Episode 177: Why Asset Management Matters More Than Ever in 2026 and Beyond with Accenture's John Holmes and SAP's Andy Hancock

John: [00:00:00] We're getting closer to autonomous asset management. We're converting signals and requests into prioritized work packages. I think that's really important. And, that's gonna shift just this manual work into really exception-based work, which is really important. It's really about maximizing that productivity we just talked about using some of those different tools to, really boost our productivity, by intelligent scheduling, and utilizing those, that AI-driven capability, for insights and diagnostic and help them execute faster, better, stronger.

Richard: Welcome to The Future of Supply Chain, a podcast where we discuss hot topics latest trends, and business innovations in the global supply chain. My name's Richard Howells, and in today's episode, we will be exploring why asset management is more important than ever in this world of disruption.

And to do so, I'm joined by Accenture's John [00:01:00] Holmes and SAP's Andy Hancock. So maybe, gentlemen, welcome to the podcast, first of all, but maybe if you could quickly introduce yourselves and your roles at your companies, and John, I'll start with you.

John: Well, thank you very much for having me here today. So my name is John Holmes. I run our intelligent asset management practice for North America, and again, that lives within Accenture's supply chain and engineering group. So basically deal with anything asset management related for all of our asset intensive clients. One of the other hats that I wear is working here with Andy Hancock on our SAP co-development for SAP Intelligent Asset Management and Asset Performance Management. We've been doing that for the past five or six years. So that's been a very exciting part of my role, and really enjoy the convergence of EAM and APM.

Richard: And Andy?

Andy: Hi, Richard. Thanks a lot for inviting us onto your podcast. My name is Andy Hancock. I'm the [00:02:00] global head of domain advisory for asset management and field service. I support our sales force and our customers as trusted advisor. I have a global team that supports in region. As John said, some of the global projects that we co-chair one of those being asset performance management. So looking forward to today's conversation.

Richard: Thank you. Great to have you both on. So you both work with companies all over the world, different sizes, different industries and the like. So how can you summarize the trends, the issues, and the opportunities that you're seeing as the main drivers in the asset management space at the moment?

John: Well, one of the interesting thing, and I was just talking about this with somebody this morning, is, we've seen a big switch. So if you rolled back even 20 years ago, it was all about, OPEX and getting all of our lines or running faster, making more product or, making higher quality, but we [00:03:00] never worried about the actual asset itself.

That really started changing a lot over the last 15 or 20 years. But we went through many different changes. We started doing ProAct, condition-based maintenance, all these different cycles we went through to improve how we took care of our assets. But I think then, we really started making another pivot, and we just mentioned it earlier, kind of that convergence of EAM and APM, and I think that's really also been centered upon this injection of AI, of course.

And it's all timed with a lot of our enterprise asset management tools moving to the cloud. So I think the combination, kind of that groundswell leading to probably more than a groundswell of all these things happening at once has really pushed a lot of change. "Hey, some of these actions I have to do. Let's actually look at this in a holistic sense, not just an IT sense, but really a business sense too, [00:04:00] and how do we couple up some of these transformative changes to this so that we can really start doing things smarter, better, faster, in a different way?"

'Cause as we all know, Andy, and I'm sure you'll say something similar about when we go to our clients, I don't think any of our clients are being handed, loads and loads of extra people at their sites, no matter the industry. So they're having to really concentrate on how to work smarter, and a lot of this tooling really helps them do that.

Andy: Yeah, I agree. I think I wanna really reinforce one of the major trends. The dominant trend really is the convergence. When we think about asset

lifecycle management, reliability, and the analytics around that and pure execution, customers are really pushing us now to say, "Well, I really want this all in one place so I can do these continuous improvement exercises." I think, again, maturity, I think a lot of organizations is, are either still time-based or [00:05:00] condition-based m- monitoring, and with this influx of understanding. I think the technology has always been there for the last five, 10 years in this space around predictive maintenance, but I think just the understanding that it's no longer a data scientist it's citizen AI ownership that's kind of brought this in. I think with any business, labor is still very much on top of minds. Our field force, our technicians out there are really aging out. And, a lot of knowledge and expertise is just walking out into retirement, and how do we capture that? How do we bring on the next level of engineer to look after that? There's a skills gap, and I think technology is going to close that, and with all of this maturity then comes, the very last bit when we talk about cloud is really that scalability. It is now possible to do multiple millions of assets under control, and with the enterprise scale that we [00:06:00] have that's becoming a reality to manage that so I think two points just to close it, I think client expectation they're looking for transparency and an integrated solution, and they're expecting AI to drive productivity gains and also, create cost reduction in that process.

