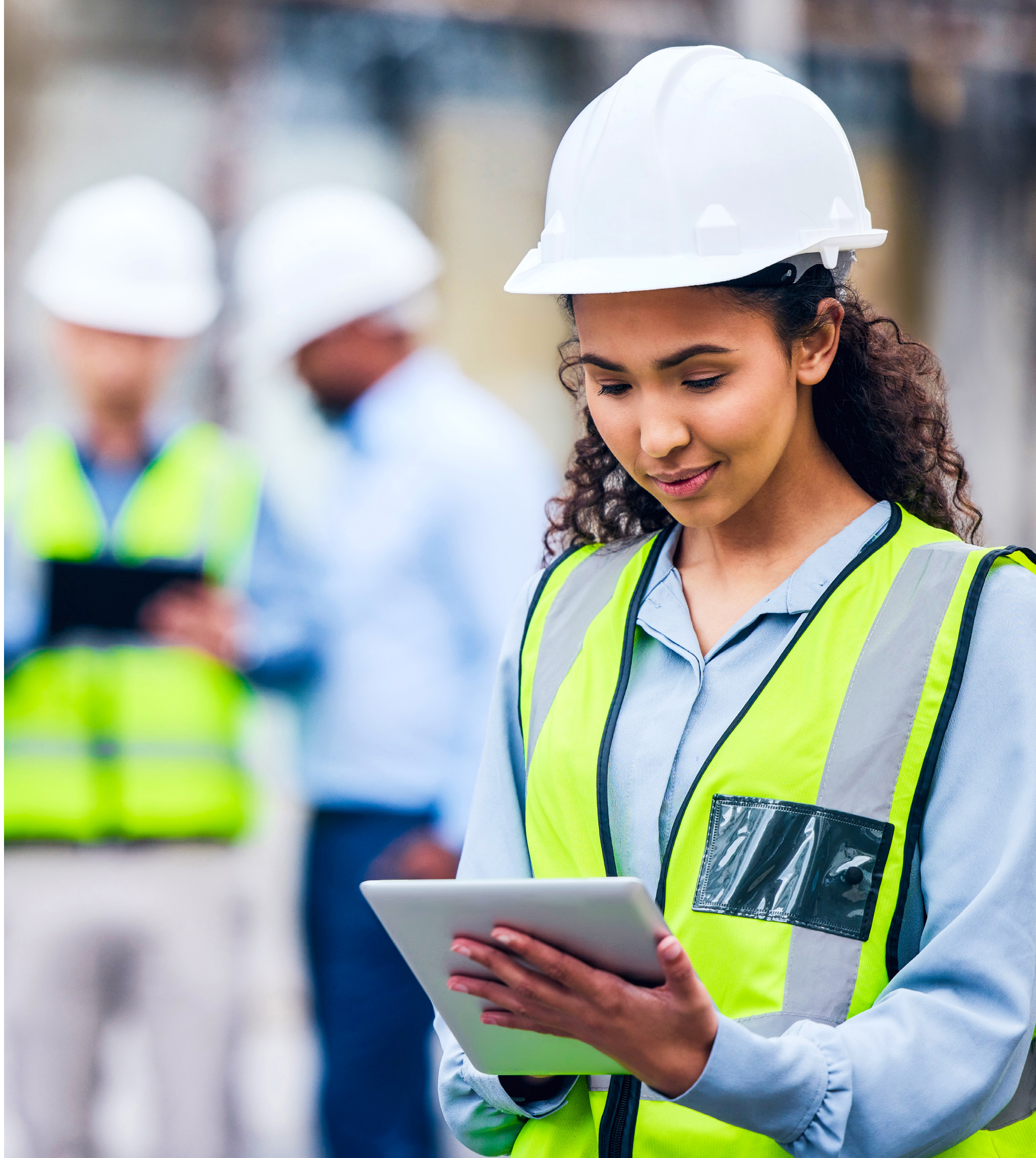
EBOOK

EAM vs. CMMS: Don't get fooled

Today's market is crowded with software systems, each clamoring for the title of perfect maintenance and asset management solution. But they're not all created equal.

While enterprise asset management (EAM) systems and computerized maintenance management systems (CMMS) might sound similar, the outcomes they deliver couldn't be more distinct. Understanding the difference between the two—and knowing how to tell them apart beneath the marketing hype—is key to cutting through the noise and making the right choice for your business.



