

# Asset Management:

*“It's not just about the assets, it's about the people.”*





# AGENDA

Starting Line:

What is asset management?

Why take the trip:

The value of asset management

The journey:

A path to asset management

Stops along the way:

Key program elements

Roadblocks:

Issues to avoid

The travelers:

Choosing your travel partners

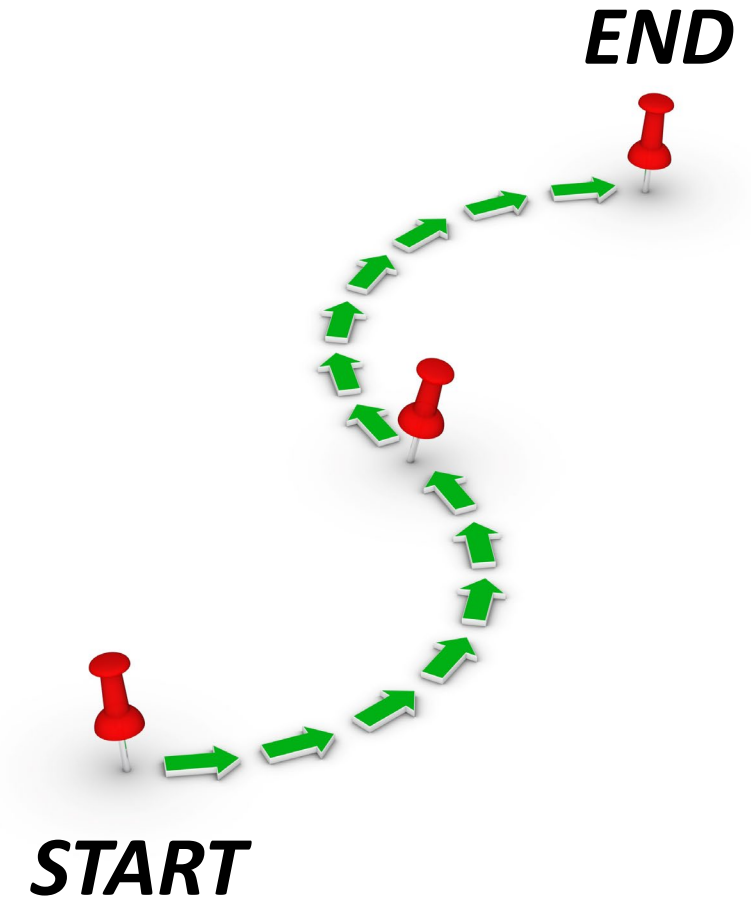
Memories:

Lessons learned

## Starting Line:

## What is asset management?

- Ambiguous term, not well defined in our industry
  - Reactive vs proactive management
  - Work order tracking and management
  - Inventory and condition assessment
  - Life cycle planning
  - Repair and replacement planning
  - Just another fad or program
- Very few grasp the benefit or value of a robust asset management program



“Asset management is about extracting value more than what you do to assets. It is about using assets to deliver value and achieve the organization’s business objectives.”

**- *An Anatomy of Asset Management***

“...the coordinated activity of an organization to realize value from assets (i.e., balancing costs, risks, opportunities, and performance benefits)”

**- *ISO 55000***

## Starting Line:

## What is asset management?

“Asset management is about **achieving a higher level of service** more than what you do to your **stormwater system**. It is about using assets to **efficiently manage stormwater runoff** and achieve the **community’s stormwater program objectives**.”

***- An Anatomy of Asset Management***

“the coordinated activity of **a community** to realize **a higher level of service** from **its stormwater system** (i.e., balancing costs, risks, opportunities, and performance benefits)”

***- ISO 55000***

Asset management provides a plan for doing the right things—at the right times—for the right reasons —to the right assets.



