

INDUSTRY INSIGHTS:

Drivers for change in asset intensive industries

Changing conditions in the global energy and resources market, evolving environmental management and compliance requirements, and growing competition for talent are key extrinsic factors driving data-driven business. One of our largest mining clients recently cited geopolitical change, increasing focus on social license and community engagement, climate change and volatility in commodity markets as key drivers for a diverse range of digitally enabled business initiatives.

The need to maximise workforce safety and productivity is another key driver for many of our clients in asset-intensive industries. All businesses continually strive for greater productivity and competitiveness through innovation, R&D and continuous improvement. There is a strong consensus across business and industry that digital capability plays an essential role in meeting the ever-evolving needs by driving workforce safety, productivity, knowledge management and capability development.

Searching for unstructured information (documents, images, emails, 2D drawings, policies and procedures) consumes 30-60% of employee time, depending on IM maturity within an industry sector.

As much as these metrics make anecdotal sense to many employees who experience 'information overload', the studies that these metrics are based on providing a mix of quantitative and qualitative metrics which are not always directly transferrable from business to business, with each organisation needing to validate how the metrics play out in their organisation,

Despite the difficulties associated with quantifying benefits, there are some apparent instances where digitalisation and automation have a tangible impact on productivity. However, these are too often measured in simplistic ways.

For example: even though the benefits of redeployment to more productive roles through process automation are clear, especially in a competitive labour market, a common 'cost-reduction' indicator associated with automation and digital enablement initiatives is simply to measure staff attrition. Ironically, when staff are redeployed to more productive roles rather than leaving a company, this negatively affects ROI reporting.

While cost savings and increased profits are important to every business, the value of intangible benefits, including improved risk management and compliance, improved innovation capability and more effective management of corporate IP and knowledge, are too often underestimated.