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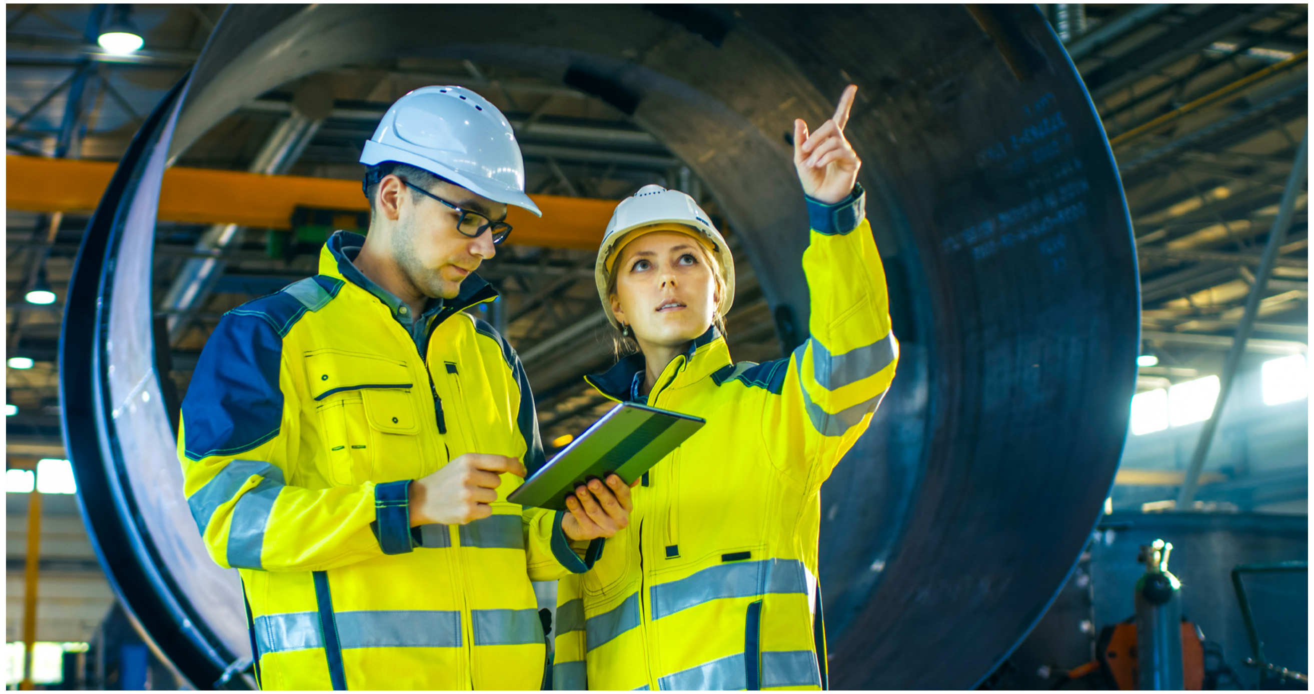
Similar claims, different outcomes

Two types of products dominate the maintenance and asset management software market: enterprise asset management (EAM) systems and computerized maintenance management systems (CMMS).

The two terms are thrown around a lot, but it's not always clear what the difference is—and that can be challenging when you're trying to decide which software system is right for your business. Adding to the confusion, many CMMS products have started advertising themselves as EAM systems, or as EAM/CMMS hybrids.

On the surface, these products all make similar claims and seem to offer similar benefits. They're all geared toward maintenance. They all offer cloud-based subscriptions. Most of them provide additional features like inventory management and asset tracking. And today, some CMMS packages offer features that have traditionally been the domain of EAM systems, such as purchasing modules or multi-site management tools.

These overlapping definitions raise understandable questions for customers: In today's market—where web architecture and mobile apps are par for the course, and multi-site support is becoming more and more common—is there any meaningful difference between an EAM system and a CMMS? Or have we reached a point where the lines are so blurred that they're basically the same thing?



Cut through the marketing noise and the answer becomes clear: Yes, an EAM system and a CMMS are indeed different—and understanding those distinctions is key to making the right decision.

Not every product that claims to be an EAM system truly functions like one. While it's true that the line between EAM and CMMS is not as clearly defined as it was 20 years ago, these two types of software packages still have big differences in approach, functionality and outcomes.

What is a computerized maintenance management system (CMMS)?

CMMS were designed to be exactly what the name says: computerized maintenance management systems. They first hit the market in the 1960s as a solution for managing work orders with punch cards instead of with paper and filing cabinets, and then emerged as computer software in the 1980s. As these systems evolved, more features were added to support a wider range of business needs.

