



**IBM ASEAN
Leadership Exchange**



Deploying a Dynamic Infrastructure

Asset Management Priorities, Capabilities and Experiences

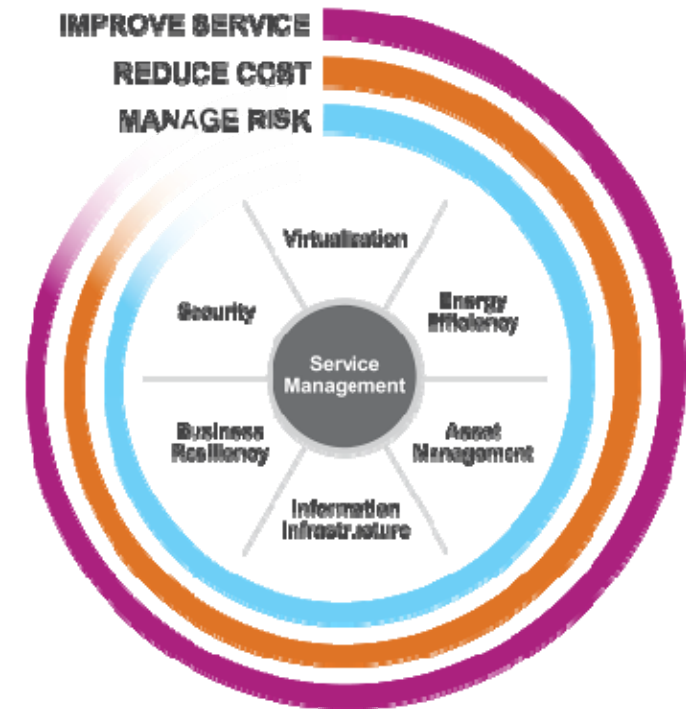
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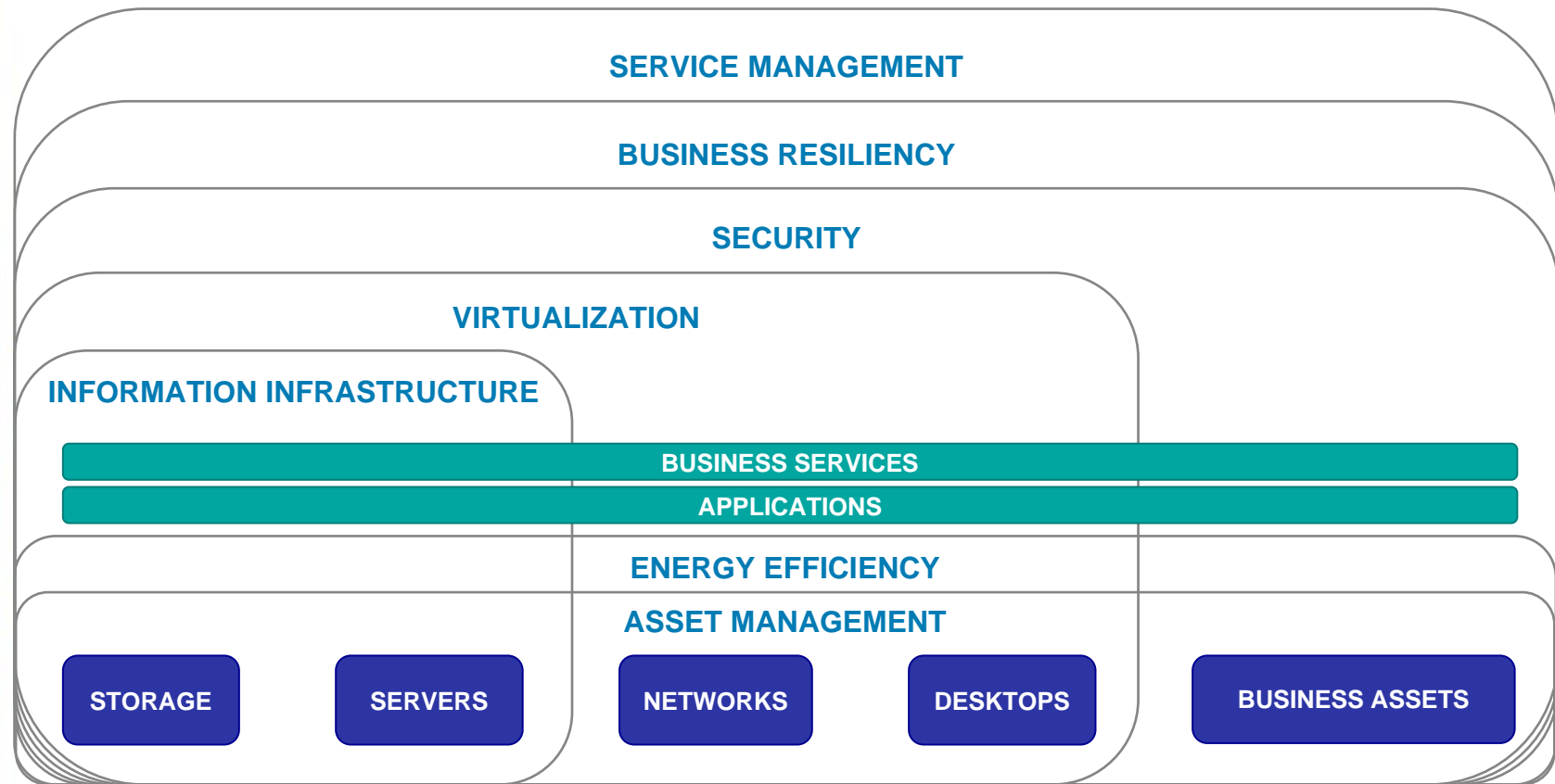
Agenda

