Internet of Things in Asset Management:
Insights from Industrial Professionals and Academia

Sini-Kaisu Kinnunen, School of Business and Management, Lappeenranta University of Technology, Lappeenranta, Finland
Antti Ylä-Kujala, School of Business and Management, Lappeenranta University of Technology, Lappeenranta, Finland
Salla Marttonen-Arola, Faculty of Engineering and Advanced Manufacturing, University of Sunderland, Sunderland, UK
Timo Kärri, School of Business and Management, Lappeenranta University of Technology, Lappeenranta, Finland
David Baglee, Faculty of Engineering and Advanced Manufacturing, University of Sunderland, Sunderland, UK

ABSTRACT

The emerging Internet of Things (IoT) technologies could rationalize data processes from acquisition to decision making if future research is focused on the exact needs of industry. This article contributes to this field by examining and categorizing the applications available through IoT technologies in the management of industrial asset groups. Previous literature and a number of industrial professionals and academic experts are used to identify the feasibility of IoT technologies in asset management. This article describes a preliminary study, which highlights the research potential of specific IoT technologies, for further research related to smart factories of the future. Based on the results of literature review and empirical panels IoT technologies have significant potential to be applied widely in the management of different asset groups. For example, RFID (Radio Frequency Identification) technologies are recognized to be potential in the management of inventories, sensor technologies in the management of machinery, equipment and buildings, and the naming technologies are potential in the management of spare parts.

KEYWORDS

Asset Management, Data Acquisition, Internet of Things, IoT, Smart Factory, Technologies and Applications

1. INTRODUCTION

As a result of the rapid and world-wide globalization in the industry today, companies and other organizations are networking, whether intentionally or unintentionally, at an increasing pace. Complex interdependencies in the organizational interface set entirely new requirements for data acquisition and data transmission as well as for generating usable decision-making information from the data. Based upon the above-mentioned need to manage and control inter-organizational environments, academia is producing a growing number of decision-making models and tools designed for industrial asset management. The authors of this paper have previously developed a number of models to support asset management decision making, including “Life-Cycle Model for Maintenance Service Management”, created for inter-organizational operation and maintenance planning and decision making of a production asset (Kvimäki et al., 2013; Sinkkonen et al., 2014), and the “Flexible Asset
Management Model” or “FAM-model”, targeted for optimizing a network’s asset quantities and balance sheet -positioning in a strategic level (Martonen et al., 2013).

The amount of data in companies and the numerous information systems are constantly growing, which has created a number of problems in separating relevant data from irrelevant data. Therefore, it has proven very difficult to generate accurate, adequate and timely data for industrial asset management models and tools, such as the “Life-Cycle Model” or the “FAM-model”. One viable solution to improved data acquisition and transmission are the Internet of Things (IoT) technologies that will automate asset-related data processes in smart factories of the future through embedded communication within the existing internet infrastructure (Vermesan & Friess, 2013). IoT does not however intrinsically solve any difficulties in data utilization, i.e. turning data to business information, where suitable data penetration and analytics software or techniques, so-called middleware is highlighted instead (Wang et al., 2008). There is a trend to generate more value from an array of ubiquitous sensors utilizing the IoT which will have the ability to monitor and measure the assets, the operators, the business and the environment in which they work (Baglee and Knowles, 2010). As IoT technologies are altogether a novel approach, the field remains somewhat unclear, which creates a need to carry out research especially from an industrial asset management perspective. Therefore, research is needed to clarify industrial applications in order to improve data exploitation and data-based decision making in an industrial environment. The objective of this paper is to collect, correlate and study the Internet of Things technologies which are relevant for asset management systems by connecting an industrial asset group to an IoT technology both in theoretical and at a practical level. The remaining sections of this paper are structured to support the following research questions:

1. What are the essential IoT technologies to be employed in the data acquisition and data transmission of various physical industrial assets in smart factories of the future?
2. How do the industrial professionals and industrial engineering and management academic experts foresee the industrial asset management potential of IoT technologies?

2. METHODOLOGY

This research is qualitative research by nature. Qualitative research aims to understand and interpret the phenomena and highlight the viewpoints of research participants (Bryman & Bell, 2011). Our research employs two methods. Firstly, current knowledge on existing IoT technologies and their potential applications are studied by conducting a comprehensive literature review in order to achieve a theoretical overall view and to determine the research gap. Theoretical framework is formed based on previous literature to create a basis for empirical research. Secondly, the empirical evidence is mapped via an industrial professional panel and an academic expert panel. Qualitative data is gathered through these panels to complement the perception based on the literature review and to get valuable insights and rich description about the potential of IoT technologies in industrial environment. An industrial professional panel is comprised of industrial asset management and industrial maintenance professionals representing internationally distinguished companies in Finland and Sweden. An academic expert panel consists of industrial engineering and management researchers in the fields of cost, performance, and asset management. The empirical evidence is gathered through these panels separately and they are compared and analyzed in order to get the perception in which ways the views of industrial professionals and academic experts encounter.

3. THEORETICAL FRAMEWORK

In this section the foundations for theoretical framework are explored. The terminology and definitions related to IoT technologies and asset management are presented. Section 3.1 discusses the IoT
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