These days, most CMMS have some form of preventive maintenance, asset and inventory management and mobile functionality. Many also boast additional features such as project management, multi-site support or the ability to purchase maintenance, repair and overhaul (MRO) parts from online catalogs within the CMMS.

A clear maintenance management focus

Despite their expanding capabilities, maintenance management remains the heart of a CMMS software package. Smaller CMMS products focus exclusively on work orders and equipment records. Even the largest aren't designed to provide much functionality outside of maintenance and MRO materials management.

CMMS are streamlined maintenance management tools, and aren't intended to service the asset management needs of entire organizations. Instead, businesses can fill remaining gaps by integrating their CMMS with other software systems that provide services such as scheduling, purchasing and accounting.

At the end of the day, CMMS can be a hardworking solution for small maintenance operations that need a simple way to manage work orders, equipment records and spare parts. They can't do everything—but that can be part of the draw. More focused capabilities mean CMMS packages often have a smaller price tag than their larger and more powerful cousins, the EAM system.

What is an enterprise asset management (EAM) system?

As the name suggests, EAM systems were designed to be unified platforms for managing an organization's physical assets across the enterprise. They entered the scene later than CMMS, once network technology gave companies the ability to link computer systems across multiple sites.

EAM systems include maintenance management capabilities, but they also consider the total cost of ownership (TCO) for a company's physical assets and provide a wider range of features to track, manage and analyze asset performance and costs across the asset lifecycle—from acquisition to decommission and everything in between.

Because they are designed for the enterprise, EAM systems serve every facet of an organization that pertains to asset management. This includes functions like maintenance and MRO inventory, but it also spans MRO procurement, engineering and project management, accounting, operations, reliability management, safety and compliance and even business intelligence (BI) to support strategic planning at the enterprise level.

The result? One source of truth, built to unlock organization-wide excellence.

From maintenance to enterprise intelligence

An EAM system contains connects all of the information about an organization's physical assets. Repair histories, energy usage, life cycle costs, warranty records, part catalogs, purchase orders, audit trails and more are all stored in one place and made the same system and accessible to any department.

That means maintenance can use the EAM system to manage work orders and equipment records. MRO materials management can use it to manage storerooms and inventory. MRO procurement can use it to manage request for proposals (RFPs), contracts and purchase orders. Accounting can use it to manage MRO budgets and invoices. And so on.

Because it's a single system, everyone can access the same data—data that is aggregated from a multitude of sources across the organization and updated in real time. An EAM system can be integrated with supervisory control and data acquisition (SCADA) systems and building automation systems (BAS) to provide up-to-the-minute information about asset conditions and energy usage. Meanwhile, enterprise resource planning (ERP) systems can ensure accurate financials, with BI systems equipping leadership with a clear view of asset costs and performance.

Beyond big business

Since they debuted in the 1990s, EAM systems have been the solution of choice for asset-intensive organizations that need to manage a large portfolio of physical assets across multiple locations. In the last decade, however, these systems have been increasingly adopted by small and medium-sized businesses (SMBs) that want the added performance optimization and cost management features that EAM systems offer.

With the rise of software-as-a-service (SaaS) deployment models, the cost of owning an EAM system has become competitive with CMMS—and because of their additional features, EAM systems are often the most cost-effective choice, even for small operations.

Selecting the right system for your business

Big business? It's EAM all the way.

For large and complex organizations with multiple sites and many assets, the answer is clear: only an EAM system can deliver the connected intelligence needed to optimize outcomes across the enterprise.