- **An overview of Asset Management**
- **How Asset Management is being exploited in the market**
- **How ISM Group applies Asset Management**
- **Business and IT priorities for Asset Management**
- **How IBM is enabling Asset Management with our clients**
- **Current Asset Management capabilities**
- **Customer successes deploying Asset Management**





Asset Management delivers capability for a portion of infrastructure, applications and business services



There is over \$170 Trillion worth of assets in use today across the world



Production Equipment

\$5.8 Trillion in the utilities industry alone



Facilities

\$162 Trillion



Transportation Assets

Over \$4 Trillion



Linear Assets

Over \$10 Trillion



IT Hardware and Software

\$52 Billion in the Fortune 500 alone, HW only

Common business challenges



Total Cost of Ownership

Improve TCO by continuously reducing asset costs throughout their lifecycle – planning, operating, maintaining and disposing



Efficiency

Increase operational & labor efficiency and production reliability, improve service levels and enhance customer satisfaction



Asset Convergence

Manage and maintain multiple, siloed asset management systems, while addressing OT & IT convergence



Visibility & Control

Maintain visibility and control over service and operational assets and their impact on the business

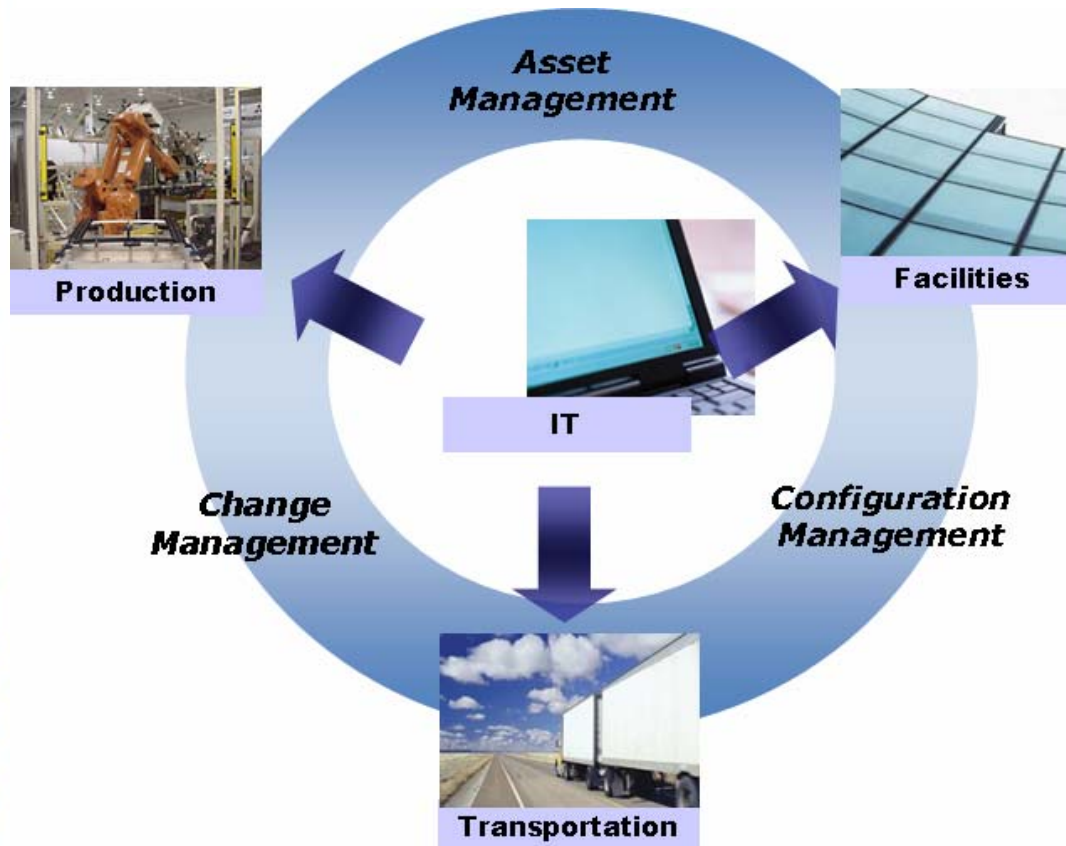


Compliance

Mitigate license, regulatory, environmental and safety compliance risk; reduce associated cost

Asset Convergence

Blurring lines of ownership require a unified solution to manage all assets



Connected Operating Assets

- IT improves asset performance
- Networked connectivity for remote monitoring
- Networked connectivity for maintenance automation

Embedded IT

- On-board IT creates asset sophistication
- Automation of complex tasks
- Mechanics replaced by electronics

Business Assets Domain Functional Groupings



BUSINESS ASSETS DOMAIN

Mobile Computing Devices

Enterprise Digital Assistants

Personal Digital Assistants

Smart Phones

Enterprise Assets

Production

Facilities

Transportation

Finished Goods

Services Equipment

Inventory, Location, Usage, Maintenance, Cost, Warranty, etc

Building Automation Systems

HVAC

Fire

Lighting

Access Control

Cost Allocation

Optimize Safety, Comfort, Operational Efficiency, and tenant productivity

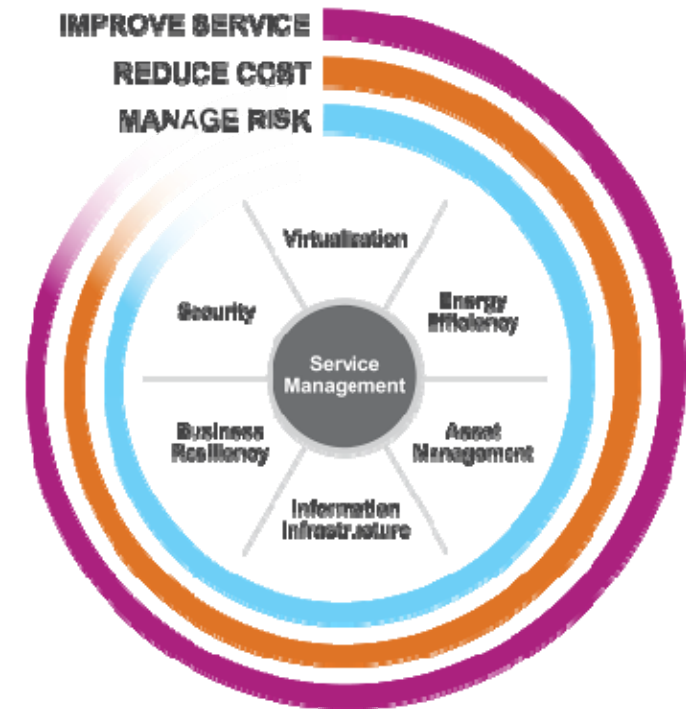
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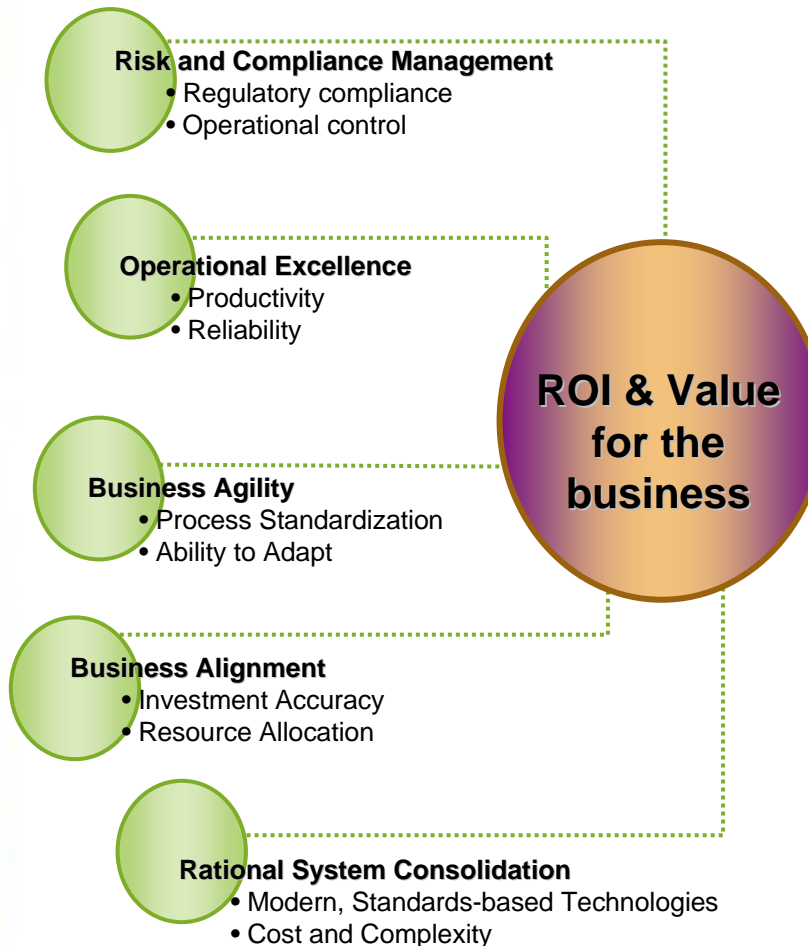