Richard: I think it's clear that asset management is now seen more as inside of the organization. It's brought into the fold. It's not a standalone application. But we've talked about enterprise asset management and asset performance management converging for several years now. So what's finally changed to make that convergence real, and why now?

John: Well, it's a really, a physical, to start with, a physical change of converging the two technologies. So what we're really seeing now is any of the large best of breed EAM solutions, and I think SAP [00:07:00] really leading the charge there, of pulling the tooling together. So it used to be that, a lot of our clients, you asked about earlier, were actually using solutions that existed as a sidecar and, would bolt on to SAP, for example, and that resulted in a number of things. It resulted in potential confusion from a master data management standpoint.

It also looked at it from a, I have to jump out of one tool and go into the other. That complicates things and makes it more difficult for, our technicians, for our supervisors, our managers, Even our executives as they're looking at different capabilities and performances and metrics.

How do we actually monitor all of this? So bringing everything under one roof really just started to make sense and really start to bring it together from both an execution and a monitoring standpoint. So it's really helped in that aspect. And, [00:08:00] honestly, I think one of the other big things, too to answer your question as well a little bit more, is you asked about why.

This also, and we touched on it a moment ago, we're not getting any more people at our facilities typically. This gives us an optimal time to look at our business processes and go, "Hey, how do we do this more efficiently and really take care of this in one continuous improvement cycle or execution cycle within one tool?"

Pulling in partner tools when needed, but actually even using those tools in a different way, actually inside the EAM and APM that SAP provides, for example, more in a marketplace type setting. And I think that really just allows a lot of kind of efficiency from an overall execution standpoint on the business process side.

Andy: From my perspective, I think, it's become a reality now really because of the technology maturity has changed.

Richard: Right.

Andy: All assets [00:09:00] now are digitally born, so they have the capability of actually passing their operational information out into another application, and I think with this, autonomous asset management, autonomous enterprise and agents, now they can ingest the pure volume of IoT sensors and make sense of it, and then when you start to combine that, that real-time feed coming off the shop floor with the historical unstructured data... in our world, we have a long description, which is basically where all the activity goes is captured in the field, is put back into SAP. We have structured elements within the notifications of work orders, but, the anecdotal information from the engineer stays there, and we have customers that have hundreds of thousands of work orders, decades of information, and now they have the opportunity to actually extract that to then, [00:10:00] as John said, look at these, closed loop processes and these continuous improvement exercises that people are wanting to do. I think, as new facilities come on or mergers and acquisitions happen, having a capability in the cloud allows that integration of those shop floor entities at scale.

And so now they have greater visibility of what's going on the shop floor from an operational perspective, but now they also then can start to compare and contrast against equipment classes across physical locations.

Richard: So, we've discussed why having two hierarchies, two separate systems has been a problem. So what does a true single source of truth, single solution actually mean in practice? Both from a process improvement and also from an employee perspective of new hires coming into the organization leveraging the system.[00:11:00]

John: Sure. I think one of the big things that we're seeing is, again, having that, as I like to call it, that single pane of glass, is allowing our folks that are actually executing to have a bit more of simplicity in the field. And that's important so that we're really giving them the opportunity to make that workflow full circle.

So as they execute, they are actually collecting information. We're getting more information about how that execution is going, the results of that execution, and that gets fed back into that overall asset strategy. As we all joke, used to get plenty of work orders back that said "done," and the interface, of course, between your EAM and your APM, your EAM at that point really just acting as the execution arm of those work orders and your [00:12:00] APM holding a lot of that asset strategy, you weren't getting a lot of that information collaboratively. Now you're really starting to see all that information come through, and as you mentioned, there's a lot of tribal knowledge that's started to head out the door and that's a real concern with a lot of our clients and a lot of the people working at these facilities.

So the more information that we can capture, whether it be written and now digitally enabled, we can capture that with photo, we can capture it with video, we can even capture it with voice. So we're really truly making it easy. We're capturing all that information, and we can feed that into one, just our overall workflow, but now we can start feeding it into models, and that's where we start introducing some of that AI.

