This picture was created from insights and experiences shared by hundreds of IAM members representing a huge range of organisations and industries. Our question was this: What does it feel like to be on the Asset Management journey?

Before they start the journey, most organisations find themselves making asset-related decisions reactively and in isolation. Cost, risk and performance all need to be factored in, but each factor has its own team, its own specialism and its own language, and no one seems to be able to translate between them.

Here’s a typical organisation: The leadership team who make the strategic decisions at the top are far removed from the reality of the assets at the bottom. There is a clearly understood pecking order from finance and planning, down through projects and engineering to operations and maintenance at the bottom. Each bubble represents an individual tribe, with its own leaders, language, customs, rituals, assumptions...

Decisions are taken based on the limited information that is available locally, and therefore tend to be very reactive.

Here’s a typical example: Something happens to an asset that causes a major disruption. This could be anything – a material failure, an environmental incident, a technical fault. Amidst the panic there is excitement, because those first on the scene feel pride in their ability to handle the crisis, and heroic behavior is something the culture rewards. In the immediate aftermath, the risk tribe homes in on the incident and tries to eliminate the possibility of it happening elsewhere. Because the causes are unknown, they make some sweeping decisions, which the engineering tribe across the way see as an over-reaction. Unfortunately there doesn’t seem to be any way of translating the engineers’ experience and intuitions into a risk model that the risk people will understand.

The maintenance people are upset, because they’d been warning about this for years. Now customers start leaving as service declines, with direct financial consequences. As cash dries up, finance start delaying capital investment, which leads indirectly to further incidents, and round we go again …

Notice some of the things going on here: Everyone is making good decisions based on their own limited understanding of the world. These are good people: they have certificates, standards and processes. Unfortunately they’re contributing to a system that as a whole is making terrible decisions, because they are not made from the perspective of the overall system.

Add to this a multitude of external contractors, suppliers and outsourcers, and the idea of making joint-up, whole system decisions can seem hopeless. So how do organisations move on from here? The energy for change comes from two sources – top-down and bottom-up.

Starting with the bottom-up energy, many businesses already have a groundswell of pioneers trying to break down the barriers. These people know the business needs collective decision-making, and are building networks across boundaries to try and make this happen.
As for the top-down, sometimes the impetus is **personal**, as senior leaders take responsibility for change. Other times its external pressures from owners, regulators and the like. This often leads to a drive for **certification**. Unfortunately it’s not uncommon for businesses to push for PAS55 or ISO55000 status, put the certificate on the wall, then promptly revert to their old ways of doing things. We need more than this.

ISO55000 certification is in many ways the start rather than the end of the journey. The standard gives a **framework** for re-connecting the assets and the organisational objectives in business decision making. The biggest difference now is that at least people are sitting collectively around the table to make decisions. What this reveals though is just how much is missing before these decisions will start looking optimal.

The clouds represent some of the things that are getting in the way: Looking upwards to the strategic **objectives**, these are often unclear, expressed in contradictory language and point to competing agendas.

Looking down towards the assets, without the **historical data** we end up relying on **proxies** and **assumptions**. Many of the **processes** that give us the information are not yet defined or embedded.

With such an imperfect system, the big danger is **cynicism** that the organisation as a whole isn’t going to change. This can lead back into blame games. For example, the business may have invested in a decision support tool that no one really understands. Local maintenance staff then feel aggrieved that their professional judgment is being ignored. At the same time, increase in awareness of asset management concepts and techniques can lead to a real sense of **empowerment**. The danger is that unless the **culture** changes as well, empowerment just fuels the creation of **new** silos.

Although this stage may be imperfect, simply having a system that brings people together to make decisions will inevitably yield quick wins, providing impetus for further investment in **transformation** activities. Unfortunately these activities **can’t all happen at once**. So there need to be **winners** and **losers**, as interventions are prioritised according to what will yield the greatest benefits for the whole.

But in a way, this is **the shape of things to come**. Until individual teams are prepared to accept that **the right decision for the overall business may be the wrong decision for them locally**, optimal asset management decisions will not be possible.

So looking forward, what is an optimal asset management decision? We can state in general terms that it is the decision that maximises the long term value of assets, by aligning them to the objectives and purpose of the business. But what that **looks like** will vary markedly from business to business and industry to industry.

That said, there are a number of factors that all outstanding asset management organisations have in common:

Firstly, they have leaders who walk the talk. They don’t just tell people to collaborate, they model what collaboration looks like.

Secondly, these organisations embed asset management as a philosophy of continuous improvement, rather than seeing it as a one-time transformation programme.
Thirdly, it’s apparent that everyone is playing their part, whatever their role or seniority. The formal policies and management system provide a framework for integrated decision making, but these organisations are very fluid in how insights and information flow from team to team.

An example of this is how the organisation treats its data. Good decisions rely on good information. With a shared understanding of the decisions they need to make, teams can reach a consensus about the information they need to make those decisions, and the best way to get hold of and maintain it collaboratively, which may or may not involve IT systems. In an asset management culture, information is treated as an asset and cared for in its own right, for the good of the entire organisation, as well as for future generations.

But perhaps the most striking difference in an organisation with a culture of asset management is in what it feels like to be part of. Because the organisation is always learning and improving, risks become more contained and incidents become far less frequent. This creates space to think more expansively – about the possibilities for greater innovation, about the longer term future, about what could be learned from other industries, or even about the organisation’s very reasons for existing.

This is the journey our members have described to us … so where are you? What elements of the picture seem most familiar to you? Who do you need to talk to move things forward in your business?