

: *What is predictive asset management?*

by Daniel J. Power

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Cognizant, Deloitte, IBM, SAS and other vendors and consulting firms are promoting use of predictive analytics to schedule asset maintenance and replacement. The terms used include: Predictive Asset Analytics, Predictive Asset Management, and Predictive Asset Maintenance. Specifically for Utility companies, adding predictive intelligence capabilities to existing systems can help control and avoid asset failures, outages, and penalties. Predictive analytics improves availability and reliability while reducing the cost of managing assets. Navigant Research (2014) estimates that utilities will spend almost \$50 billion on asset management and grid monitoring technologies by 2023.

Richelle Elberg, senior research analyst with Navigant Research, concluded “Emerging sensor technology and analytics solutions have the potential to completely revolutionize the way the power grid is managed and maintained.”

Finally, Bouley (2016) argues "Predictive analytics tools transform raw data into easy-to-understand and actionable insights resulting in improved availability, reliability and decision-making. Risk assessment becomes a more exact science and potential behaviors of monitored assets can be leveraged to better prioritize capital and operational expenditures.

In conclusion, predictive asset management is a feedforward control system that uses data from predictor variables like time in operation, service history, and peak usage to model asset failure. Feedforward control is proactive and anticipates failure to avoid failure and its consequences.

IBM sent me the following Linkedin message:

IBM Industries
Hello Daniel,

What if you could:

: What is predictive asset management?

- predict when an outage might occur?
- anticipate the location of potential disturbance?
- foresee the amount of damage?
- forecast areas that could be impacted by weather?
- deploy your field crews to the right place with the right tools, even before the outage occurs?

Outages cost utilities millions of dollars every year and are a real obstacle in the way of long-term operational efficiency. A predictive maintenance solution can help you achieve all this, saving you money, improving your services and keeping your customers happy. [Learn more](#)

The future of work and asset optimization is happening now!
Are you ready for it?

References

Bouley, D., "'Predictive' Asset Management Tools: Well Worth the Investment for Utilities," Blog Schneider Electric, September 8, 2016 at URL <https://blog.schneider-electric.com/utilities/2016/09/08/predictive-asset-management-tools-well-worth-investment-utilities/>

IBM Predictive Asset Management for Utilities at www.ibm.com/industries/energy/predictive-asset-management-utilities.

IBM Energy, Environment, and Utilities Advanced Analytics Assessment at www.ibm.com/industries/energy/resources/asset-performance-assessment-tool.

Navigant Research Press Release, "Utility Spending on Asset Management and Grid Monitoring Technology Will Reach Nearly \$50 Billion through 2023," Navigant Research, March 6, 2014 at URL <http://www.navigantresearch.com/newsroom/utility-spending-on-asset-management-and-grid-monitoring-technology-will-reach-nearly-50-billion-through-2023>

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