

Point of View (POV)

Why is Asset Management important for business continuity and what are good solutions?

Asset-driven companies face many challenges. They operate in an internationally competitive market and staying on top is not only important for profitability, but it is a necessity for survival. Companies need to change their strategy and adapt to the new asset infrastructure. It is essential to define solutions to maintain asset quality and output, increase shareholder value, maximize return on assets while reducing Capex, and create an incident-free business to protect the license to operate while reducing maintenance costs. New technology, new pricing strategies, new customer demands, new regulations, challenging labor markets, new competitors, energy costs/availability and not least environmental obligations to society make it a challenging business environment.

Selas & Partners defined an Asset Management perspective for their clients, delivering customized, future-proof answers based on our industry knowledge, experience and best practices for asset management (Engineering, Operations & Maintenance). Technology is used as an engine for maximizing business value and achieving the desired balance of cost, risk and performance for the entire asset lifecycle. Investigation by Selas reveals that there are five critical Asset solutions to ensure the best performance in Asset Management. This POV discusses these five solutions and provides insights on how to apply them.

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The changing world of Asset Management, by KPMG

Asset managers face a decisive period in the aftermath of COVID-19. In a market that was already undergoing significant changes, the pandemic has intensified competitive pressures. Low growth and weak financial results, combined with changing client expectations, increased competition from new digital players, stricter regulation and a need for digital transformation across the enterprise, mean that the industry must react and evolve quickly.

The current dynamics are expected to create an unprecedented scale of change - and thus opportunities - in the coming years. Those asset managers agile enough to adapt their business and operating models now are likely to reap the rewards.

An asset manager that is future-ready and connected to the market can respond quickly to market signals and pivot to capitalize on opportunities as they arise. Success in the future means being connected to clients, market dynamics, employees, channels and business partners and alignment between front, mid and back office. KPMG Connected Enterprise for Asset Management is our framework and approach for customer-centric, end-to-end digital transformation that can meet the new demands facing asset managers.

New operating approach to emerge

To deal with these signals of change, asset managers must develop a business approach supported by a connected operating model. The future is about breaking down silos to form a virtuous circle of value creation - from customers and colleagues to the broader ecosystem of stakeholders, partners and communities. This can only happen if the company creates more operational interconnectivity and alignment than ever before.

Strategic imperatives and impacts

We believe there are five strategic imperatives for almost any asset manager in the new market landscape forming today:

- Meeting the changing needs and expectations of clients;
- Driving cost efficiency;
- Adopting new and more flexible ways of working driven by technology;
- Complying with increasing regulatory changes and ongoing geopolitical volatility;
- Playing a distinct role within the broader ecosystem.

In order to deliver on these strategic themes, KPMG professionals¹ have identified eight capabilities that, together, align the operating model to focus on delivering value to the customer and the business. These are cross-functional and apply across the operating model.

Our recent research conducted by Forrester Consulting found that over half (52%) of respondents are investing in at least six customer-centric capabilities.

¹ <https://kpmg.com/xx/en/home/insights/2020/11/the-future-of-asset-management.html>

Five solutions for improving Asset Management

Selas & Partners' own research reveals five main solutions that will improve the quality of Asset Management. This POV discusses the five solutions and provides insight into how they can be applied. The solutions will be tailor-made for each client. Asset Management goals are achieved by working on these five solutions.



Solution 1: Asset Strategy strengthens your asset management framework

Asset Strategy strengthens your asset management framework (to increase value creation from assets) by establishing AM policy, strategy, long-term plans, goals and a supporting management system. This enables good line of sight and translates the corporate vision into tangible AM goals.



Our clients would be interested in understanding how Asset Management can get more value from assets by developing Asset Management policy, strategy and underlying strategic plan. But also how portfolio decisions can be made better and more transparent. Last but not least, risk management must be integrated and financial management must provide insight into financial risks.

