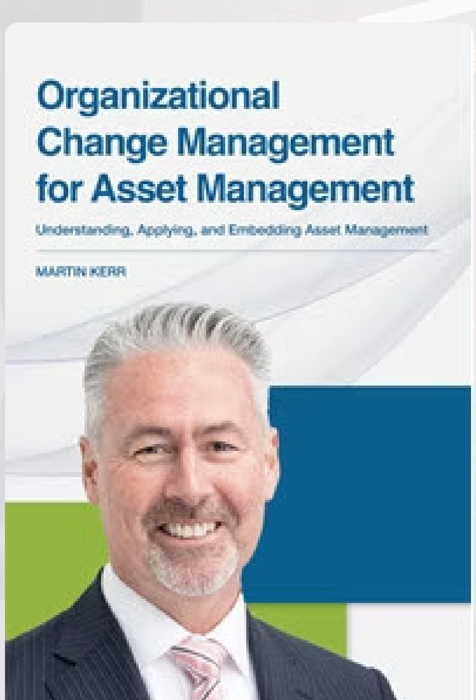
Case Study - Offshore Manufacturing Startup

Building Global Capability Through Asset Management and Organisational Change Management

How a manufacturing organisation navigated global expansion, cultural differences, workforce uncertainty, and knowledge transfer to create a sustainable international manufacturing operation.

> The challenge was never building a factory. The challenge was transferring trust, knowledge, capability, and confidence across continents.

*Based on the case study from Martin Kerr's book **Organisational Change Management for Asset Management***



Asset Management and Organisational Change Management are often treated as separate disciplines. In reality, successful organisations need both. Asset Management provides the structure, while Change Management helps people adopt and sustain it.

This book combines practical experience, real-world case studies, and lessons learned to demonstrate how Asset Management and Organisational Change Management work together to create alignment, capability, and sustainable value. Its purpose is to help organisations bridge the gap between strategy and execution and turn Asset Management into an embedded organisational capability.

The Business Challenge

The Need to Think Beyond Local Manufacturing

As the Global Financial Crisis approached, the organisation recognised that traditional manufacturing models would not remain competitive in an increasingly interconnected world. Market forces were converging rising input costs, intensifying global rivalry, and the structural shift of production capacity towards lower-cost regions to create a strategic inflection point that demanded bold, considered action.

A strategic decision was made to establish an offshore manufacturing capability through a joint venture in Asia. The objective was to reduce production costs whilst simultaneously creating access to global markets and future growth opportunities that a purely domestic manufacturing base could never realise. This was not a reactive cost-cutting exercise it was a deliberate long-term investment in organisational resilience and competitive positioning.

The goal was clear: create a globally integrated manufacturing capability whilst protecting service delivery, quality, and the organisational knowledge that had been built over many years. The question was never whether to make the move. The question was how to make it successfully and sustainably.

Market Pressures

- Increasing global competition
- Cost pressures on manufacturing
- Need for greater scalability

Strategic Growth

- Expansion into international markets
- Access to new manufacturing capability
- Diversification of production capacity

Sustainability

- Long-term competitiveness
- Improved cost structures
- Enhanced global reach

The Real Problem

The Factory Was Easy. People Were Hard.

On paper, the business case made perfect sense. Transfer manufacturing capability to a lower-cost region and improve competitiveness. The spreadsheets were compelling, the strategic rationale was sound, and the financial projections told a persuasive story. Yet the moment the programme moved from boardroom approval to operational reality, the true complexity of the challenge revealed itself.

The knowledge required to operate the business resided not in manuals, systems, or documented processes it existed within the minds, hands, and experience of the local workforce. As employees began to understand that transferring this knowledge could ultimately make their own roles redundant, resistance naturally and understandably emerged. This was not obstruction for its own sake. It was a deeply human response to uncertainty about the future.

The Hidden Challenge

The knowledge required to operate the business existed within the local workforce. As employees realised that transferring this knowledge could ultimately make their roles redundant, resistance naturally emerged. The greatest risk was not operational it was human.

Stakeholder Questions

- What happens to local jobs?
- How will quality be maintained?
- Can knowledge truly be transferred?
- Who benefits from the change?

Cultural Differences

Two organisations viewed success differently. One focused on profitability. The other focused on long-term value creation and relationships a fundamental tension that required active management throughout the programme.

⚠ The greatest risk in this programme was not operational. It was human. No amount of engineering excellence or financial planning could substitute for trust, engagement, and genuine cultural understanding.

The Asset Management Approach

Viewing Manufacturing Capability as an Asset

The programme adopted an asset management mindset before many organisations formally used the term. Rather than viewing the offshore venture purely as a capital project with a defined scope, budget, and completion date, the leadership team understood that what they were really managing was a complex portfolio of interdependent assets physical, human, and intellectual each of which needed to be planned, protected, and transitioned with care.