So we're really truly starting to superpower the capabilities under that whole umbrella of EAM and APM, and I think that's one of the important things.

Andy: Yeah. I mean, from my perspective, I would say, It minimizes technical [00:13:00] debt. When we combine both the so, like, EAM elements of the execution and asset lifecycle management with the execution and analytics, we really just get one consistent asset model. Then the simplification and

harmonization of the asset master data, and what that provides, it allows us to be more agile in the space.

As these agents come on, as new capabilities come on from an artificial intelligence perspective, we can move and actually implement these innovations a lot faster. In SAP at Sapphire we announced there was 250 agents that came out. 25 of those were actually in our domain. So we can start to now accelerate extremely fast with the information that we already have stored historically. And then what that enables us, it starts to make the shift when we talk about workforce, really away from an SAP EAM [00:14:00] expert or an SAP APM expert into a citizen EAM owner.

They don't need to understand the T-codes. They can really say, "Well, I've got a job request or a task or a work order," and the underlying knowledge graphs that we have then translates that into SAP language to then execute. So you're now thinking about how do... My onboarding time with this new talent is decreasing.

You then have the ability to now start create almost like, video shorts, So that people can understand in very short bites of information whether or not that's a single flyer on a PDF or, a QR code on an asset to show a little video of, how to do a a shutdown or a lockout of this particular piece of equipment.

That is now becoming a reality, which is really just accelerating the workforce to, unburden them from technology and switching between applications to really actually doing [00:15:00] time on tools, which is their primary job is to maintain that asset, is to do those inspections to make sure everything is running smoothly so that there is an impact to the production line, to, SLAs to customers because shipments are missing, etc.,

etc.

Richard: We talked right at the start when we talked about the trends about moving to the cloud as a key driver. And some companies do their implementations and they move an on-premise solution to the cloud and it's a lift and shift, and then they worry about creating and leveraging new capabilities later. So what's the actual cost of doing a cloud migration first and process optimization later? And what are the strongest business cases you see for moving asset management to the cloud?

Andy: I think the very fundamental thing about it, is that when you do a lift and shift or a, a Control V, Control C

Richard: No, you had it as [00:16:00] Control C, Control V, copy paste.

Andy: Yeah, copy paste. Yeah, I was just... I can't quite remember which one it was. That, you were, you basically, any bad practices that you had in your organization is just transferred into the cloud without any improvement. And it is an opportunity. If you are going to the point of doing a migration to the cloud, you're already disrupting the workforce, so it is the golden opportunity to do a transformation.

And with transformation, you get buy-in from the personas. So it's not just an IT technical upgrade, but it's a business transformation, and that opens opportunity to you know, increase the maturity of your asset management practice. When we look at the benefits of cloud, you think about the auto-scaling.

When things were on-premise, that your systems were in silos in that physical location. Mergers and [00:17:00] acquisition, when you acquired a new organization or brought on a new facility online, you had to replicate it. Now, when you have everything in the cloud, you can utilize your best practices, your golden template, let's say, of how you want your asset management structure to be, and deploy that down into that facility.

So in, you get this enterprise at scale, and the business processes are cascaded down into the local area. When we think about cloud first, optimization later, I would say, in overall there is a higher long-term cost. You've just gone through that pain of that migration, and then you're telling the business, "Yes, hey, by the way, we're gonna do it a second time."

We'll carry a lot of technical debt and there will be, human resistance to go through a second phase. And as we all know, in all lines of business, there is never a phase two. It never happens. And we miss out [00:18:00] on implementing innovations.

John: Right.

Andy: Yeah. John?

John: One of the neat things that I think we're also seeing, based on your question that you just asked, was- Coming through this process of transitioning to cloud and making these, these upgrades and implementations is we're seeing a paradigm shift. It used to be this is an IT event, and now we're actually seeing a pivot to this being a business and IT event.

We're seeing the group at the table, which is fantastic because, doing it in disjointed efforts can be much of a regret move because then you're not necessarily setting up your overall infrastructure with the end in mind. Because it's about future-proofing how you want your system to be, [00:19:00] and making some of those critical decisions while you're making that transition to cloud is the right thing to do.

And Creating that both IT and business infrastruc- business case together is important. And having them all at the table, all understanding why one person is asking for one thing and the other person is asking for something else and being able to share that information is critical. So I think those are some of the really important parts.