## Why take the trip:

## The value of asset management

### Quantifiable

- Long-term cost savings
- Improved level of system service

### Other

- Public reputation
- Council approval
- More appropriate budgets
- Less stress
- Employee growth



## Why take the trip:

## The value of asset management

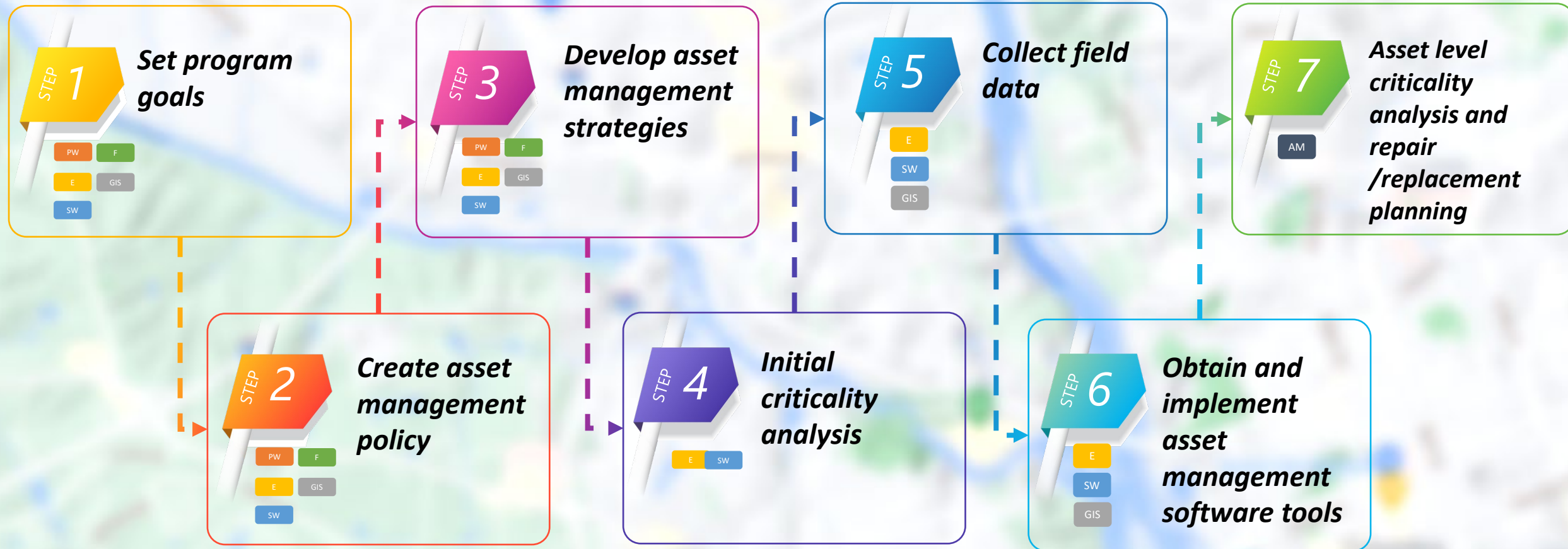
	Replacement Value	Average Annual CIP / O&M	Average Annual Need	Maximum 25-year Need
Community #1	\$500 M	\$2 M	\$2.5 M	\$4.2 M
Community #2	\$250 M	\$0.5 M	\$3.9 M	\$6.1 M
Community #3	\$150 M	\$1.5 M	\$2.1 M	\$3.5 M

✓ The sky is falling!



# The Journey:

## A path to asset management





# The Stops Along the Way:

## Key program review times

- **Before you leave the garage**

- Do you have a driver and navigator?
- Are the right people in the car?
- Do you know where you are going and why?
  - Defined level of service
  - Program KPIs
  - Understanding of risk and its role in decision making

- **After strategy development**

- Do your strategies, policies, and goals all align with each other?
- Reacquaint your fellow travelers and allies with the route.

- **Before data collection**

- Do you have adequate storage, management, and analysis tools for the effort?
- Does the data being collected support your end goals?
- Test your systems!

- **During and after data collection**

- Test your systems, again!
- Define life cycle-based repair and replacement plans
- Create a plan for continual improvement



# The Travelers:

Who should go along for the ride?

- Who will drive the program and who will navigate?
- Who will be most impacted by the program?
  - Who is needed to make the journey successful?
  - Who is most likely to put up a roadblock?





# The Travelers:

Who should go along for the ride?