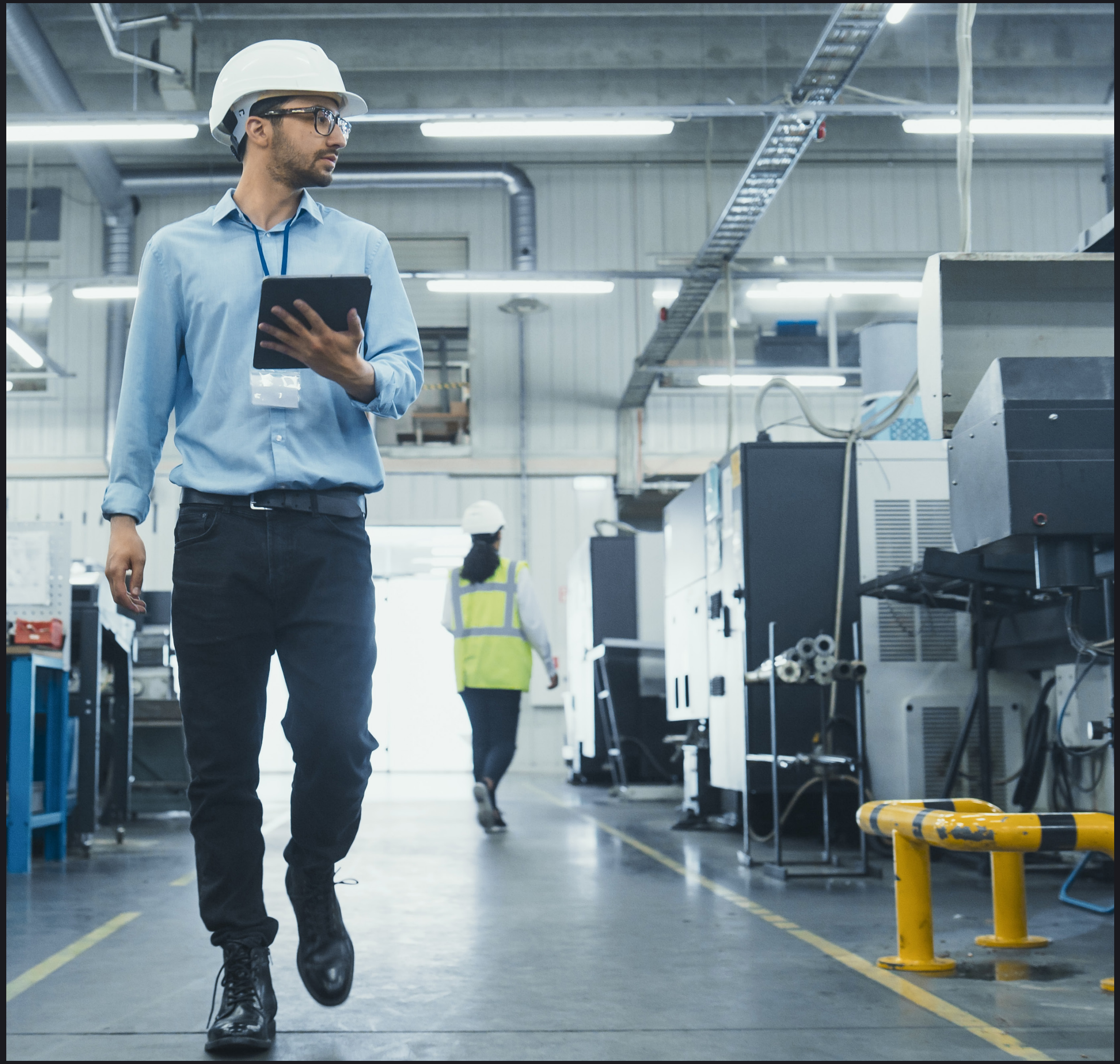
EAM systems are the only tool on the market that combines powerful maintenance and asset management capabilities with advanced features for lifecycle cost tracking and analysis, enterprise-grade support for multiple locations and businesses and functionality for non-MRO departments like accounting and engineering.

EAM systems also offer a wider range of integration options than CMMS, connecting the enterprise from BI systems at the top to SCADA and BAS systems at the bottom, and providing the rich, accurate information that businesses need to make smart decisions about their assets.

SMB? Weigh your priorities.

For SMBs, the choice between CMMS and EAM isn't always clear.

Most CMMS are capable of handling the maintenance management needs, and even the MRO inventory requirements, of smaller operations. If that's all you need out of your software system, CMMS may be the most cost-friendly choice.