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How does Asset Management drive ROI & business value?



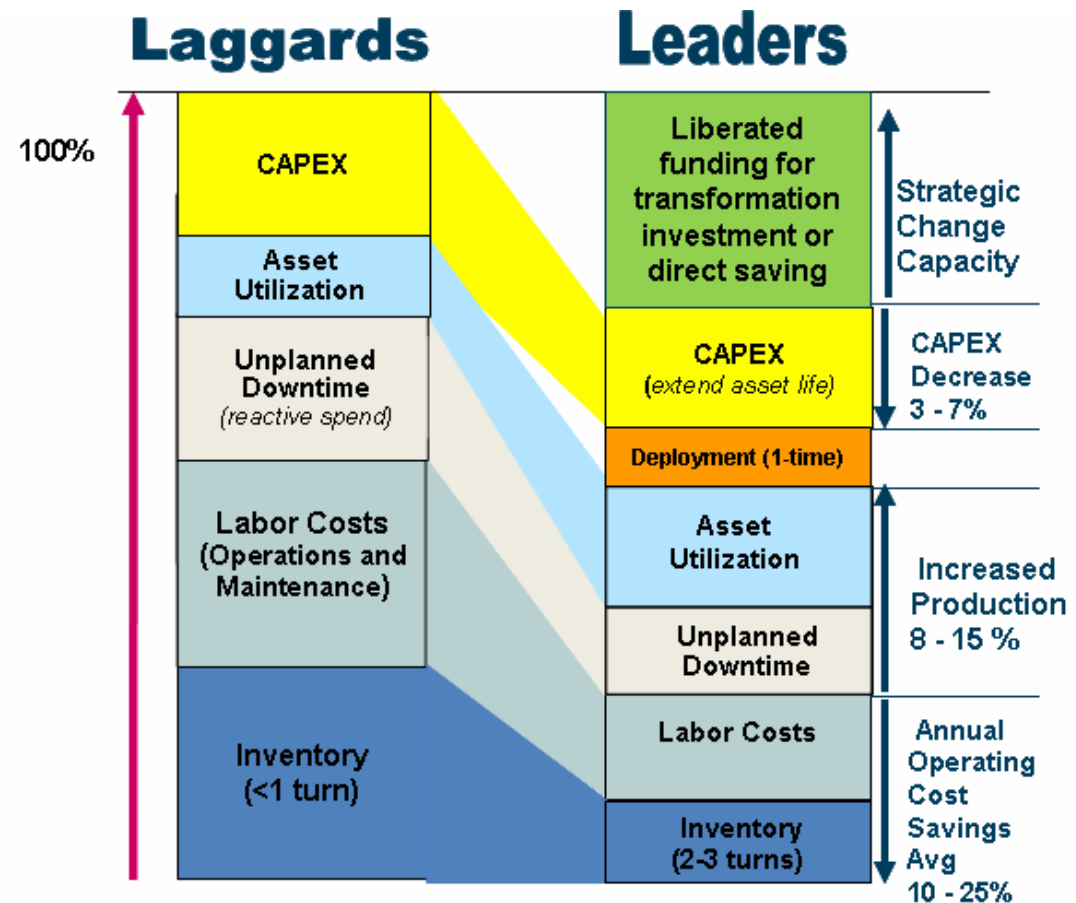
- Increasing the reliability and availability of assets, and the services the assets collectively support
- Improving performance of assets to impact the top and bottom lines
- Capturing actual costs for labor, materials, tools & services
- Managing 3rd party service providers interacting with business operations
- Reducing the cost and complexity of the IT environment support the business
- Standardizing & enforcing business processes

