

Doing the right things differently

Introducing a new way of thinking about asset management objectives – to get the right focus, at the right level, to achieve the right results.

by Dr Paul Gibbons

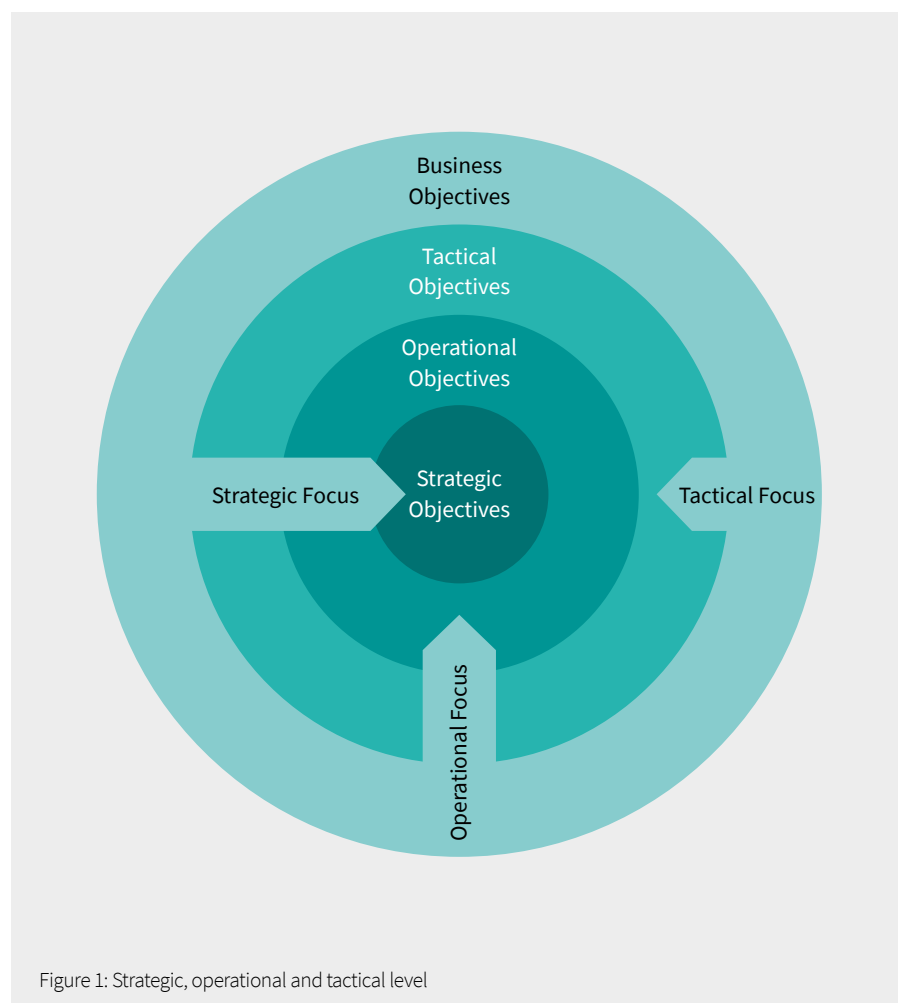


Figure 1: Strategic, operational and tactical level

The purpose of asset management is to help businesses achieve their objectives through the coordinated activities they use to realise value from their assets. Although it seems quite straightforward, it is not actually that easy to translate business objectives into meaningful asset management objectives for different teams working at different levels across the business.

Without these meaningful objectives, teams can be working very hard but not necessarily achieving what is needed. As Dr W Edwards Deming once said: “It is not enough to do your best; you must know what to do, and then do your best.”

When a business has clear overall objectives, it should be easy to link these to the different functions in the organisation, as they each focus their local objectives on doing the right things. These could be either enablers for others to achieve their objectives, or specifically linked to achieving a business objective.

But what about asset management objectives?