This perspective transformed how decisions were made. Instead of optimising for the lowest upfront cost, the organisation evaluated every major decision against a broader set of criteria: lifecycle cost, risk exposure, long-term sustainability, and alignment with strategic objectives. This is the discipline of asset management and it proved to be an essential framework for navigating the complexity of a global manufacturing transition.

Capability Mapping

Critical assets identified: manufacturing knowledge, processes, equipment, supply chain capability, engineering expertise, and quality systems all mapped and assessed for transfer readiness.

Lifecycle Thinking

The project considered startup costs, transition costs, operational capability development, and long-term sustainability not merely the initial capital investment.

Risk Management

Major risks actively managed: knowledge loss, quality degradation, supply chain disruption, and erosion of customer confidence during the transition period.

Governance

Strong governance ensured decisions remained aligned to strategic objectives rather than being driven by short-term cost reduction pressures or individual functional interests.

> The most valuable assets were not physical. They were people, knowledge, systems, and capability.

The Change Management Approach

Managing the Human Side of Global Expansion

The transformation required much more than project management. It required trust and trust is not built through project plans, Gantt charts, or governance frameworks alone. It is built through honest conversation, consistent leadership behaviour, and genuine respect for the people whose working lives are being reshaped by strategic decisions made above them.

Change management was not treated as a communications exercise bolted onto the end of a technical programme. It was embedded into the design of the transformation from the outset, shaping how the programme was structured, how stakeholders were engaged, and how success was ultimately defined. This distinction between change management as an afterthought and change management as a core discipline proved to be one of the most consequential decisions the leadership team made.

Stakeholder Engagement

People were engaged early and honestly regarding business drivers, future plans, risks and opportunities, and individual concerns. Transparency was not a communications strategy it was a leadership commitment.

Leadership Visibility

Senior leaders remained actively involved throughout the transformation. Leadership alignment helped reduce uncertainty and build confidence across both the domestic and offshore workforces simultaneously.

Cultural Understanding

Significant effort was invested in understanding different communication styles, different business priorities, and different cultural expectations particularly around authority, hierarchy, and the meaning of professional commitment.

Knowledge Transfer Programmes

Structured approaches were developed to capture expertise, transfer operational knowledge, build capability in the new location, and maintain quality standards throughout the transition period.

People rarely resist change. They resist uncertainty. The organisations that manage change most effectively are those that treat uncertainty reduction as a core programme deliverable, not an afterthought.

Structured Change

Asset Management Lessons

What Asset Management Taught Us

The offshore manufacturing startup programme generated a set of enduring insights about the nature of asset management insights that extend well beyond the management of physical plant and equipment. These lessons have since informed how the organisation approaches every major capital programme and transformation initiative, and they resonate powerfully with the principles now codified in ISO 55001.

Perhaps the most important lesson was that capability is not a synonym for equipment. Manufacturing capability is a system an intricate web of people, knowledge, processes, information, leadership, and physical assets that must function together to deliver value. Organisations that invest heavily in new machinery whilst neglecting the human and knowledge dimensions of capability transfer consistently underperform against their business cases. The physical assets are often the easiest part of the equation.

Capability Is More Than Equipment

Manufacturing capability consists of people, knowledge, processes, information, leadership, and physical assets. All must work together to deliver value. Optimising any one element in isolation risks degrading the whole system.

Risk Must Be Viewed Holistically

Cost reduction alone is not value creation. The organisation considered cost, risk, performance, and sustainability throughout the transition recognising that a decision that looks attractive on a cost basis may carry unacceptable risk on other dimensions.

Value-Based Decision Making

Success was measured not simply through financial savings, but through customer outcomes, capability development, business continuity, and long-term competitiveness. This broader definition of value guided every major programme decision.

Strategic Alignment

Every major decision remained linked to the broader business strategy and future direction. Governance mechanisms ensured that short-term operational pressures did not distort the programme's strategic intent or compromise its long-term ambition.

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Asset Categories

People, knowledge, processes, information, leadership, and physical assets all requiring active management

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Value Dimensions

Cost, risk, performance, and sustainability evaluated holistically for every major programme decision

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Strategic Standard

ISO 55001 the global benchmark for asset management excellence, now shaping how organisations plan and govern transformation

Change Management Lessons

What Change Management Taught Us

The offshore manufacturing programme delivered a series of change management lessons that transcend the specifics of the project and speak directly to the universal challenges of large-scale organisational transformation. These lessons were hard-won the product of navigating genuine cultural tensions, managing deeply felt workforce anxieties, and sustaining leadership commitment through periods of considerable uncertainty and complexity.

The programme demonstrated that change management is not a soft discipline. It is a rigorous, evidence-based approach to navigating the human dimensions of transformation and when it is applied with the same rigour and discipline as engineering or financial management, it produces measurably better outcomes for organisations, for customers, and for the people at the centre of the change.

Leadership Matters

People watch leadership behaviour far more closely than leadership presentations. What leaders do during a transformation how they show up, how they communicate, how they make decisions under pressure shapes the organisational response more powerfully than any formal communications programme.