Leaders use Asset Management as a competitive differentiator



Industry Leaders have a global view of business and IT assets, interrelation between technology and assets and can quickly implement change

- Asset Management creates ability for strategic change, frees up capital dollars and contributes to “Earnings Before Interest & Tax”
 - Just-in-time inventory
 - Boost productivity through improved work processes
 - Increase availability by decreasing asset downtime



IBM Asset Management Benefits for Transportation Companies



Business Scenarios	ROI Points	Customer Examples
Labor Utilization	Up 10-20%	<ul style="list-style-type: none"> A major US railroad saved US \$5M by better tracking labor to specific work
Asset Utilization	Up 3-5%	<ul style="list-style-type: none"> A large OEM reduced overhaul process time from 56 days to 21 days
Equipment Purchases	Down 3-5%	<ul style="list-style-type: none"> A fleet management company saved US \$9.5M by meeting 100% availability with a smaller fleet
Warranty Recoveries	Up 10-50%	<ul style="list-style-type: none"> A consumer products company with a medium size fleet increased warranty recovery 50%
Inventory Needs	Down 20-30%	<ul style="list-style-type: none"> A large passenger railroad was able to identify US \$18M in excess or obsolete inventory
Inventory Carrying Costs	Down 5-20%	<ul style="list-style-type: none"> A railroad reduced saved US \$1.8M impacting financing, insurance, handling, overhead, etc.
Material Costs	Reduced 10-50%	<ul style="list-style-type: none"> A rail maintenance service company reduced costs 20% by optimizing material purchases
Purchasing Labor	Reduced 10-50%	<ul style="list-style-type: none"> A fleet management company reduced purchasing staff by 20%



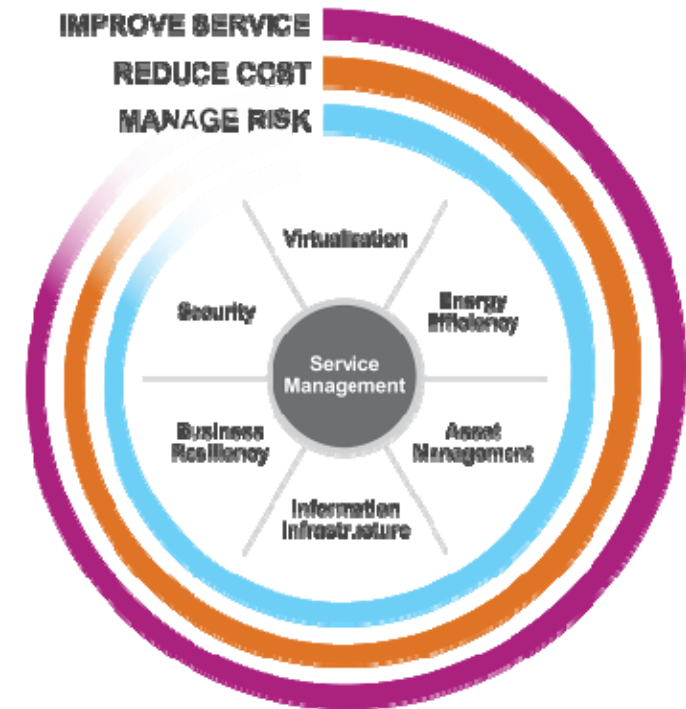


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ISM Group: Asset Management



G2G3.COM **IBM** eBoard™ **14:00:00**

Track Location & Utilization of Assets

Improve Demand Management through IT Chargeback

Improve Vendor / Supplier Management

Reduce Risk & Improve License Compliance

Reduce Costs: HW, Lease, Maintenance

Improved Financial Management Capability

Round	1	International
Availability	100%	14:02 IJP824 1 Queued
Impact	0%	14:02 ICN935 2 Queued
Shipments	0 / 96	14:02 IJP295 3 Queued
Max Rev	\$850,000	14:04 IGB609 1 Queued
Actual Rev	\$0	14:04 IBR711 2 Queued
Lost Rev	\$0	14:04 IGB894 3 Queued
		14:04 IBR269 4 Queued
		14:03 DKY247 3 Queued
		14:03 DMT289 4 Queued