Gets a lot more collaboration and sharing of information at that point. And so I think it's a lot more understanding. I think This has been just a big shift, and we're seeing a lot more folks ask the right questions, ask more questions, be open to understanding why we wanna make these changes, and I think that's why we're hearing the term digital transformation come through on a lot of these a lot of these changes.

I think the cloud is also... andy, you mentioned technical debt. [00:20:00] It's really making people look at w- what do I need? Gets away from custom code, and now we like to say custom configuration. And really even, and really backing away from even the words custom. It's what do I actually need?

Do I really need to modify what comes out of the box? 'Cause l- in actuality, a lot of the folks that helped put together and design a lot of these capabilities, came from those industries. It was these focus groups, it was these different, industry groups that helped shape what is there now.

That's not to say you won't need to configure, you won't need to do some custom configuration, but it's really about trying to minimize that to make your your upgrades, your implementations and so on much simpler, and to align it to your business processes.

Richard: I think I'm contractually obliged to mention AI in every podcast that we do but, at this point.

So, so here we go with an AI related [00:21:00] question. W- what are the roles of technologies such as AI and the Internet of Things and digital twins in maintenance management both today and moving forward?

John: Andy, I'll let you take that first and happy to jump in.

Andy: Sure. Well, I mean, those technologies really are the digital background of Sorry, the, those technologies are really the digital backbone of modern asset management. When we think of IoT now it, it is a reality to get that continuous monitoring, live real-time data coming out into the hands of business.

Then they have the op- the opportunity to look at the operational information and respond instantaneously. And then from the asset health perspective, you can then start to ingest that information into the back end. When we think about digital twins, that helps us [00:22:00] solidify in the digital world really that...

what that physical asset is out in the field. And, and digital twins are two things from my perspective. One is a, a digital representation of a physical asset. The second one, which is less known is the, it's a digital representation of the business process. It's a digital twin process.

So we're understanding and being the guardians of information from that machine on the shop floor all the way through to insight into execution. And when we think about these elements, it really is, when we build these three together it's really this is how you move from a time-based, condition-based maintenance strategy into a predictive prescriptive strategy.

'Cause you need to leverage these technologies in order to ultimately improve your downtime, the cost and risk associated [00:23:00] with those particular assets. Now, I've deliberately not mentioned the AI 'cause I'm gonna leave that to John, and then because we've worked on multiple customers around there, around this space and let him have the floor on that.

Richard: So, and the digital twin and IoT provide the foundation of data.

Andy: Yes ...

Richard: for AI. John, over to you.

John: Sure. And I think one of the really neat things is this starts actually at the implementation. It starts at the upgrade. I've been having a lot of spirited discussions, with my colleagues about this because sometimes people, the immediate thing they wanna do is go build.

And, there's something exciting about building things. I know. But honestly, I love it when Andy builds the stuff and maintains it, and I don't have to. And

what I mean by that is what's really exciting is that SAP has actually taken the lead [00:24:00] on amazing skills They have created the lead on building some agents, some MCP servers, I know these are all agentic-sounding terms, but a lot of these are actually utilized for building out the implementation path. And this allows, to answer your question that you just asked a moment ago, it helps with that whole Control C, Control V process, which is really interesting. It helps create that more agentic and simpler pathway for that information.

And how is this information gonna flow from our previous instance to our new instance? What can we do to optimize it? What are the risks, and so on. And for us, I think one of the, on the implementation side, the SI side or the client side, what's really exciting about that is you have the person that is creating the software, SAP, maintaining those tools.

Well, who knows that better than the people that [00:25:00] actually own the software? So I think that's truly a fantastic element. And then, the other piece is now we're actually moving to execution. How do we use it? And that's where, having things like asset performance alert processing agent.

Now, that sounds really cool and a little bit technical, but it's really having somebody in an agentic format, meaning somebody being that agent, looking out over all that equipment that Andy talked about. We're able to very simply pull in all these assets, a lot simpler than it used to be, into these tools and monitor them.

When do we actually need to react to something happening with a piece of equipment, to an asset or group of assets, a functional location or a system? How do we use those agents to create maintenance requests? So you're starting to hear about things like, "Hey, how am I gonna use this?"