1. Stormwater
2. Public Works
3. Engineering
4. Finance
5. IT / GIS / CMMS
6. Community Administration
7. Community Council





# IAM 39 Areas of Asset Management

## **1. Strategy and Planning**

1. Asset Management Policy
2. AM Strategy & Objectives
3. Demand Analysis
4. Strategic Planning
5. Asset Management Planning

## **2. Asset Management Decision Making**

6. Capital Investment Decision Making
7. Operations and Maintenance Decision Making
8. Lifecycle Value Realization
9. Resourcing Strategy
10. Shutdowns and Outage Strategy

## **3. Life Cycle Delivery**

11. Technical Standards & Legislation
12. Asset Creation & Acquisition
13. Systems Engineering
14. Configuration Management
15. Maintenance Delivery
16. Reliability Engineering
17. Asset Operations
18. Resource Management
19. Shutdown & Outage Management
20. Fault & Incident Response
21. Asset Decommissioning & Disposal

## **4. Asset Information**

22. Asset Information Strategy
23. Asset Information Standards
24. Asset Information Systems
25. Data & Information Management

## **5. Organization and People**

26. Procurement and Supply Chain Management
27. Asset Management Leadership
28. Organizational Structure
29. Organizational Culture
30. Competence Management

## **6. Risk and Review**

31. Risk Assessment and Management
32. Contingency Planning and Resiliency
33. Sustainable Development
34. Management of Change
35. Asset Performance & Health Monitoring
36. Asset Management System Monitoring
37. Management, Review, Audit and Assurance
38. Asset Costing and Valuation
39. Stakeholder Engagement



# IAM 39 Areas of Asset Management

## 1. Strategy and Planning

- |  |                 |
|--|-----------------|
| 1. Community administration and Department heads | 4. Stormwater   |
| 2. Community Council                             | 5. Engineering  |
| 3. Legal Council                                 | 6. Public Works |
|  | 7. GIS / IT     |

## 2. Asset Management Decision Making

1. Stormwater
2. Engineering
3. Public Works
4. GIS / IT

## 3. Life Cycle Delivery

1. Stormwater
2. Engineering
3. Public Works

## 4. Asset Information

1. Stormwater
2. Engineering
3. Public Works
4. GIS / IT
5. Finance

## 5. Organization and People

- |  |                 |
|--|-----------------|
| 1. Community administration and Department heads | 3. Stormwater   |
| 2. Human Resources                               | 4. Engineering  |
|  | 5. Public Works |
|  | 6. GIS / IT     |

## 6. Risk and Review

- |  |                 |
|--|-----------------|
| 1. Community administration and Department heads | 5. Stormwater   |
| 2. Community Council                             | 6. Engineering  |
| 3. Legal Council                                 | 7. Public Works |
| 4. Human Resources                               | 8. GIS / IT     |

# The Travelers:

## Who should go along for the ride?

### Community Administration

- Phone calls from Council members about flooding and closed roadways

### Public Works

- Failing infrastructure
- Lack of sufficient budget
- Emergency repairs
- Phone calls from.... everybody

### Community Council

- Phone calls from citizens about flooding and closed roadways

### Engineering/Stormwater

- Failing infrastructure
- Lack of sufficient budget
- Phone calls from.... everybody

### Finance

- Balancing necessary programs and projects with insufficient funding

### IT / GIS

- Maintaining inaccurate and unmeaningful data



## Roadblocks:

Preparation is key

Homesickness

There is no turning around

Flat Tires

Don't limp along on a flat tire

Running Out of  
Gas

Pace yourself, it's a long trip

Road Closures

Create a flexible plan

Travel Partners

Roadblocks can come from those in the car

## Memories:

## Lessons learned

1. Set clear achievable goals
2. Document how AM meets community and budget goals
3. Highlight overall benefits to community
  1. Improved commerce
  2. Safety
  3. Improved emergency response
  4. Cost savings
4. Partner with finance and IT early in the process
5. Decide who should lead from each group – engineering & operations
6. “No passion, no project. Change is hard and you’ll need passion and conviction to convince people that your project is worth funding”  
~Life Cycle Engineering
7. Identify pain points for all stakeholders & how AM will provide relief





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THANK YOU