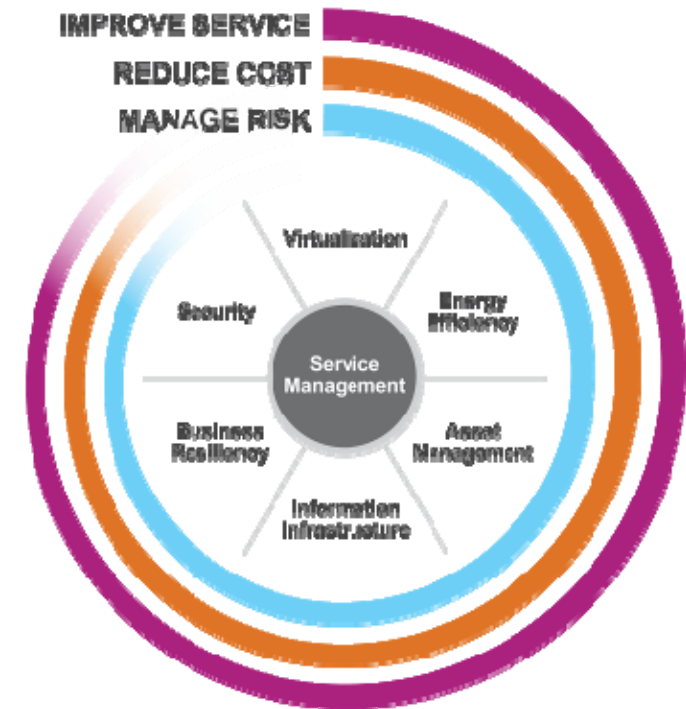


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Where does Asset Management rank in your current business priorities?

Select the most appropriate answer

1. Our business is not focused on implementing asset management to improve business results
2. Our business is focused on improving asset utilization and minimizing unplanned downtime
3. Our business is focused on reducing costs and improving CapEx through better management of changes, leases and maintenance to extend asset life
4. Our business has a strategic focus on using asset management to improve both our top and bottom line



Where does Asset Management rank in your current IT priorities?

Select the most appropriate answer

1. Our organization is not currently focused on implementing asset management
2. Our organization is focused on implementing asset management to gain basic visibility of our assets
3. Our organization is focused on implementing asset management to track financial, usage and compliance information
4. Our organization is focused on implementing asset management as part of a larger Service Management initiative

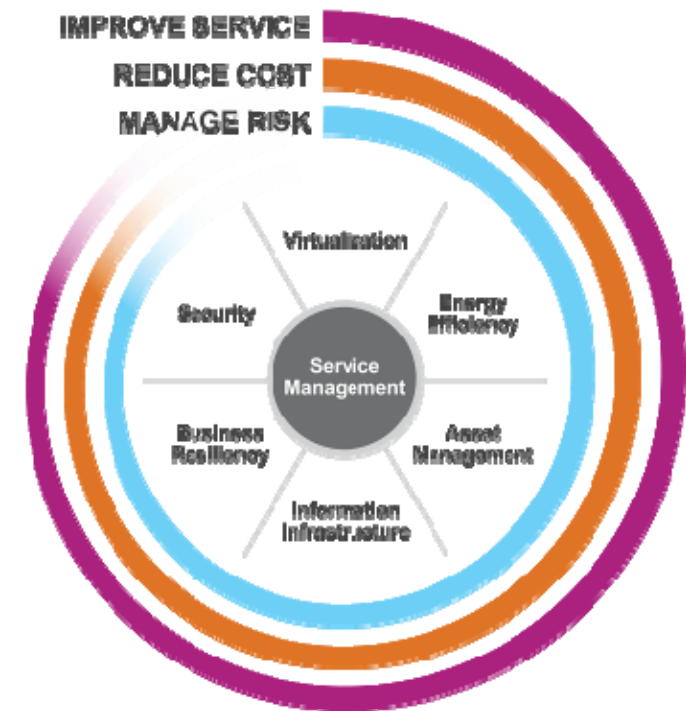


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Asset management offerings and capabilities from IBM



ASSET MANAGEMENT OFFERINGS FROM IBM

Enterprise asset management (EAM)

- Industry-specific solutions for nuclear power, utilities, transportation, life sciences, and oil and gas

IT asset management

- Service request management
- License compliance manager
- Financial administration

Functional extensions

- Service providers, spatial asset management, linear asset manager, mobile work manager, navigator, calibration

