How to Defend the Merits of an Asset Integrity Management System

Tips for Users to Make the Case to Management

A Metegrity White Paper
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Introduction

The scenario might sound familiar: you've been operating with the same trusted asset integrity management (AIM) software on your pipeline, plant, or facility. All users are familiar and proficient with it. It was chosen specifically for its ability to meet the specific needs of your company, and all modules, risk models, etc. have been configured accordingly. Years of asset data are stored, analyzed, trended, and secure within the system. In fact, it has proven to be a lifesaver for daily operations, given the ease and flow with which it is utilized; it enhances productivity while prolonging asset lifecycle and reducing overall downtime.

Then, the ball drops.

Corporate wants to go another way.

Maybe new management has stepped in and they want to overhaul everything to a brand they've used before. Maybe they want to streamline this specific plant or facility with others under their ownership. Maybe they have recently purchased new facilities from another company. Maybe they've just heard some buzz about this alternative software and they want to make the jump.

What they don't realize is the substantial ripple effect that might have on all operations – from a cost perspective, to the implementation headache, to the learning curve for users, added stress to users already stretched to their limits – all for what could end up in the end being an inferior product.

Now, there are certainly circumstances where it makes sense to replace an AIM system. If the one you've been using is outdated or lacking support, changing to a superior product can make sense *if done with a service provider who will support the changeover and legwork*. This only makes sense **when the project is understood, the value is evident, and the company will actually benefit.**

What about the situations where it doesn't, though? What if corporate is trying to force a change that will have a negative impact overall? What if the current system is actually the better one? How do you convince corporate to keep the better system?

In this paper, we will examine system replacement strategies that will equip you with the tools to defend the system you've got. For those instances when you know the current AIM system is the best one and want to spare your company the excess headache and cost of switching to an inferior one, we've laid out the elements you'll need to put forth to them to make your case.

** For more information about when it's profitable to changeover and strategies to accomplish it, request our previous whitepaper on AIM Change Management*

This paper examines the typical reasoning driving a desire for system replacement, the cost/benefit analysis to consider before making a change, and how to make your case to management in defense of the current system.

Understand the Reasoning

Before you can effectively defend a system's merits against a desire to switch, you must first establish a good understanding behind the reasoning. After all, you can't effectively counter a logic you aren't yet aware of. Therefore, the first step in your strategy is to do some homework: find out why they want to make the switch.

Where is management receiving their input from that the existing AIM system needs to be replaced?

Let's examine some possibilities.

1. An Issue with the Current AIM System

Perhaps an incident has occurred that has caused management to lose faith in the current software. Are there issues that have come up on site for which the current AIM software is being blamed? If so, demonstrate the cost/benefit analysis of simply working with the service provider vs. incorporating an entirely new AIM software.

Any reputable, quality AIM software will be backed by a service provider that offers training, consultation, and support. Reach out to them first. Is it possible that a special project can be setup that will rectify the issue? Wouldn't this be at substantially less cost than overhauling the system entirely? *(We will examine cost/benefit analysis later in the document.)*

Once the cost comparison of the two has been determined, weigh that against the benefits moving forward – is the new software even as good as the current one? If it's not, there will be additional costs incurred by reduced functionality and/or user-friendliness, and a lasting impact on the way users operate and report.

2. "We're Just Familiar with It"

Often, especially when new management has acquired a specific site location, leadership comes in looking to make a change simply because they've used a certain product in the past and that's all they know. The thing is, what's familiar to them does not automatically equal what's best for the company – and it certainly does not automatically equal what's familiar to the multitude of users who will be running the software on a daily basis.

In this situation, it's important to implore management to really assess the impact on the company as a whole before blindly changing over to something just because they're familiar with it. In order to effectively counter this, you'll need to do your homework on the functionality differences between the two software to demonstrate which is superior for the plant/company's specific AIM needs, the ongoing license and maintenance costs of both, and an overall cost/benefit analysis of maintaining vs. replacing the system.

3. Other Reasoning

Corporate may provide other reasoning as to why the system should be replaced, such as:

- Standardization. Perhaps they own or operate other facilities in different locations that are utilizing another system. While the desire in that case to streamline systems makes sense, it's not one that every company can afford. Typically, only multinational enterprise corporations can afford to change over multiple sites purely in the interests of standardization. Yet, even if it is something that the company can afford and wants to do, it's still important to compare the system's merits. What if it's more profitable for the company long-term for them to standardize to the current AIM system that you're using? What if the other one is inferior? It's still worth doing a product comparison and cost-benefit analysis so that all factors are in play when the decision is made – because, just maybe, they should be standardizing to the other product. Another alternative: Consider forming an AIM committee to define the product functionality required as a standard for all business units, then assess that against the existing products each unit has.
- Current AIM system is no longer supported or has become outdated. In these instances, it actually does make sense to change systems. If the current system you're using is no longer supported, or the technology is no longer up to date, then the long-term profitability interests for the company are in better care with a modern, fully supported and continually updated AIM system (request our paper on AIM Change Management for more strategies around this scenario). However, this can also be used in the flip circumstance. If your current system comes with dedicated support, the most modern technological capabilities, and is maintained/updated every year – use that to your advantage. Find out the same information about the system that management wants to switch to. If you can demonstrate that your

current software is superior in this regard, you're a long way toward making your case.