The added value of this solution lies in implementing a solid structure for creating more value from assets that are compliant with the market standards. It also provides long-term direction and a clear line of sight between objectives and activities. A cost control structure is put in place to support the achievement of AM goals, with all these activities having to contribute to the strategic plan. With this perspective, clients can successfully manage their asset portfolios.



What does Selas deliver?

Our competitive advantage is that we have real knowledge and experience in the client's domain. We are experienced in making a strategy work by using our Asset Management Model that is proven in practice and meets market standards (ISO 55000). In addition, we have the experience to create and successfully implement strategic Asset Management plans.

Solution 2: Predictable Plant optimizes sustainable asset performance

Predictable Plant optimizes sustainable asset performance by balancing performance, risk and cost to maximize business value. We implement Asset Performance Management best practices in conjunction with customer-selected software solutions. We implement industrial data analytical technologies to build data models. All this leads to continuous optimization of plant performance.



Simplified ARIM Model

In this solution, the most relevant questions would be about improving asset reliability, asset integrity and process safety, and this combined with controlling costs associated with unexpected failures. Predictability of asset performance through the application of Industry 4.0 technology is also one of our features. Last but not least, the remaining life of my equipment is what customers want to understand.

Asset strategy will be risk-based. Understanding asset health and performance will be highly valued, with better and data-based decision making that will increase asset availability, reliability and integrity in balance with performance and cost. Closing the loop is our motto here.