IBM Telecom Expense Management Services

IBM LEADERSHIP

Marketplace leader in EAM solutions

- #1 in EAM market share – ARC Advisory Group
- #1 in EAM market share – IDC
- Gartner Magic Quadrants for EAM
- IDC Energy Insights short list work and asset management for energy delivery

Serving clients across industries

- Ten of the largest diversified utilities
- Seven of the busiest airports
- Five of the largest oil and gas companies
- Eleven major aerospace and defense companies
- Seven of the largest automotive manufacturers



IBM is the Asset Management Leader

- Enterprise Asset Management
- IT Asset Management
- Industry Specific Solutions
 - Nuclear Power, Utilities, Life Sciences, Oil & Gas, Government, Service Providers, Transportation
- Functional Extensions
 - Spatial Asset Management, Linear Asset Manager, Mobile Work Manager, Navigator, Calibration
- Service Request Management
- License Compliance Manager

Segment Leadership

- 500+ Transportation Customers
- 1# in EAM Market Share – ARC
- 1# in EAM Market Share – IDC
- Gartner Magic Quadrant for Power Generation
- Gartner Magic Quadrant for Transmission and Distribution
- Gartner Magic Quadrant of Manufacturing
- IDC Short List for Power Generation
- IDC Short List Work and Asset Management for Energy Delivery

Asset Management adoption



IT asset management

Track and manage the lifecycle of IT assets



- Implement IT asset management and improve inventory, maintenance, contacting processes
- Implement license compliance management to manage and track hardware and software deployment

Consolidated asset management

Manage the lifecycle of all critical assets



- Leverage IBM leadership in asset management
- Implement consolidated enterprise asset management
- Increase the reliability and availability of assets and the services the assets collectively support

Converged assets

Leverage operational assets with embedded IT



- Help IT and operations work together to support IT-enabled assets with asset management for all assets types
- Automate workflows to enhance operational efficiencies
- Leverage solutions built on standards-based (Java™) technologies for improved agility and flexibility

Deep industry functionality

Meeting the needs of asset-intensive industries



- Leverage IBM's industry-specific strategy, consulting, integration and implementation leadership
- Start an asset management assessment
- Increase productivity of the workforce while capturing knowledge

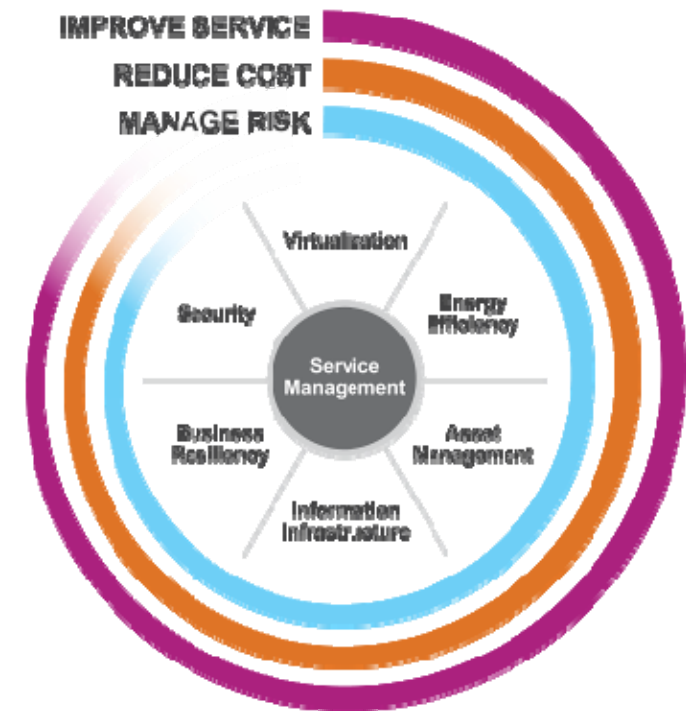


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Which best describes your current Asset Management capability?



Select the most appropriate answer

1. Using Ad hoc asset information exists. Basic tools such as spreadsheets are used to track assets
2. An asset process and system is deployed for critical assets
3. An accurate system is deployed across the enterprise integrated to configuration and other key service management components
4. Asset information is shared with partners who are serving as asset stewards and updates flow automatically

Which best describes your current Asset Management scope?