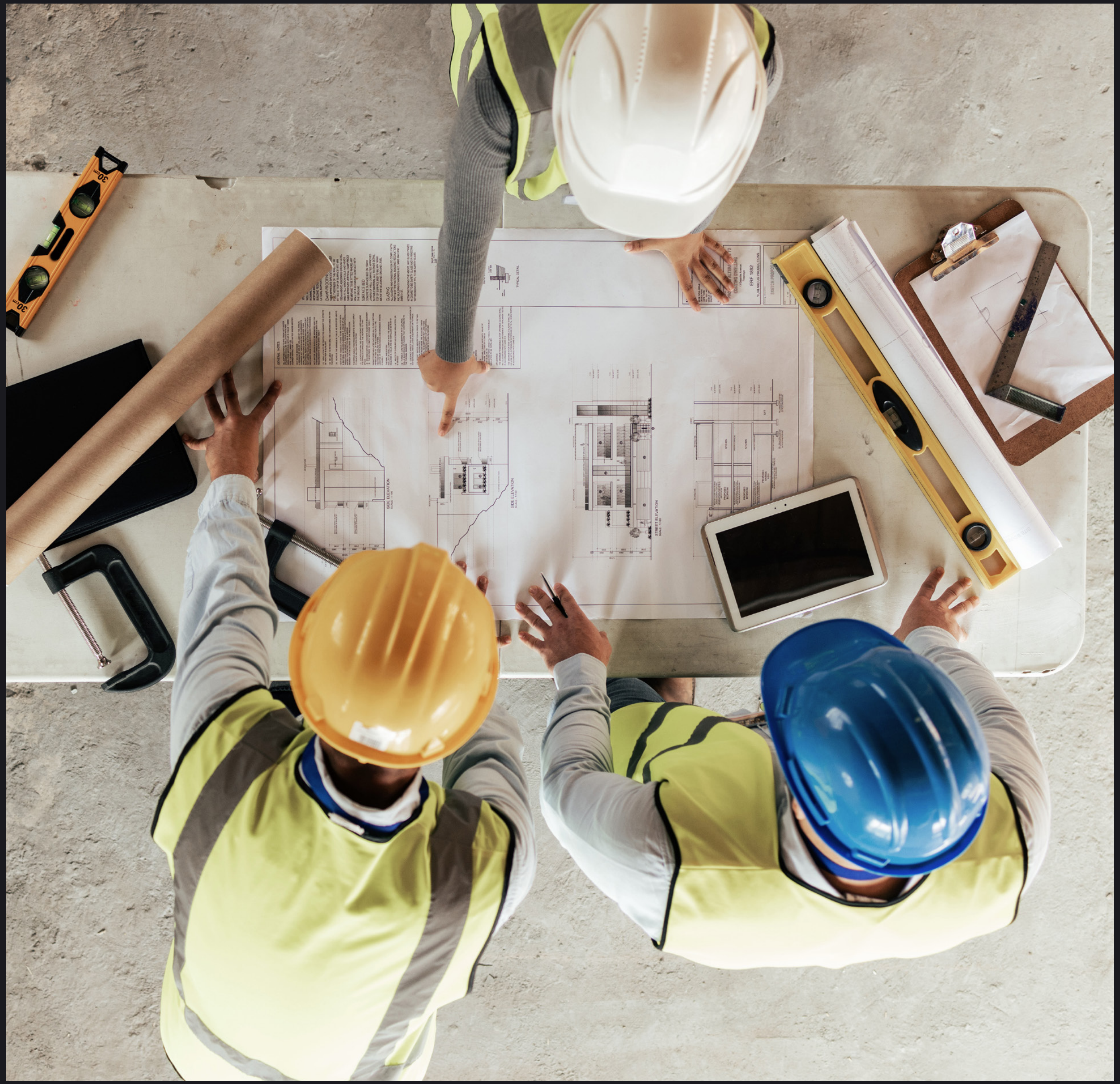
However, even for smaller operations, there are compelling reasons to consider an EAM system, including if:

You have plans to scale

If you have plans for growth, you need a tool that can scale with you. CMMS work great for small operations, but they're not as good at supporting the needs of a growing business.

For example, if you're thinking about adding another site in the future, you will need the enterprise functionality of an EAM system. Or, if you decide next year to implement a reliability centered maintenance (RCM) program, you're going to want the failure analysis tools only an EAM system can provide.

A CMMS may serve your immediate needs, but an EAM system will give you tools to keep scaling up performance over the long term.



You want to maximize value beyond maintenance

If you want to take a holistic approach to asset management—one that considers TCO and seeks to maximize value throughout the asset lifecycle—then you need the deep functionality and enterprise mentality that come with an EAM system.

Asset management is not just about maintenance, but about all business functions working together. You need a software platform that serves the needs of the whole operation, not just one function. An EAM system provides the tools to track costs, manage resources and optimize performance across the whole organization.