There could be any multitude of reasons for leadership to decide they want to switch AIM systems. Regardless of the reasoning, your ability to defend a current system's merits is going to come down to the almighty bottom line: Cost vs. Benefit. Let's examine this in the next section.

Cost/Benefit Analysis

Any time you're attempting to make a case to management about decisions of this magnitude, you have to speak their language: money. Sure, the current users are familiar with the existing system and it would be a pain for them to have to change everything over and learn an entirely new software, but that won't be enough to make your case. In order to demonstrate the superiority of one product over another – especially if it's the one you're using vs. the one management wants – you have to demonstrate the cost savings and long-term benefits from a financial standpoint.

1. Cost The first element of a cost/benefit analysis is, well, cost. When it comes to maintaining an existing system vs. replacing it entirely, cost is a huge factor to consider. When conducting your analysis, consider the following:

1. **Costs involved with maintaining the current system.**
   - **a.** Is there an issue that needs rectifying with the current AIM software? Find out if it can be rectified with a special project from the service provider and what costs that will incur.
   - **b.** What are the current annual fees/licensing costs of the AIM provider?
   - **c.** What intangibles are provided at no-cost currently that might be an extra cost with another system? For example: specific functionality or modules that are included? IT support? Training services? Annual updates? Consultation? Etc.
   - **d.** What about the overall cost control that the AIM software affords the company via its proven merit? How has it reduced downtime, improved inspection scheduling, facilitated faster access to data from the field, timely reporting, etc?
2. **Costs involved with switching to a new system.**
   - **a.** Conversion costs. What kind of expenditure is the company looking at to overhaul the system? Including data migrating costs, cost of the new software, all elements of the conversion process, etc. Customization can be huge depending on the new software architecture.
   - **b.** Training costs. Users are comfortable with and proficient at the current system – but they will need comprehensive training to get familiar with a new one. What does

the provider charge for training? What kind of downtime and productivity loss will be incurred until the users are proficient with the new software?

c. Workflow interruptions. Converting to a new system and training users for it takes time. Depending on the support from the AIM provider, it could take a lot of time. Put a monetary value on the workflow interruptions that you estimate will be incurred.

d. What kind of support does the proposed AIM software come with? Does it come at additional cost? Is it readily available in a timely manner, or will the company be inheriting cost for downtime and workflow interruption every time an instance occurs and they have to wait for support?

e. Functionality. This is where things get tricky and can be deceiving. It's important to really do a deep dive into the functionality that is included in the base price of an AIM software vs. the functionality that is only available at an additional charge. (Request our AIM Buyer's Guide for help with this). What features are currently included with your AIM software, and what cost control benefits do they provide the company? Are those same features included at the same or lesser price with the proposed software? Really look into this – because often, they are only included at hidden additional cost. It's important to ask specific questions to the provider, otherwise you might proceed on the assumption that something was included only to later find out that you can't implement it yourself and now have to pay for assistance/implementation.

f. Ongoing maintenance. What kind of fees will the new provider charge? What will ongoing maintenance look like from a cost perspective? From a timing perspective? What about updates – will the system be kept up-to-date with the latest technologies? Will that be additional cost? Will there even be updates or support offered long-term? Does it require more resources/IT support to run?

In addition to the obvious and measurable costs listed above, it is also important to forecast long-term impact on profitability and operations that one software might have over another. For example, consider the following:

- **Key performance indicators.** Identify the key performance indicators (KPI) and how they are currently managed. Assess: can the proposed new AIM software meet these needs? If it can't, how might that impact the KPI?
- **Efficiency.** There are a multitude of factors to consider here that can impede efficiency and drive up overall operational costs long-term. For example: the current system should utilize configurable risk based inspection (RBI) models (if it doesn't,

maybe a switch is appropriate). Assess how these risk models enhance efficiency for performing equipment assessments and the results application to equipment, thickness monitoring locations (TML), and immediate rescheduling of both based on new risk.

