



LEADERSHIP  
& GOVERNANCE

# ASSET MANAGEMENT LEADERSHIP

VERSION 1 | MARCH 2026





## ABOUT THE IAM

The Institute of Asset Management (the IAM) is a not-for-profit professional body. We are owned and controlled by our Members and committed to remaining independent from commercial and trade associations. We exist to advance the discipline of Asset Management, not only for people and organizations involved in the acquisition, operation, and care of physical assets but also for the benefit of the general public. Our priorities are to promote the generation and application of knowledge, training, and good practice and to help individuals become demonstrably competent.

## COPYRIGHT

All copyright and other intellectual property rights arising in any information contained within this document are unless otherwise stated, owned by The Institute of Asset Management Ltd or other companies in The Institute of Asset Management Ltd group of companies. No part of this publication may be reproduced in any material form (including photocopying and restoring in any medium or electronic means and whether or not transiently or incidentally) without the written permission of The Institute of Asset Management Ltd.

## DISCLAIMER

The IAM publishes this document for the benefit of its members and the public. This document is for guidance and information only. The IAM and their agents, servants, or contractors do not accept any liability for any losses arising under or in connection with this information. This limit on liability applies to all and any claims in contract, tort (including negligence), misrepresentation (excluding fraudulent misrepresentation), breach of statutory duty, or otherwise. This limit on liability does not exclude or restrict liability where prohibited by the law, nor does it supersede the express terms of any related agreements.

## ACKNOWLEDGMENTS

The development of this SSG on behalf of the IAM has been made possible through the significant efforts of many individuals and organizations. The Institute would like to thank the following in particular for their contributions:

- Aderemi Amokomowo, *A Cubed Consulting Limited*
- Amy Hardman, *National Grid*
- Andy Yang, *San Jose (California) Water*
- Brian Kaiser, *Life Cycle Engineering (Charleston, SC, USA)*
- Chris Charlwood, *Capgemini*
- Dagmara Weatherall, *Thames Water*
- David Sumpton, *Western University Engineering and Fanshawe College, Canada*
- Derek Gilboe, *Lokimox*
- Emily St Clair, *Woolpert*
- Eric-Kingkof Opoku-Ohemeng, *KIS Plus Ltd*
- Jean-Christophe (JC) Jammes, *Systemex Industrie Conseil*
- Laith Alfaqih, *Stantec*
- Malcolm Christie, *MEC Strategic Partners*
- Matt Goodall, *AtkinsRealis*
- Mark De Clercq, *Applied Asset Management Consultants Inc*
- Mark Knight, *Independent*

- Melody Laven, *Palm Beach County (Florida) Water Utilities Department*
- Ralph Godau, *Yarra Trams*
- Tim Kay, *Independent*
- Tim Davies, *Atco*
- Tim Ingram, *AtkinsRealis*

The Institute thanks the following for providing a thorough Peer Review of this Guideline, before final approval by the IAM Knowledge Leadership Group:

- Martin Jones, *Black & Veatch*
- Nigel Kent, *Stantec*

The Knowledge Leadership Group review was carried out by:

- Ashley Barratt, *Amey*
- Steve Bird, *Retired*



## CONTENTS

<b>1</b>	<b>PREFACE</b>	1
1.1	Introduction to Subject Specific Guidelines	1
1.2	Purpose of the SSGs	1
1.3	The SSGs in context	1
1.4	SSGs and Complexity versus Maturity	2
1.5	Further reading	2
<b>2</b>	<b>SCOPE OF THIS SSG</b>	3
2.1	Leadership definitions	4
<b>3</b>	<b>GUIDELINE APPLICATION</b>	5
3.1	Who is this guideline for?	5
3.2	How might this guideline be applied?	5
<b>4</b>	<b>IF WE WANT GOOD ASSET MANAGEMENT, WE NEED GOOD LEADERS</b>	7
4.1	Why is leadership in asset management important?	7
4.2	What does a good leader do?	7
4.3	Leadership skills: a four-step scale from 'aware' to 'master'	8
<b>5</b>	<b>PRINCIPLES OF EFFECTIVE LEADERSHIP IN ASSET MANAGEMENT</b>	9
5.1	Think Strategically	9
5.2	Apply an Interdisciplinary Approach	10
5.3	Plan for Succession	10
5.4	Make Ethical Decisions	11
5.5	Include Others	11
5.6	Include the Natural Environment	11
5.7	Apply Interpersonal Skills	11
5.8	Focus on Execution and Improvement	11
5.9	Aspire to Maturity in Asset Management	12
5.10	Summary	12
<b>6</b>	<b>GOVERNANCE AND POLICY</b>	13
6.1	Governance	13
6.2	Governance Structure	13
6.3	Governance Framework and Oversight	16
6.4	Asset Management Policy	18
6.5	Strategy and Planning	19
<b>7</b>	<b>ASSET MANAGEMENT DECISION MAKING</b>	21
7.1	Introduction to Asset Management Decision Making	21
7.2	Costs and Benefits of Ownership	21
7.3	Business Cases	23
7.4	Capital Investment Approval Process	23