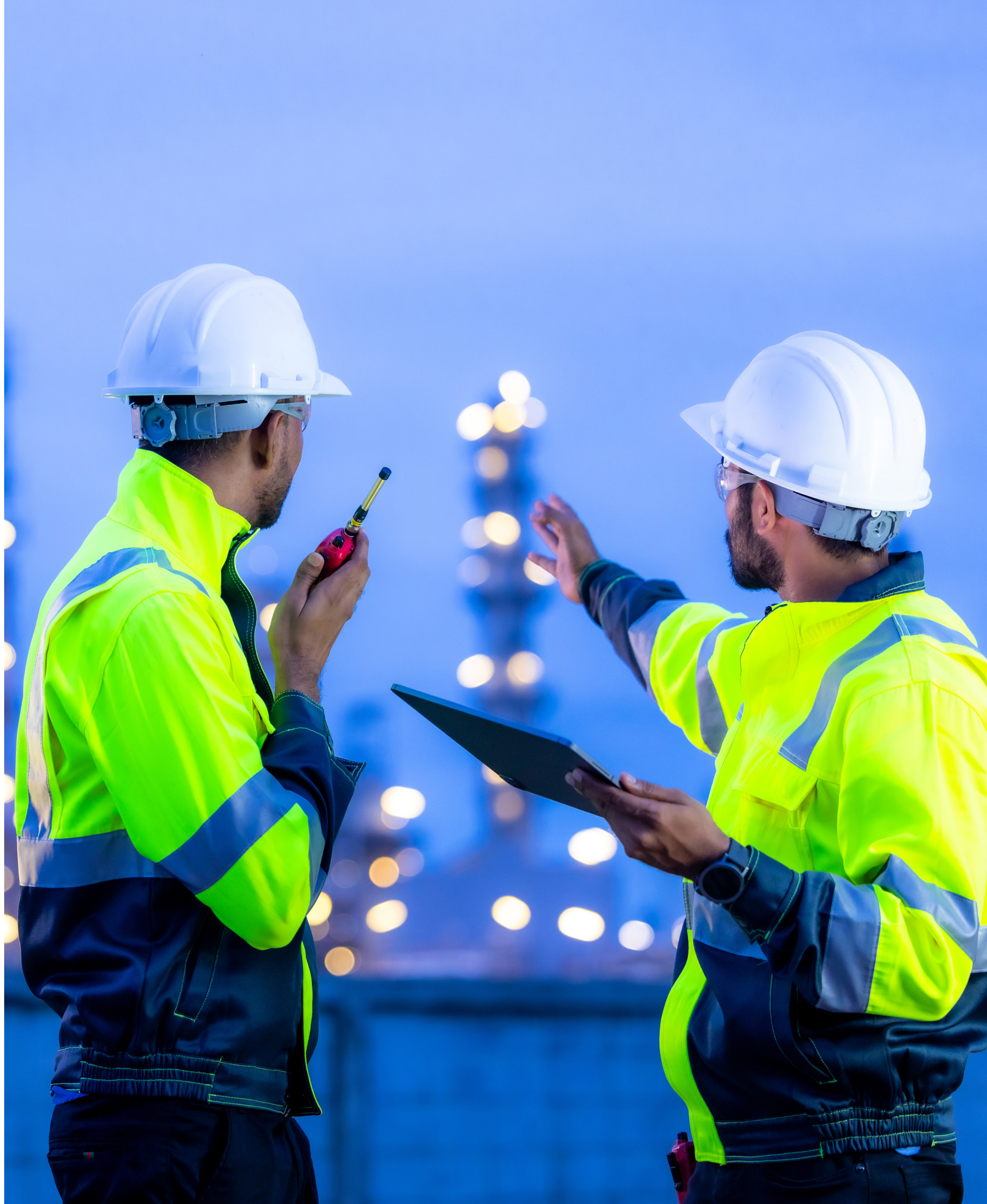
What comes next

As more options continue to hit the market, choosing the right asset management software for your business is only getting murkier. New products enter the market every year, and terms like EAM and CMMS aren't always clear-cut. You may have to wade through dozens or even hundreds of products, all calling themselves by slightly different names, to find the one that offers the best value.

In this kind of market, knowing what you're looking for is half the battle. Once you understand the difference between an EAM system and a CMMS, it's easier to tell what type of product you're looking at—regardless of what it may be marketed as.

If you decide that a CMMS is all your organization needs, there are hundreds of products to choose from. But maybe you have plans for growth. Maybe you want to approach asset management holistically and think beyond maintenance. If so, you require deeper functionality that comes with an EAM system.

Regardless of where you land, don't be fooled by CMMS messaging that claims it can accomplish what an EAM system can provide. There's a world of difference between a CMMS that markets itself as an EAM solution and an actual EAM system. Make sure you know what you're looking for, and don't settle for less.



About Octave

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