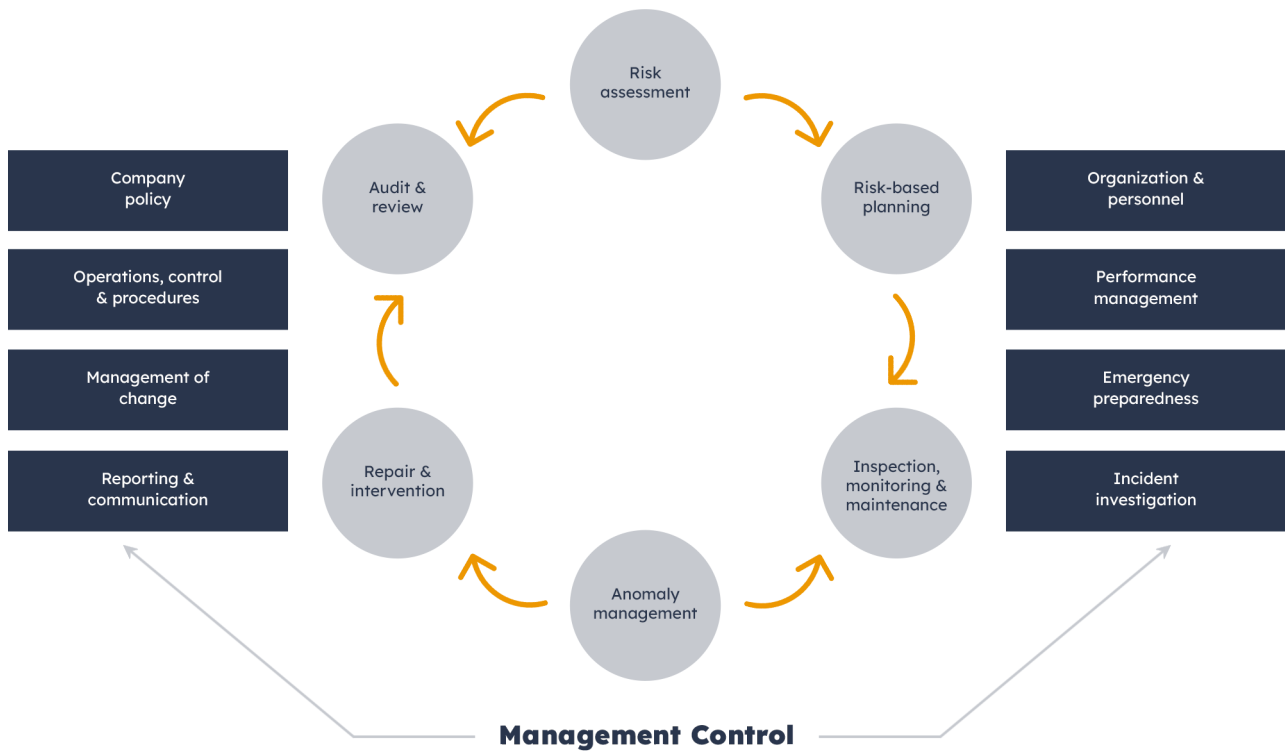


What does Selas deliver?

Our competitive advantage is that we know how to assess asset performance and optimization performance. We have deep technical knowledge of equipment and manufacturing processes and are aligned with companies providing predictive solutions and APM software. We are home-based and experienced across a wide range of industries and have proven ourselves in practice.

Solution 3: Asset Compliance & Integrity ensures all rules and legislation

Asset Compliance ensures that all regulatory and legislation related activities are performed verifiably to support your License to Operate by improving technical compliance & integrity management for all technical assets. Our solution is people-oriented and provides insight into why inspections and reporting are necessary.



Asset Compliance is about the readiness of the company for audits; is the asset management team well enough prepared for audits (e.g. safety, BRZO)? In addition; are non-compliances from previous audits resolved as they should be and how are the impacts of asset integrity issues reduced? Finally, it is important that the work processes on compliance are updated and that the compliance register is up to date.

Good compliance and integrity management will add value and provide clear insight into the applicable regulations and required actions, comply with all regulations and ensure that this process secures the license to operate with zero incidents.