Transparency Builds Trust

Open, honest conversations created confidence during periods of deep uncertainty. Organisations that share difficult truths early consistently outperform those that manage the message because people invariably sense when they are not being told the full picture.

Culture Cannot Be Ignored

Different cultures interpret risk, authority, success, and collaboration very differently. Organisations that invest in genuine cultural understanding not surface-level awareness training build the relational foundations that make complex cross-border programmes possible.

Relationships Drive Outcomes

The strongest outcomes emerged when people worked together to solve problems rather than protecting functional interests. Successful change is not measured by implementation alone it is measured by sustained adoption and genuine capability development after implementation.

Global Transformation Is Not a Technology Project

It Is an Organisational Capability Challenge

Many organisations approach major transformations by focusing on systems, technology, process redesign, and structural changes and then wonder why the promised benefits fail to materialise at the scale or pace the business case predicted. The missing variable is almost always the same. People. The human dimensions of transformation culture, capability, confidence, and commitment are systematically underestimated in most transformation programmes, and this underestimation is the single greatest driver of programme failure.

The offshore manufacturing startup case study illustrates this with clarity. Every technical dimension of the programme was executed competently. The factory was built, the equipment was commissioned, the processes were documented. Yet the programme's ultimate success depended not on any of these technical achievements it depended on whether people trusted the process, understood their role within it, and were genuinely equipped to perform in the new operating environment.

Why Transformations Fail

Organisations focus intensely on **what** is changing systems, structures, processes, and technology whilst neglecting **who** is changing and what those people need to adopt, adapt, and ultimately sustain the new ways of working.

What Success Requires

- Early and genuine stakeholder engagement
- Visible and aligned leadership
- Cultural intelligence and respect
- Structured knowledge transfer
- A clear and shared definition of value
- Integration of asset and change management

Structured Change

About Structured Change

Led by Martin Kerr: Practitioner, Author, and International Standards Leader

Structured Change was founded on a conviction that sustainable organisational transformation requires the disciplined integration of Asset Management and Organisational Change Management two bodies of practice that are too often applied in isolation, to the detriment of the organisations they are meant to serve. This conviction is grounded not in theory but in decades of hands-on practitioner experience across the full arc of industrial and organisational life.

Martin Kerr's career spans the workshop floor to the boardroom from his early years as a Maintenance Fitter and Toolmaker through to his roles as Production Engineer, Maintenance Manager, Programme Director, and ultimately CEO of a Heavy Maintenance Organisation. This breadth of experience gives Structured Change a distinctive perspective: one that is simultaneously strategic and deeply operational, equally at home in the executive suite and on the factory floor.

01

Maintenance Fitter & Toolmaker

Hands-on foundation in manufacturing processes, equipment reliability, and the realities of operational life

02

Production & Maintenance Engineer

Deep technical grounding in production systems, maintenance strategy, and asset performance management

03

Programme Director & CEO

Executive leadership of complex transformation programmes and heavy maintenance operations at scale

04

ISO 55001 Convenor & Author

Convenor of ISO 55001:2024, Technical Director of World Partners in Asset Management, and author of *Organisational Change Management for Asset Management*

Strategy & Execution Alignment

Connecting boardroom intent with operational reality

Stakeholder Navigation

Managing complex environments with multiple competing interests

Knowledge Transfer

Structured programmes that protect and build organisational capability

Sustainable Value

Delivering outcomes that endure long beyond implementation

The Final Thought

Before Your Next Major Change Initiative, Ask This Question

The greatest risk in any transformation is not technology. It is not budget overrun, scope creep, or schedule slippage although these are real and costly. The greatest risk is the assumption that people will automatically adapt. That if you build the system, implement the process, or commission the facility, the human capability required to operate it sustainably will somehow follow of its own accord. It will not. It never does.

The offshore manufacturing startup case study is a powerful reminder that organisational transformation is, at its core, a human endeavour. The factories, the systems, the processes these are the infrastructure of change. The people who operate them, the knowledge they carry, the trust they extend or withhold, the culture they embody these are the substance of it. Organisations that understand this distinction consistently deliver better outcomes, build more resilient capabilities, and generate more enduring value for their stakeholders.

> Do we have a project plan? Or do we have a capability transition plan? The answer to that question will determine not whether your transformation begins but whether it endures.

Align Strategy and Execution

Ensure that transformation programmes remain connected to the strategic objectives that justified them in the first place

Navigate Stakeholder Complexity

Build the engagement, trust, and shared ownership that make large-scale change possible across complex organisational environments

Transfer Knowledge Effectively

Protect and build organisational capability through structured, deliberate knowledge transfer programmes that outlast the project

Deliver Sustainable Value

Measure success not by implementation completion, but by sustained adoption, capability, and performance long after go-live

Because Sustainable Transformation Requires More Than Implementation.