7.5	Decision Making Summary	24
<b>8</b>	<b>ASSET LIFE CYCLE DELIVERY</b>	25
8.1	Leadership and the Asset Management Life Cycle	25
<b>9</b>	<b>INFORMATION MANAGEMENT</b>	27
9.1	Role of Leadership	27
<b>10</b>	<b>RISK MANAGEMENT</b>	29
10.1	Role of Leadership	29
10.2	Objectives: Setting the Groundwork	29
10.3	Risk and Hazard Identification	30
10.4	Risk Assessment	30
10.5	Risk Mitigation	31
10.6	Risk Response Feasibility	31
<b>11</b>	<b>DRIVING ASSET MANAGEMENT MATURITY</b>	33
<b>12</b>	<b>ABILITIES FOR ASSET MANAGEMENT LEADERSHIP</b>	35
12.1	The Leadership Journey	35
12.2	Qualities of an Effective Leader	35
12.3	Organizations and People as a System	37
12.4	Role of Systems Thinking	38
12.5	Communication and Culture	38
12.6	Change Leadership and Continuous Improvement	39
<b>13</b>	<b>OVERALL CONCLUSION</b>	41
13.1	Summary of the Key Themes	41
<b>14</b>	<b>APPENDIX: THE BENEFIT OF LEADERSHIP IN ISO 55001</b>	43
14.1	ISO 55001 Purpose	43
<b>15</b>	<b>CASE STUDIES</b>	45
15.1	Case Study: Palm Beach County Water Utilities Department	45
15.1.1	Challenges Prompting Action	45
15.1.2	PBCWUD Leadership's Role in the Implementation of ISO 55001	45
15.1.3	Through the Lens of PBCWUD Leadership: Benefits of ISO 55001	46
15.2	Other Case Studies to Learn From	47
15.2.1	Grain LNG - Vision for Change	47
15.2.2	Carnival Organization - Navigating Transformation at Sea	51
15.2.3	Sellafield - Transforming Risk	53
15.2.4	MTR - Pioneering the Future of Railway Asset Management	56



## FIGURES

<b>FIGURE 1</b>	Context of this SSG in relation to the IAM 10-Box Capabilities Model	3
<b>FIGURE 2</b>	Situation Analysis Schematic (Kepner and Tregoe 1981, 12)	10
<b>FIGURE 3</b>	Governance of Organizations and the Role of Leadership (from ISO 37001)	13
<b>FIGURE 4</b>	Example of Primary Elements of a Decision-Making Framework	24
<b>FIGURE 5</b>	Seven States of Leadership	35

## TABLES

<b>TABLE 1</b>	Governance Structure and Accountability for Asset Management Activities	15
<b>TABLE 2</b>	Governance Framework for Asset Management	16
<b>TABLE 3</b>	Asset Management Decision Making	21
<b>TABLE 4</b>	Leadership and the Asset Life Cycle	26
<b>TABLE 5</b>	Leadership Qualities	37



# 1 PREFACE

## 1.1 INTRODUCTION TO SUBJECT SPECIFIC GUIDANCE

This Subject Specific Guideline (SSG) is part of a suite of documents designed to expand and enrich the description of the asset management discipline as summarized in the Institute of Asset Management (IAM) document 'Asset Management – an Anatomy' (referred to throughout this document as the 'Anatomy').

The SSGs cover the subjects in the Anatomy directly as a 'one-to-one' (where a subject is very broad) or grouped (where subjects are very closely related).

## 1.2 PURPOSE OF THE SSGs

This document provides guidance for good asset management.