Select the most appropriate answer

1. The focus of asset management is mainly on hardware with some focus on software assets
2. All hardware is tracked as well as detailed software license usage
3. Hardware and software license management is proactively performed to ensure compliance and optimize the use of all assets
4. Enterprise asset management and IT asset management are integrated, leveraging common systems and data models and applications

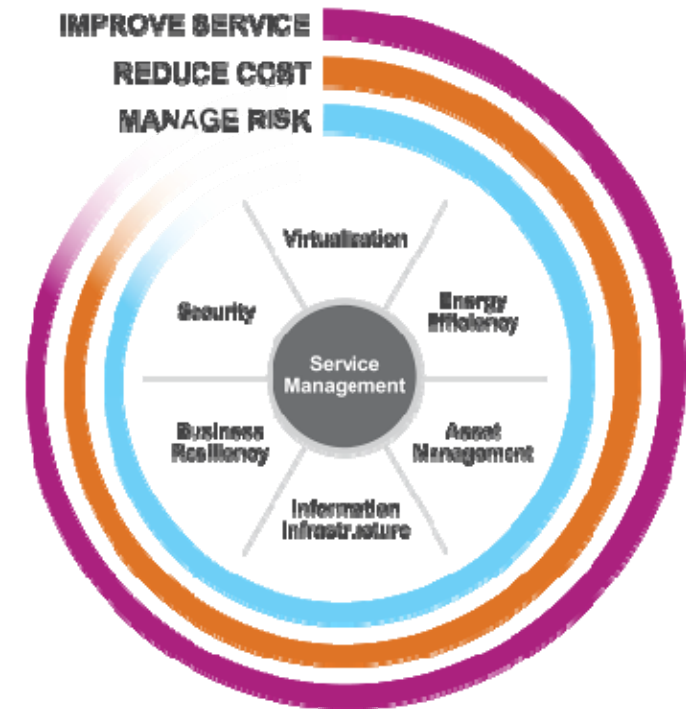


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A client managing all asset classes, improves productivity and increases revenue



“By unifying the management of all our IT and operational assets using IBM solutions, we can maintain an industry leadership position and improve quality of service for travelers. IBM asset management software has also helped us realize a higher percentage of recoverable fees and directly improve revenue as a result.”

Doug Wardle, Enterprise Resource Planning Systems Consultant, McCarran International Airport

Business Challenges

- Must deliver a quality experience to a diverse customer base while facing tough maintenance and operational demands.
- Embarked on major IT initiative to increase efficiency and service quality through system consolidation.
- Managing asset information in silos across different divisions was increasing costs, hampering compliance reporting and complicating efforts to improve service.
- Labor-intensive and largely manual processes.

IBM Solution

- Client uses IBM asset management software to unify management of all airport assets from facilities to IT.

Business Benefits

- Significantly improved technician productivity and accelerated resolution of repairs.
- Helped reduce IT costs.
- Increased revenue through accurate charge-back information.
- Helped enhance security efforts and streamline compliance reporting.

Managing Marine Assets with Maximo Asset Management



“We set the requirements bar very high, and after a comprehensive search, we selected IBM Maximo”

Director of Information Technologies

Business Challenges	IBM Solution	Business Benefits
<ul style="list-style-type: none">• Meet increasing safety regulations• Decrease the amount of time it takes to schedule and assign personnel to jobs• Significantly reduce administrative time associated with payroll• Centralize maintenance technology system into one location to save administrative time and costs	<ul style="list-style-type: none">• IBM Maximo Asset Management for asset and work management• Integration to financial management system	<ul style="list-style-type: none">• Reduced labor-time involved in payroll process by 65% per week• Decreased scheduling time by a half-hour each day, resulting in a labor cost savings of 2,600 man-hours per year• Maximo makes data easily accessible to support adherence to Federal and State DOT regulations

Tube Lines

Taking Stock of Assets with IBM Maximo Asset Management



“Creating a single source of all asset information has provided unprecedented visibility of asset performance across the three lines managed by Tube Lines”

Martyn Capes, Asset Systems Technical Manager, Tube Lines



Business Challenges	IBM Solution	Business Benefits
<ul style="list-style-type: none">• An up-to-date solution to proactively maintain 200 miles of track, 255 trains, 100 stations, 2,395 bridges and structures, 71 lifts and 227 escalators• Deploy a single asset management solution across the enterprise• Provide engineers with mobile access to asset information• Streamline processes and improve resource effectiveness	<ul style="list-style-type: none">• IBM Maximo to manage rolling stock, linear assets and facilities• Integration to corporate ERP and HR systems	<ul style="list-style-type: none">• Maximo has enabled Tube Lines to provide a consistent approach to maintenance management across 15 asset classes• Real time access to up to date asset information, enabling efficient job scheduling to minimize passenger impact• Reduced duplication, improved information accuracy and with trend analysis for more proactive maintenance strategies