



# Enterprise asset management (EAM)

Empowering organizations  
to optimize tangible assets

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KPMG Lower Gulf



# Managing physical assets

The management of physical assets (fixed assets and inventory) is one of the most challenging tasks for businesses in today's competitive environment. A comprehensive and agile Asset Management (AM) solution is essential to increase profitability and enable organizations to achieve the following objectives:



Monitoring and controlling assets throughout their life cycle



Optimizing capital expenditures while managing related risks



Providing visibility for strategic decision making



Ensuring data accuracy and integrity of assets



Embracing environmental, social and governance (ESG) transformation for asset management (AM) policies and developing a culture of sustainability

# Asset management (AM) challenges

KPMG's advisory services and audit capabilities enable asset-intensive businesses to improve their organisations' performance. Our experts have deep knowledge in AM and a comprehensive understanding of the industry's key challenges, trends and risks related to financial and operational management.

|  <b>Area</b> |  <b>Challenges</b>  |
|---|--|
| <b>AM strategy</b>  | <ul style="list-style-type: none"><li>• No direction resulting from absence of an established AM framework</li><li>• Undefined roles and responsibilities leading to disintegrated functions within the organization</li><li>• Aligning AM with environmental, social governance strategy (ESG)</li></ul>  |
| <b>Operations and data accuracy</b>   | <ul style="list-style-type: none"><li>• Inability to take the right decisions on capital expenditure (capex) costs, risk and performance</li><li>• Lack of essential information in the asset register for periodical maintenance and process control</li><li>• Inadequate control over assets lying in the warehouse including inventory, spare parts and consumables</li><li>• High value and geographically dispersed assets with no visibility</li></ul> |
| <b>AM system</b>  | <ul style="list-style-type: none"><li>• Lack of an integrated AM system providing 360-degree visibility</li><li>• Absence of a maintenance schedule for assets</li><li>• The need for automated workflow management</li><li>• Inadequate reports for management information systems (MIS) and key performance indicators (KPI) monitoring</li></ul>  |
| <b>Financial and compliance</b>   | <ul style="list-style-type: none"><li>• Misrepresentation of assets' information value, useful life, categorization, componentization, depreciation and valuation</li><li>• Non-compliance with accounting standards</li></ul>   |



## Solutions

- Development of an AM strategy in line with the organization's goals
  - Development of AM policies and procedures following the objectives, KPIs, enhancement and optimization of the business
  - Asset optimization opportunities through tools and data analytics
  - Alignment of ESG strategy for assets acquisitions
- Fixed assets register diagnostic, review and remediation
  - Fixed assets register creation, reconciliation, verification and tagging
  - Customized reports and KPIs status for management
  - As-A-Service model or outsourcing services for assets life cycle and maintenance
- Deployment of ongoing managed services using an assets life cycle management software and an automated workflow
  - Integration of AM and maintenance system with various ERP software
- Accounting advisory service support to align assets register with applicable accounting standards
  - Valuation of real estate and industrial assets



# How can robust enterprise AM add value to your organization?

01

Organize and centralize data and improve transparency for operations, customers, regulators and auditors

02

Significant improvement in performance and services leading to bottom-line operational expenditure (OPEX) and CAPEX reduction

03

Improve asset life cycle cost management to reduce capital spending

04

Optimize maintenance and repair activities, and reduce operating costs

05

Strategic alignment and effective control over assets across the organization

06

Effective risk management leading to safer and more reliable operations

07

Clear evidence of sustainable assets governance to owners or shareholders



# Our advisory EAM solutions include:





# Benefits of KPMG EAM solutions:

The purpose of EAM excellence is to evaluate and optimize the value of asset-based operations. This includes:

01

Automated and standardised tools and processes that are compliant with organization policies, safety regulations, ESG requirements and accounting standards

02

Reduction of theft through visual identification of assets with security labels

03

Efficient deployment and utilisation of inventory and fixed assets. This leads to increased consistency, asset availability, reliability and uptime

04

360-degree view of inventory and assets at all stages of acquire to retire

05

Efficient capital project and budget management. This also results in efficient asset maintenance and services and the replacement of owned assets

06

Cut down on unnecessary purchase expenditure

07

Simplification of reporting processes by eliminating spreadsheets and manual paper-based tasks

08

A streamlined inventory management governance process



# Why KPMG

Asset-intensive businesses require accurate information to drive AM performance and reduce overall construction, usage and maintenance costs within a strong culture of safety and reliability. KPMG has contributed to the development of the PAS 55 standard, distinguishing it as the patron of the institute of Asset Management (IAM) among the Big Four firms. We have been certified as endorsed assessors by the IAM and believe this is a strong differentiation factor for KPMG.

We are members of the ISO PC251 committee, which developed the international ISO 55000 standard covering the management of all types of assets. KPMG experts therefore have a strong understanding of the ISO 55000 standards. Following the ISO guidelines can position organisations to optimally manage their assets and meet their objectives. KPMG also offers expertise to conduct gap analysis, project management, change management, as well as providing implementation and certification support and specialized experience in AM strategy across key sectors.

We have locally adapted change management and benchmarking methodologies, tools and techniques contributing to the success of large transformation programs. Our senior professionals have extensive local experience and practical knowledge in implementing AM programs in a participative manner to ensure maximum integration within the business. KPMG also has technology-driven solutions for data integration and analysis, which can be used for data simulation and supplementing client management with a Power BI dashboard for review and decision-making purposes.

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