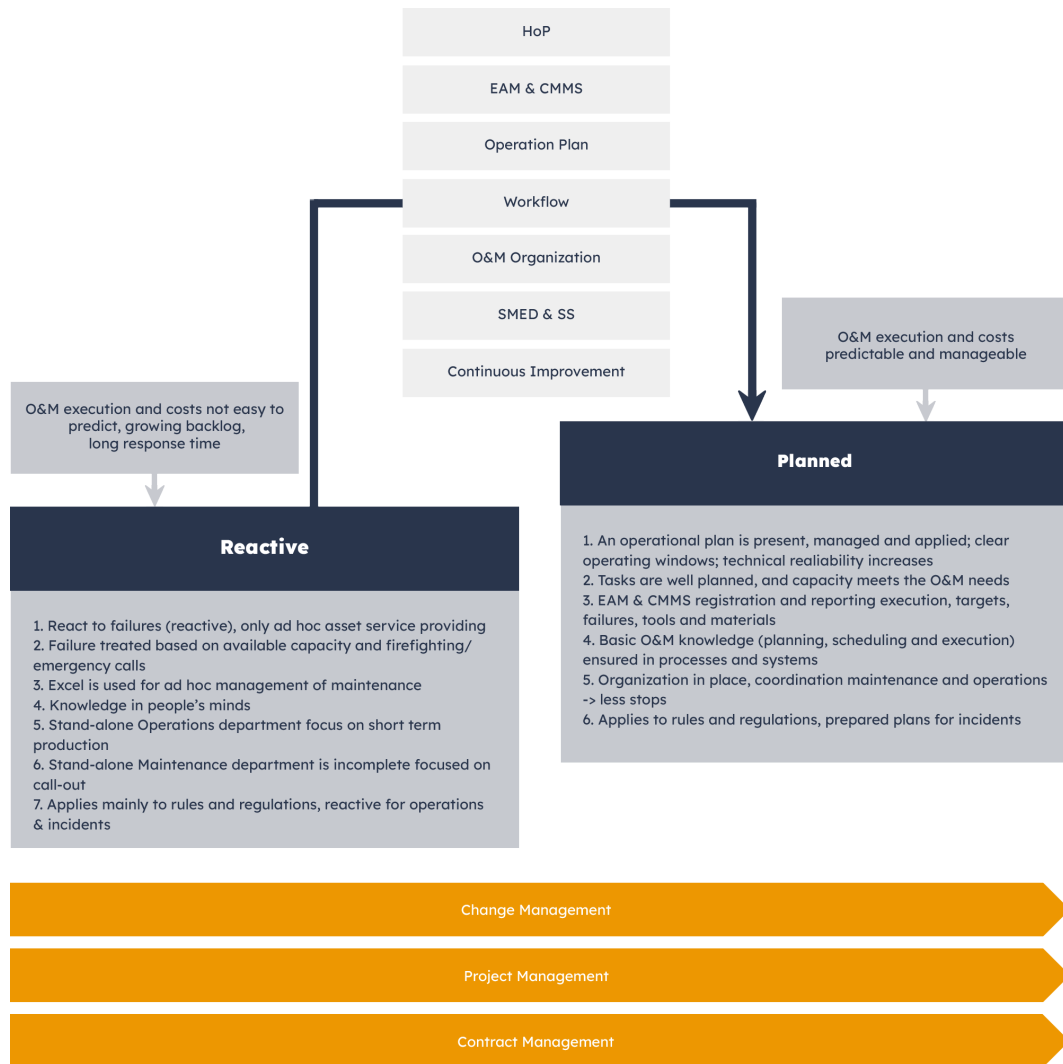


What does Selas deliver?

We have experience with all regulations applicable to technical assets and working in sensitive and hazardous industries. In addition, we are closely associated with Notified Bodies and regulatory authorities. In addition, we are able to penetrate non-compliances and design and operationalize improvement plans. We have proven all this in practice.

Solution 4: O&M Efficient Booster realizes efficient and productive maintenance & operations

Operations & Maintenance (O&M) Efficient Booster achieves efficient and productive maintenance and operations execution to ensure high quality and safe delivery of work at acceptable costs through systematic elimination of waste. All this leads to sustainable performance improvement.



Operations and maintenance organizations often struggle with the question of how to reduce their costs, how to improve the efficiency of work processes and how to manage backlogs? In many cases, there is a lot of pressure on timely and costly materials management. How to improve cooperation between maintenance and operations, and how to improve staff productivity? The way to add value is to create a high performance execution organization, with first time right and safer execution, accelerated by empowered employees.

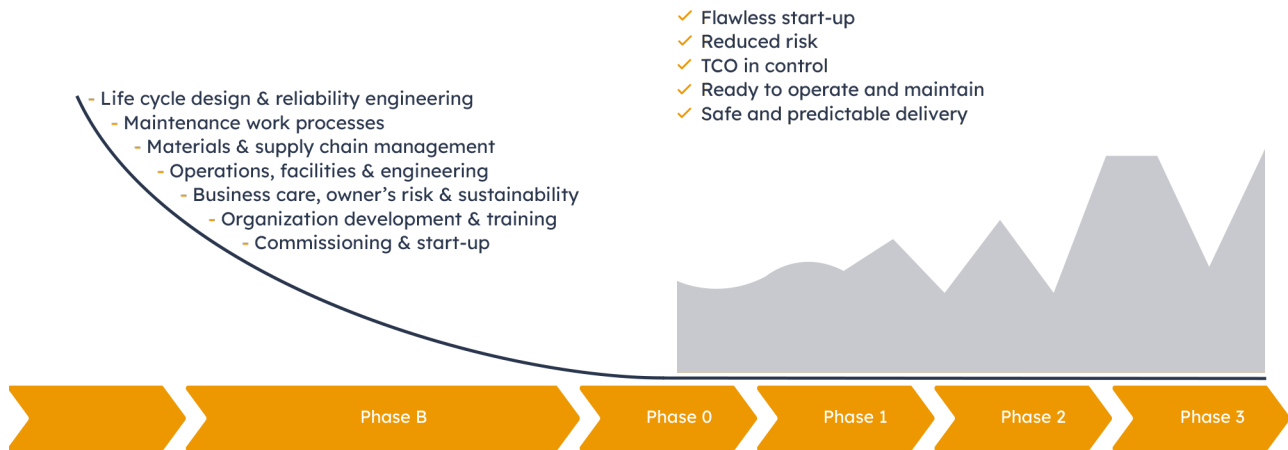


What does Selas deliver?