ISO 55001 sets out the requirements necessary for establishing, implementing, maintaining, and improving a management system for asset management. The Global Forum on Maintenance and Asset Management (GFMAM) Asset Management Landscape establishes a globally shared understanding of the subjects which comprise the asset management discipline, emphasizing its wide-ranging nature and breadth of scope. Neither ISO55001 or the GFMAM Asset Management Landscape explain how to implement asset management.

The Anatomy is a good introduction for people seeking to understand asset management. It is intended to:

- Explain the asset management approach and introduce the asset management subjects;
- Help individuals see how asset management can assist their professional development, and integrate their contribution with the work of colleagues and other teams; and
- Help organizations decide whether to adopt asset management or how to improve their asset management capabilities.

The SSGs develop the next level of detail for each subject in the Anatomy. They are guidance intended to help individuals and organizations by providing a consolidated view of good practice drawn from experienced practitioners across many sectors and geographies.

The SSGs include guidance for simple and complex operational environments, together with real examples from different geographies and sectors, to support the explanatory text. This is because there are widely different operational environments, constraints, cultures and opportunities in asset management.

In particular, levels of sophistication, refinement and optimization that are worthwhile and possible in one environment may not represent either a possibility or a worthwhile investment in another. In addition, organizations will be at different stages of adoption of asset management; some may be relatively mature while others are at the beginning of the journey.

The guidance in this SSG recognizes each organization needs the flexibility to adopt its own 'fit-for-purpose' practical approaches and solutions that are economic, viable, understandable, and usable and that organizations will adapt their asset management approaches as part of continual improvement.

## 1.3 THE SSGs IN CONTEXT

The SSGs are a core element within the IAM Body of Knowledge. They have been peer-reviewed by subject matter experts identified by the IAM Knowledge Leadership Group. They align fully with the IAM's values and behaviours, which relate to the development of excellence in the asset management discipline and the provision of support to those who seek to achieve that level of excellence.

#### 1.4 SSGs AND COMPLEXITY VERSUS MATURITY

It is important to understand and contrast these terms. Put simply:

- The complexity of the organization's operational environment will drive the complexity of the solution required; and
- The maturity of the organization will determine its ability to recognize and implement an appropriate solution.

A mature organization may choose a simple solution, while a naive organization may think that a complex solution will solve all its problems. In truth, there is no universal best practice in asset management - only good practice appropriate for the operating context of any particular organization. What is good practice for one organization may not be good practice for another. For example, an organization that is responsible for managing 100 assets, all in the same location, could use a spreadsheet-based solution for an asset register and work management system.

This is arguably good practice for that organization. However, for a utility business with thousands of distributed assets, this is unlikely to represent a good practice solution.

It is important to understand the organization's complexity and maturity to best apply the guidance in this SSG.

#### 1.5 FURTHER READING

In addition to the Anatomy and SSGs, the IAM provides a range of knowledge and professional development resources which are accessed through the IAM website.



## 2 SCOPE OF THIS SSG

This document provides guidance for the following subject of asset management:

- **Asset Management Leadership**



**Figure 1** Context of this SSG in relation to the IAM 10-Box Capabilities Model

Figure source: Asset Management – an anatomy (Version 4), The Institute of Asset Management, July 2024

## 2.1 LEADERSHIP DEFINITIONS

### Leadership Definition

The IAM Asset Management Anatomy (4th edition, July 2024) states “Leaders can be at any level in the organization..... Effective asset management leaders exhibit a range of competencies and skills, including emotional intelligence, resilience, and effective communication. They encourage a transformational approach, inspiring creativity and innovation among team members, and motivating them ....”(p. 53)

The GFMAM Asset Management Landscape (3rd edition, June 2024 p. 48) states, “Asset Management leadership is required to promote a whole life Asset Management approach to delivering Organizational Strategic Plans and Asset Management objectives”. It also states “Leaders motivate their teams towards the successful completion of objectives by communicating established interpretations, sharing knowledge and skills to encouraging teamwork and leading by example”.

A related requirement is governance. The governance body sets the strategic framework and policies for asset management, considering internal organizational requirements and the requirements of relevant external parties. In larger organizations, this is the role of the Board of Directors or similar authority. The role of executive management is to execute this direction through making appropriate decisions, planning and prioritizing resources, and monitoring asset performance to realize benefits while maintaining compliance (e.g. regulatory, legal).

At the professional working level, governance systems provide a framework and processes to guide activities and decision-making authority. Thus, effective leaders are also often managers, who plan, organize, direct and control people and resources, to deliver the desired benefits.

