

## Asset Performance Management Working Group – A Brief Statement of Objectives

*Dr. Ananth Seshan, Chairman, APM Working Group*

Asset Performance Management is a term very broadly used for getting the most value from the operational assets in a manufacturing organization or a utility. It departs from the conventional view of looking at an operational piece of equipment as a depreciating asset – but rather as a driver of business performance and sustainability. No longer is maximizing the net return on production assets considered only as an operational metric – it is now regarded as one of strategic importance due to the impact that good APM initiatives can have on business growth and competitiveness. As such there have been different primary drivers for an APM initiative depending upon the industry – all of them fundamentally aim at minimizing cost in a systematic and sustainable way to maximize productivity, risk avoidance, serviceability, quality, energy conservation, etc.

The emerging trend is one that looks at APM evolving in an organization due to a synergistic combination of all of the above drivers. In other words, no longer is a utility only interested in regulatory compliance as a driver for APM - but also wants to put in place a multi-pronged strategy of maximizing productivity and quality as well via enhanced asset performance. Similarly, the discrete manufacturing industries do not want to restrict the effectiveness of their asset use to only contribute towards maximizing productivity or quality alone – they would also like to include risk avoidance and energy efficiency as part of their objectives. Slowly companies are transforming from defining multiple initiatives that address asset performance as part of those initiatives to an Asset Performance Initiative that spans multiple disciplines and stakeholders within an organization.

As a consequence of the above-mentioned there is a need to move away from traditional thinking as regards to APM. Conventional thinking will drive the maintenance or the reliability engineering departments with a mandate to exercise oversight on the operational assets to ensure proper implementation of APM. This is expected to evolve. While the maintenance organization will still hold the majority stake in APM, there will be many other significant stakeholders in the next generation APM that will include the executive, operations, energy management, risk management, finance, quality and purchasing.

What does this mean to the future outlook on Asset Performance Management? How can the multi-pronged strategy be systematically formulated and implemented successfully? In other words, how can an organization start from the ground up to build a sustainable and a practical APM program which is not onerous on their resource base? Can we build a “APM Maturity Model” that identifies multiple levels of maturity with each level graduating to the next higher level based on well defined metrics? If so, what metrics should those be? Can we succinctly identify the benefits that can accrue to an organization as it graduates to every new level? What technologies, practices and simple operational procedures should be put in place? What training is necessary for an organization to achieve and graduate from each level of maturity?

These are some of the questions that shall be answered by the MESA Working Group for APM over the next couple of years. The group members shall be from a broad spectrum of the process and discrete manufacturing industries and utilities. The members shall represent global leaders in their respective industries and shall be the responsible owners or key influencers within their organization for the implementation (or planning) of a APM strategy. A guideline will be developed for the next generation APM practice. This guideline shall be disseminated in a series of workshops and piloted in the respective members’ organizations. The outcome of the pilots shall be published.