Selas is able to assess and identify waste in processes, make processes integral and involve operators and maintenance people in the improvement process. Selas provides line of sight based on experience in switching between management and the workplace. All of this is proven in practice.

Solution 5: Operational Readiness assures a smooth start-up of operations and maintenance

Operational Readiness ensures a smooth start-up of operations and maintenance of new or modified assets. The process reduces risk and improves return on investment by implementing necessary processes, organization and systems in parallel with FEED and/or EPC activities.



This solution clarifies how to achieve a timely launch to meet the required business case and how to ensure operational readiness (operations & maintenance) to reduce post-commissioning risks. In this phase, support is provided by the operations organization.

The proven added value of this solution is a reduction of risks during commissioning, start-up and production ramp-up. Better prepared personnel - aligned, trained, equipped and ready for production and maintenance. Including required spare parts. All services required during the operational phase of the plant are outsourced and contracted in time for start-up.



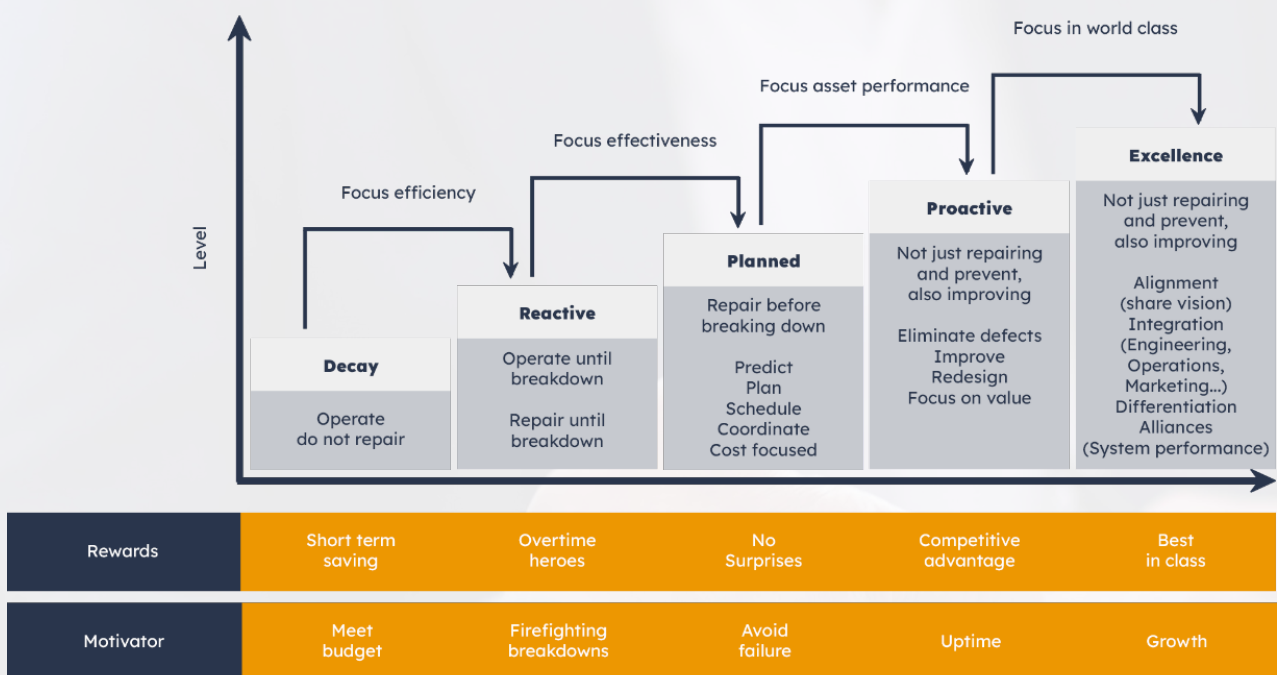
What does Selas deliver?