Well, this is just taking away a lot of those tedious tasks that we used to have people [00:26:00] doing. Sometimes people really didn't like those tasks because, again, it was monotonous, it was tedious, and it was very repetitive. So we're displacing that type of work with agents. So that's some of that agentic workflow, and it can be fast, it can be done simpler, and it also can be done at scale.

So especially if you think about something like a, service dispatcher agent or something that's looking over planning and how do I move all these different things and what are the risks if I change this schedule and, move this PM to be done here to allow this corrective work to be done.

It can start looking at all these different elements, from a large language model perspective, more so than somebody just sitting there with an Excel spreadsheet or a piece of paper going, "What happens if I move this?" Or big dry erase board. And that's really where we're really starting to pull the power of data into these tools. So that's the cool factor, but also the data factor and the importance of using these agents.[00:27:00]

Richard: That set me up for my last question because this is the Future of Supply Chain podcast, and I want to ask a question about the future. I'm really looking for you to summarize the conversation that we've had for the last 25-plus minutes. And from an asset management perspective, in a sentence or two, what is the future of supply chain?

John: I mean, we're getting closer to autonomous asset management. We're converting signals and requests into prioritized work packages. I think that's really important. And, that's gonna shift just this manual work into really exception-based work, which is really important. It's really about maximizing that productivity we just talked about using some of those different tools to, really boost our productivity, by intelligent scheduling, and utilizing those, that AI-driven capability, for insights and diagnostic and help them execute faster, better, stronger.

And then to go back to some of the [00:28:00] things that we talked about before, it's really about taking all this knowledge and utilizing that to make a closed loop asset management. And it's synchronizing all that information, everything from the financials to the supply chain. What's gonna happen, with the actual process, whether you're, it's an electrical plan or whether you're making widgets or what have you.

And what is it gonna happen from an execution standpoint? What is it real time gonna do from a work execution standpoint? And then how do we you know, improve our execution and maintenance strategies, to really start going to a risk-based prioritization standpoint. We're really gonna start working smarter.

Richard: Nice summary. Andy, any thoughts?

Andy: Yeah. I mean, from my perspective, I think with all of these technology is exposing information and insights into business, and I think asset management is gonna be... play a more [00:29:00] pivotal role in supply chain resilience. When we start talking about and implementing supply chain orchestration the value strategy roles that are sitting across global organization

are going to have the ability to understand the individual production lines that may impact the larger supply chain to a customer.

So I think that's one. So rather than it being an overhead and a siloed maintenance activity within organizations, I think it's gonna be integrated and really intelligent driven supply chain ecosystem across, you know, our business networks in collaborations out in the field with OEM providers operators that are coming in externally to maintain these assets.

I think asset management is becoming, that end-to-end process, so from the shop floor, digitally enabled assets, and data, those data insights [00:30:00] that John was talking about is really gonna help us predict the impact to supply chain. When we think of really what's the biggest thing that is unlocked is this unified understanding, this closed loop where we've got EAM activities, enterprise asset management with asset performance analytics piece really joining together and being... utilizing all of this new technology that's coming through the IoT, AI, digital twins, in essence.

But, my caveat would be Success really depends on the business and IT going together, as John mentioned earlier. All the successful projects have been when there's been equal engagement, equal risk of failure in a project has made everything been successful. I think, that unified data model don't think of point solutions, think of this autonomous [00:31:00] enterprise.

How do I expose the information inside of asset management, so other parts of the organization can benefit from the insights that we have? The asset management space is very mature when we do talk about predictive algorithms and actually, predicting the useful remaining life of an asset.

I think this at scale, we've got multiple customers now that have, tens of millions of assets under management. You can't do that in individual silos in locations. It's just impossible to actually bring all of that information together. And I then... going back to the human in review, the human is still centrally important to activities. Hands-on tools that, that's still gonna happen. We can't automate everything, so how do we support them, moving from just going out and doing operate around every day to really doing, [00:32:00] decision-driven roles? So AI is going to tell them, "You don't need to go and check on this piece of plant today.

You, you need to... You can do it every three days," because we understand that, the ongoing health of that asset because of the information flowing back from it.

Richard: Great. Gentlemen, thanks for a great conversation. This has been very informative, very interesting, and I've thoroughly enjoyed it.

Andy: Thank you very much.

Thank you, sir.

Richard: And thanks everyone for listening. Please mark us as a favorite. You can get regular updates and information about future episodes. But until next time, from John, Andy, and I, thanks for discussing the future of supply chain.