee-based asset management, which today can represent a lucrative increase in revenue.

Service and maintenance organizations using SAP Service and Asset Management can grow their service-related

revenues and improve service efficiency and productivity. With the software, they can reduce maintenance operations costs, increase uptime and reliability, trim investments in service spare parts, improve return on assets, boost bottom-line performance, and increase customer and end-user satisfaction and loyalty.

#### Low Total Cost of Ownership

The SAP Service and Asset Management solution helps you achieve low total cost of ownership. As an integrated solution for asset owners, asset operators, and their service providers, the SAP solution eliminates the need for implementing, learning, and maintaining disparate and often incompatible applications that must be linked by multiple, costly interfaces. Because the software supports close integration with other enterprise activities, you benefit from immediate and smooth interaction with your other vital operations, including financials, inventory, procurement, HR, and analytics, to name just a few.

#### Find Out More

Interested in joining the companies in more than 100 countries active in all asset-intensive industries already profiting from enterprise asset management software from SAP? For details on how the software can help your company manage end-to-end asset management processes and become more competitive, visit our Web site at [www.sap.com/solutions/sam](http://www.sap.com/solutions/sam).



The SAP Service and Asset Management solution provides end-to-end, integrated functionality for complete enterprise asset management.

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## Summary

The SAP® Service and Asset Management solution supports organizations in efficiently managing their enterprise assets. Its end-to-end, integrated functionality helps companies reduce operating costs, better manage capital expenditures, and improve asset utilization – from installation to maintenance, repair, and decommissioning.

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## Challenges

- Enhance productivity of maintenance staff
- Manage capital projects
- Optimize procurement and asset construction, installation, and implementation
- Optimize maintenance and operations
- Minimize equipment downtime
- Optimize service parts inventory
- Manage commissioning and disposal

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## Supported Business Processes and Software Functions

- Investment planning and asset specification and design – Control business planning and simulation, investments, and specification and design
- Procurement and asset construction, installation, and implementation – Optimize supplier selection, bidding, and contract management
- Maintenance and operations management – Plan, execute, and budget maintenance; manage mobile assets; optimize parts and services procurement and parts inventory; manage employees and contractors; analyze asset performance
- Decommissioning and disposal – Optimize asset transfer, remarketing, and disposal; manage waste; manage regulatory compliance

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## Business Benefits

- **Manage physical assets from purchase to end of life**
- **Experience real-time visibility of asset performance and maintenance**
- **Boost revenue** by managing service more efficiently
- **Improve efficiency** with integrated project management and centralized information
- **Maximize investment** by controlling specifications procurement
- **Improve financial reporting and analysis** by capturing all service, maintenance, and repair revenues
- **Increase production** through improved procurement practices and better maintenance management

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## For More Information

For details on how SAP can help your company meet its goals for enterprise asset management, visit our Web site at [www.sap.com/solutions/sam](http://www.sap.com/solutions/sam).

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