Selas uses proven processes. All work is performed by uniquely qualified professionals, each with a focus on leadership in change. Always aligned with the client's risk appetite. These processes are supported by tools and best practices derived from proven experience in various industry sectors.

The Asset Management Maturity Model (AMMM) explained

The AMMM allows organizations to assess their maturity level and help them on their journey to excellence. The result of the assessment is a rigorous analysis that identifies gaps and strengths in performance in a number of areas, including a number of ISO 55001 sections. The assessment also helps organizations benchmark their performance nationally and internationally to guide them on their path to maturity. The maturity path is supported by a roadmap with clear objectives.

The AMMM model is aligned with the goals and objectives of IAM and is based on applied theory designed to advance the understanding of asset management as a professional discipline and was developed through consultation with industry stakeholders. The model was developed for industry, by industry.

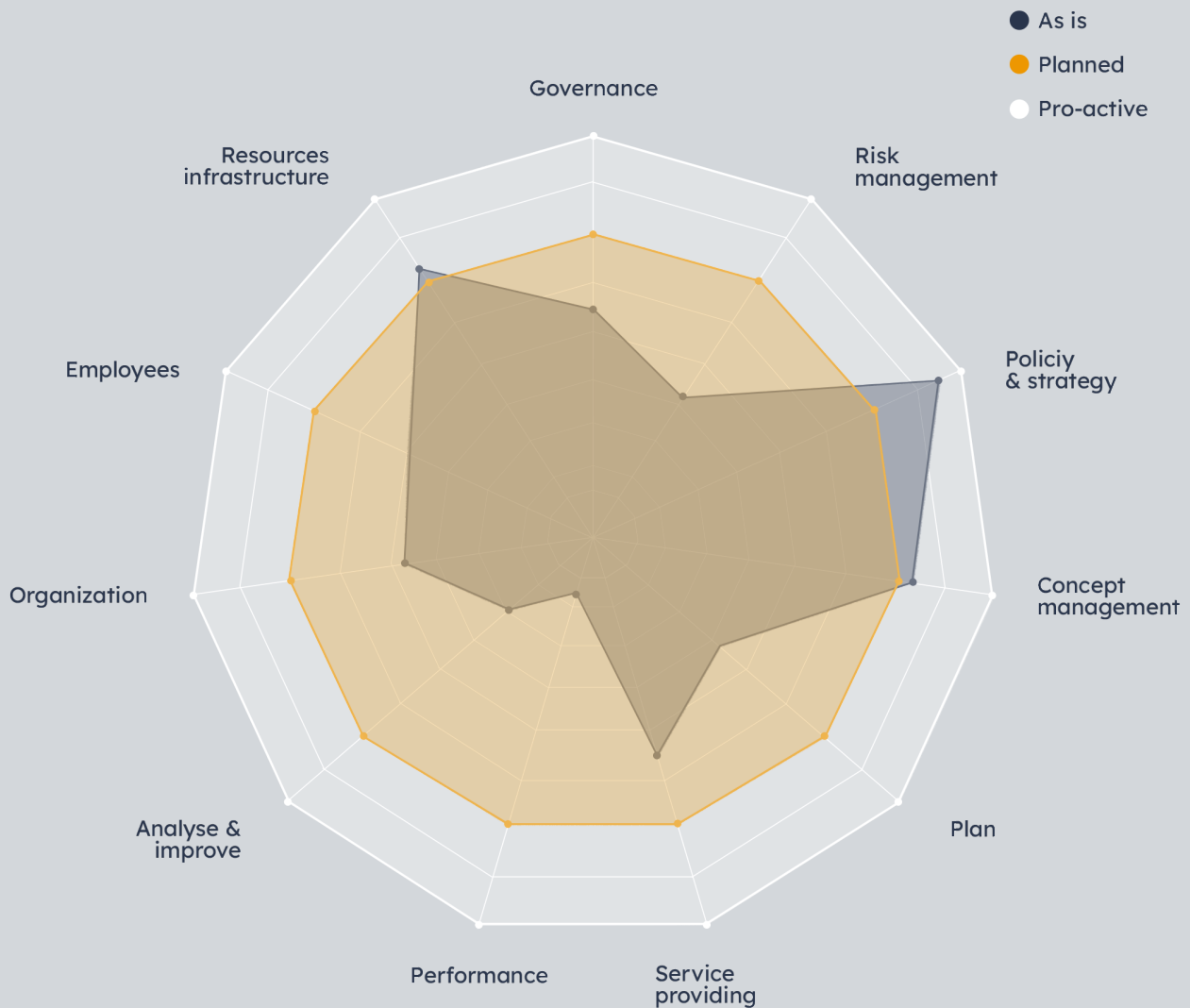
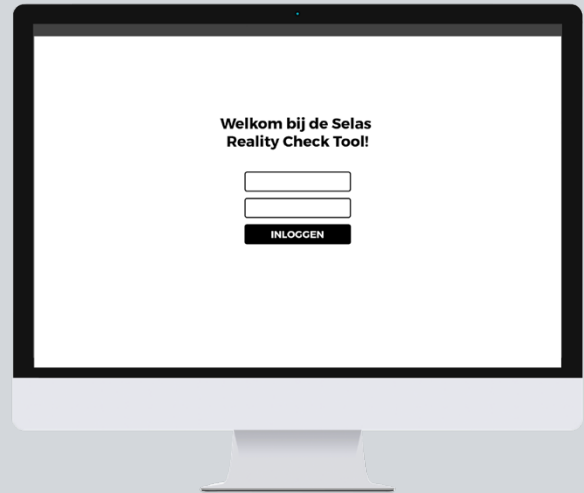