2.Benefit Once you have established a thorough cost comparison of the two AIM software, it's important to weigh that against the potential benefits. Some elements to consider when making this case:

1. Benefits of existing software

a. User-friendliness. Users are already familiar with and proficient at using the system to its maximum potential.

b. Functionality. Make a case for all of the features included in the existing AIM software and how they enhance operations specific to your plant or facility. Some examples include:

i. Integrated RBI models (preferably configurable according to your company's needs)

ii. Seamless regulatory compliance to all regulatory bodies, including the ability to generate custom reports at the click of a button in-line with API 570, 580, 581, ISO, etc.

iii. Seamless connectivity with the company's existing CMMS/ERP system (SAP, Maximo, Infor EAM, JDE, etc.) and the time/cost savings involved there.

iv. Dataloggers

v. APIs available to push data to multiple platforms

vi. Number of steps required to access key data or tasks

vii. Etc.

c. Proven functionality, which offers peace of mind that no custom developing with surprise additional costs will be required.

d. Proven support, training resources, consultation services, and ongoing maintenance.

e. Proven updates and continuous development with demonstrated assurance that the technology is always up-to-date.

f. Practical and proven application to the organization's mechanical integrity: look at inspection scheduling, repair rates, corrosion control capabilities, etc.

2. Benefits of new software.

Become aware of the perceived benefits of the new software so that you can engage in a meaningful discussion with management. What are the functionality benefits? Promised features? Take an honest look into what the software is capable of and what it will provide long term – weighted heavily against the true ongoing cost – and assess how well those benefits stack up to the added expense of converting to an entirely new system. Ask for references from others who have used the software. If the benefits are similar or less than your existing software, the case will be made for you when weighed against the cost.

II How to Make Your Case

1. The Defense Case

When building a case to convince management to keep the existing software instead of replacing it with a new system, there are some common components useful to consider and examine.

To establish an effective case for these purposes, consider the following strategy:

1. **Anticipate the reason to change**, as examined in section I.
2. **Conduct a Cost/Benefit Analysis**, as examined in section II. This will be the most relevant and impactful part of your case, so perform due diligence in comparison of the two products and come prepared with evidence to support your recommendations. Part of the analysis should include identifying KPI and how they might be impacted, as well as demonstrating how current risk models create efficiency for operations.
3. **Get feedback from those who use it.** Develop a questionnaire for users and IT support to provide feedback about how well the current software is performing. This will help you determine any perceived deficiencies and gauge if the replacement software will address these issues.
4. **If possible, employ a third party** to evaluate the existing software and the possible replacements thus providing an unbiased evaluation – or, if it's faster, speak to your current service provider about how they can help you make the case.

2. Top 5 Elements to Consider

When comparing products to make the case, ensure that the assessment factors in these elements:

1. Performance

This should include elements such as user-friendliness, support for company workflows, available modules to meet AIM requirements, systematic approach to mechanical integrity and asset management, etc. All of these translate into improved asset performance.

2.Time

Efficiency is key. Look at the time to install, train, implement software, update in the future as new releases are made available, and how easily (and therefore quickly/efficiently) the software can be used by the integrity group. Examine how efficiently users can add new data and

keep the asset data evergreen; this is an ongoing task that must be accounted for if the long-term benefits are to be realized. Obviously, if the current AIM software proves itself to be the superior option during cost/benefit, then the time savings will be exponential in sticking with it.

3. Cost

Specifically, reduced maintenance and support requirements. Fewer unplanned shutdowns. Smarter inspection intervals and reduced frequency. Using RBI to reduce risk and improve reliability, thereby stretching the existing AIM budget for more tangible output. Look at the long-term cost savings over the short-term initial investment.

4. Regulatory Reporting

The right AIM program would help the company facilitate automatic, up to date regulatory reporting by being configured to generate reports according to major regulatory bodies – including the latest API RP, for example.

5. Accountability

Being able to easily manage outstanding work and monitor the results of others guarantees that the required activities are being performed at the necessary intervals. Easy to use Dashboard keeps users up to date on current and emerging work. Audits are easily performed and corrective actions are assigned quickly.

Conclusion

Situations do exist where a company's current AIM software no longer meets the mark – perhaps it has become outdated, or the support is no longer there, and it is only forecast to cost the company more than it will save it in the long term. In those instances, changing makes sense – and there are specific strategies to do so in a cost effective manner.

Yet, sometimes – and perhaps too often – management jumps the gun and seeks to overhaul the company's entire AIM system for misguided reasons, choosing to switch to **an inferior product** when the current one **is a much better fit and should be kept.** In those cases, it's important to have tools in your arsenal to defend the merits of the current system – saving yourself and all other users unnecessary headache, while also saving the company substantial long-term cost and detrimental impact on their mechanical integrity.

Whatever the reasoning behind the change request – whether it be merited or misguided – the most important thing to do is to conduct a thorough comparison of the two software and the long-term cost/benefit impact they will have on the company. From there, equipped with evidence and tools to make your case, you can persuade management to choose the most profitable and secure path.