ISO55000 (section 3.1.12) provides some very useful guidance on what an objective is (in general and in the context of asset management). The standard defines an objective as a “result to be achieved” and explains that these objectives can be at

multiple levels in the business – strategic, tactical or operational (Figure 1). The majority of staff will be engaged in tactical level activities, with fewer involved in operational level activities and fewer still involved at a strategic level.

In terms of asset management objectives, there could also be levels of service that need to be achieved. ISO55000 also defines an objective as an “intended outcome”, or uses words with similar meanings to “objective”, such as “aim, goal or target”.

So how do we bring these different types of objective to life in the organisation to give the right focus? To develop the right asset management objectives, we need to:

- align the different types of objectives with the right roles within the organisation
- operationalise them through specific asset management processes.

Figure 2 shows a way this can be achieved.

For each of the three types of asset management objectives (strategic, tactical and operational), there will be different individuals or teams focused on delivering different things. It is therefore important for those individuals and teams to derive their own specific personal objectives to give themselves the required focus and ownership. Having specific asset management objectives makes it easier to align specific personal objectives properly to what the individuals or teams are focused on. This is a key success factor in achieving true line of sight.

All individuals working in asset management should have specific objectives. These can be tactical, operational or strategic, depending on what role they play in the organisation. Before these personal objectives can be set, it is important to establish asset management objectives that are derived from the business objectives.



See also

People as assets in our May 2019 issue
Changing the frame in our August 2018 issue

Business level

Specific business objectives are typically created by the executive team and have supporting key performance indicators to track progress as part of the organisational plan. There may also be other requirements the organisation needs to achieve, that are either captured in the objectives or stand alone, such as a regulatory or licence requirement.

These objectives are outside the scope of the *asset management system*, but they provide the focus for asset management; all asset management activities should link up and be derived from these higher level objectives. In asset management terms, this is the top level of the line of sight.

Strategic level

Linking directly with the *specific business objectives*, **strategic asset management objectives** focus on developing and implementing better ways to do asset management within the organisation.

For a business that is immature in asset management, their initial strategic asset management objectives could be to develop an asset management organisation and to implement a framework as an enabler for the business to do good asset management. Other strategic asset management objectives could be to implement a new asset information system or create an asset information strategy.

The strategic asset management objectives are linked to the *management review process*. They should also form part of the *strategic level governance and improvement* of asset management within the business. This approach demonstrates the senior leadership’s commitment to asset management, meeting the key requirement for top down buy-in for doing asset management in the organisation.

Tactical level

Local asset management objectives link directly to the *specific business objectives*, and describe the specific targets and requirements for every asset in the organisation. This is to provide the necessary focus to understand how the assets add value to the organisation, and what needs to be measured to know whether that performance requirement is being achieved.

The local asset management objectives can be established using a simple *asset performance requirements process*. From the specific performance requirements, asset performance dashboards can then be derived. This provides the necessary focus and enables the business to understand how the assets are supporting the *specific business objectives*, rather than having a generic asset performance dashboard.

With the local asset management objectives created along with performance dashboards, the *asset manager review process* can then be followed to establish the necessary focus on *tactical level governance and improvement*, working from the bottom up.

Operational level

Providing a focus on asset management maturity for a specific portfolio of assets, **asset steward review improvement objectives** are derived from known gaps in the implementation of asset management processes. In simple terms, if an asset management process has not been fully implemented, then an improvement objective should be agreed and assigned to the relevant individual or team.

The *asset steward review process* itself is an asset management process linked to the *management review process*, where the whole organisation’s asset management maturity can be reviewed. Asset management maturity scorecards, created as part of the