Maturity model

Selas Reality Check

Working on Asset Management maturity requires focus and prioritization. Understanding the current situation is therefore crucial - where are we now? So that this can be measured against the ambition - where do we want to go and how do we get there?

The Selas Asset Management Reality Check has been specially developed to provide this insight into the current situation and or maturity level and the opportunities and possibilities. The Consider & Decide workshop then helps to make choices about what needs to be done to achieve the organization's Asset Management ambition. The insights to grow to the required maturity are translated into a comprehensive roadmap. To make the transformation understandable and above all achievable.



Project Management for sustainable transformation

We deliver tailor-made, future-proof answers based on our industry knowledge, experience and best practices for asset management (Engineering, Operations & Maintenance); we feel at home between strategy, people and business. We contribute to healthy and safe operations by creating logical links between people and tools, field-proven methodologies, processes and techniques and use technology as an engine to maximize business value and achieve the desired balance between cost, risk and performance for the entire asset life cycle.

Our approach is always based on our experience, business sense and knowledge, which allows us to guarantee that our approach is aligned with recognized best-in-class asset management concepts. Cross-industry, we provide benchmarking and hands-on sustainable implementation experience. We offer a unique triple D combination of:



For typical customer challenges, we offer solutions, which are service offerings that contain building blocks in a combination proven in practice, so that they can be implemented properly and sustainably in one go.

Our competitive advantage lies in our industry knowledge and experience, combined with sound project management and change management. We offer implementation power with attention to the human factor at all business levels. We believe in intensive collaborative relationships; the best results reveal themselves through co-creation between the client, us and, where required, third parties.

Have a chat with us!

Do you want to build an asset management driven organization? Or improve the performance of your assets?
Contact us!

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