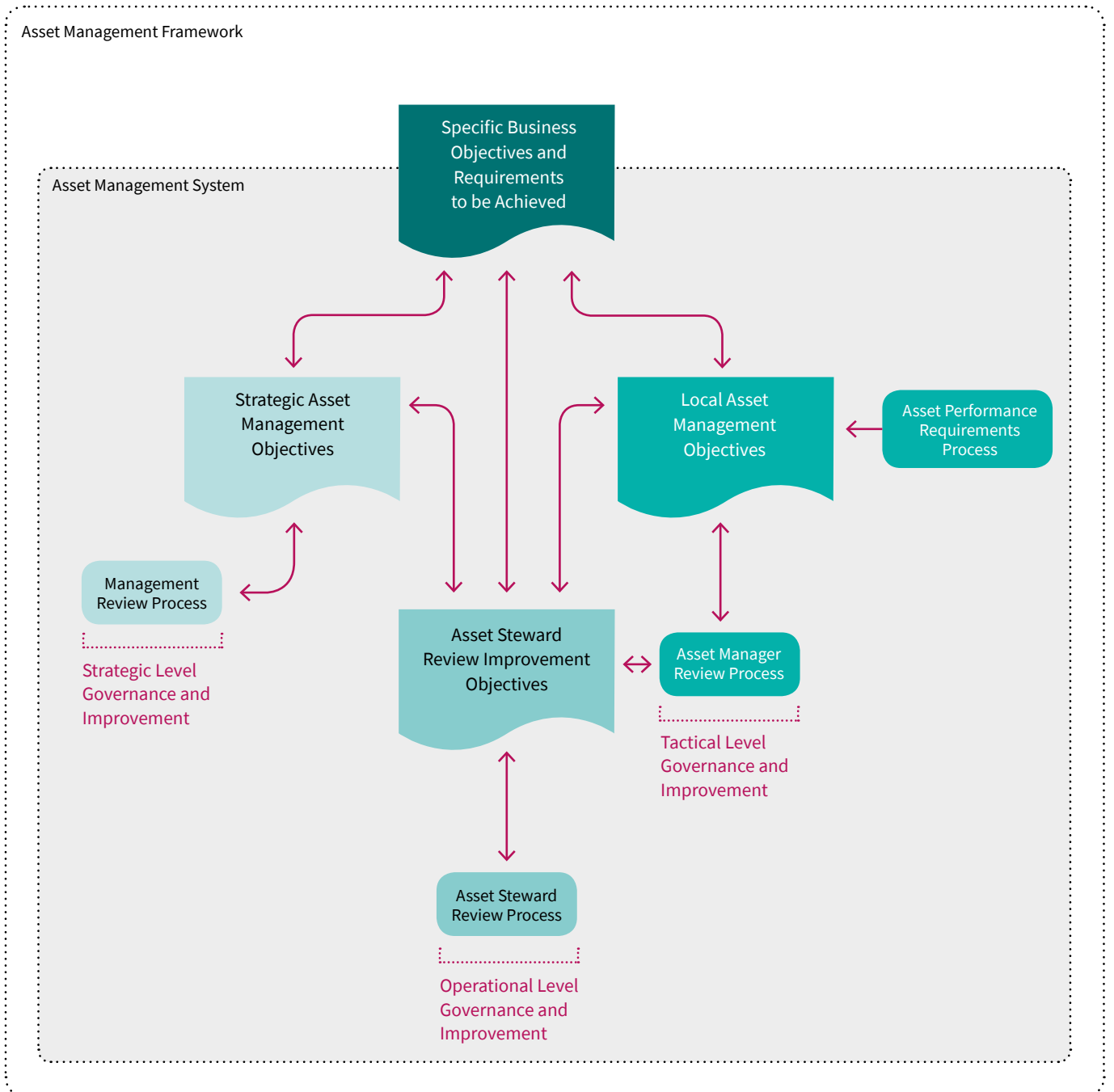


Figure 2: Asset management objective alignment

asset steward review process, can be compiled to identify any areas for improvement at a business level and inform future *strategic asset management objectives*.

The *asset steward review process* is a critical step in establishing asset

management within the business, because it shows the accountable person the levels of asset management governance that are used to drive improvements. Governance reviews on their own are not enough to do good asset management.

About the author



Dr Paul Gibbons is a technical director with Jacobs. He is an apprentice-trained machinist with an engineering doctorate and more than 35 years of industry experience in asset management.