

Issue 94, August 9, 2002

Prevent Emergencies From De-railing Your Asset Management Strategy - here's how

The response to a new emergency is often a new plan!

Whether the new emergency is a new problem – e.g. anti-terrorist plans post Sep 11 – or an important new instance of a periodically occurring problem – e.g. a severe drought, a major outbreak of blue-green algae, or a sharp increase in salinity; or a new policy from above – eg a state requirement for 'best value' approaches to asset management – the inevitable result is another plan!

If the plans are prepared in an ad hoc way, to accomplish isolated (and perhaps knee-jerk) objectives without reference to the ongoing asset management strategy's objectives for business outcomes, the new plans can prove unsustainable in the long run and divert resources and de-rail existing plans in the short run.

What can you do?

The answer is to integrate.

See next page.

Also in this issue:

- Measuring service level performance in parks and gardens
- Marketing Asset Management – and our renewed "Wine Awards"



Outbreak of blue-green algae

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Don't be diverted- Integrate!

In issue 89? We looked at succession planning – why it pays to plan your next move, whether within your agency or outside of it. But sometimes we don't have the luxury of forward planning; sometimes we need to REACT. A state of emergency is just such a time.

A Strategic Approach

Step 1. Recognise the new issue as early as you possibly can, identify the necessary short term and long term objectives if the issue is to be resolved.

Step 2. Identify the objectives in the Asset Management Strategy *

Step 3. Compare the two sets of objectives to see where they

- Are identical (the new policy should reinforce your current directions)
- Are different but compatible (ditto, with care)
- Are contrary and damaging to the AMS' objectives. (Alert all stations!)

Step 4 . In the latter case, the existing AMS objectives should be used to evaluate possible options for dealing with the new emergency, thus

- "Plan A would address our current emergency but it would result in damage to our existing objectives for ---- and -----.
- Plan B is a little more expensive but it avoids damage to our major policy objectives while still working to a solution of the emergency.
- Plan C, however, would both address the current emergency and reinforce our current business directions. Therefore we recommend C."

* **What!** You haven't got an AMS? Then you will need to read our special 'step by step' series coming up in two issues' time. In the meantime, do whatever you can to establish those 'motherhood statements' and the asset implications that underlie your business outcomes.

Don't be diverted- Integrate!

Knowing WHAT needs to be done is one thing, making sure that it happens is something else again. Here is a suggestion.

A Tactical Approach

- (1) If you are given carriage of the new plan – no problems! Follow Steps 1-3 above.
- (2) If no-one has yet been given responsibility – do your homework (Quick!). Is this an issue that has the potential to de-rail your AMS? If so, you need to quickly identify the potential conflicts and then offer to develop an *integrated strategy plan* that will protect the business outcomes whilst addressing the emergency. In this way you reinforce the essential idea that the AMS underlies business outcomes. True, it requires work – but it is always less work to do it than to fight against someone else's suggestions later!
- (3) Someone else has been given carriage – if the emergency is one with the potential to de-rail, make the best of the situation by identifying conflicts (as in 2 above) and then offer (to the CEO or whatever level is above both you and the other team) to work with the others, *once the possible options have been identified*, to ensure a *co-ordinated* and *integrated* strategy outcome for the *business*.

Implications of Emergencies for Strategic Asset Management

The implication from the above is that there is NOTHING that is happening, or expected to happen, to your business, that should not be reviewed for its implications for the AMS and plans.

A change of strategy and plans is fine, but changes that are in response to emergency reactions rather than a considered forward approach are not. This is the strategic asset management task.

Forewarned is forearmed!

Levels of Service

Parks and Gardens

Stating and Measuring Levels of Service

All agencies are in the development stages when it comes to stating and measuring levels of service. We all need all the help we can get in this difficult area. So the “Yardstick” process benchmarking program in New Zealand that is working to measure the levels of service in Parks and Gardens, is worth keeping an eye on.

The study is being for New Zealand agencies by Chris Rutherford of Prophecy Inc. The paper that he presented to a New Zealand Local Government Conference can be found on the www.amqi.com website, in the library under “levels of service” and “performance measurement”.

It has been suggested that the study could be extended to Australia, if agencies were interested. Chris can be contacted at chris.rutherford@paradise.net.nz

Trends More Meaningful than “Snapshots in Time”

What is of particular interest in this study is that it has been recognised from the outset that process benchmarking when agencies have different conditions and different objectives is of little benefit. Instead, the study is focussing on trends. All participants are required to commit for an initial 3 year period with the possibility for extension. Thirty two agencies have opted in.

What measures?

Ideally we want measures that tell us what service customers are receiving; in practice we fall back on measures of inputs. This is ok if we have reason to believe that there is a strong link between input and output; for example if more regular moving of lawns is likely to be correlated with a better outcome. But more money spent on a service may indicate inefficiency as much as it indicates higher service levels. No measure can be examined in isolation.

Some of the measures being looked at in the study include:

- Whether there are management plans for parks and reserves
- What service levels, if any, are included
- Whether levels of service are costed, etc.

For more detail, see the paper in the www.amqi.com library.

Selling the Asset Management Story

Why it is important for the community to know

15 years ago when I had just finished a two and a half year modelling exercise to forecast the likely timing and cost of replacing the State infrastructure in South Australia I was asked to speak about it to the Minister's Construction Industry Council. After the talk he came up to me, his face alight, and said "You must tell everybody what you have just told us". For the next two years whenever I entered a room where the Minister was talking, he would switch the conversation towards asset management. However, he did not support it in public: he was a private, not a public, convert! He knew, as do all politicians, that he could not afford to get out of step with ideas of his electorate. That is why we must ensure that the community knows and supports the asset management message. 127

Sell the benefits

But remember that psychological research shows that people will fight harder to retain something that they already have than the equivalent value of something new. So tell them what they could lose – but focus not on the scare figures, focus on the outcome benefits.

A winnable challenge

Make sure that the message comes over that, while the challenge is a large one, it is worth winning AND you are capable of winning. Avoid the defeatist 'somebody else has to do something' mentality that is a killer.

Show you have high-level commitment

Have your 'champion' (Mayor, Board Chairman) endorse your asset management message publicly.

Integrate, Integrate, Integrate!

Integrate your asset management messages with your business story. Asset management must never been seen as a separate exercise. (If you hived it off in terms of presentation or organisation, you will find it will get 'hived off' in the budget!)

On the following two pages are some good practice examples from the very innovative Boroondara Council. (you will recall their community consultation work in Issue 90) See also the work of the Onkaparinga Council (Issue 5)

And then turn to the back page where you can contribute and win!

Marketing the Asset Management message

"Boroondara Bulletin, May 2002"

Set the scene

"There are more than \$1 billion worth of public assets in Boroondara, and many of them are crumbling before our very eyes as they come dangerously close to reaching the end of their useful lives. Maternal and child health centres, parks, leisure centres, town halls, the Camberwell Market, libraries, pools, roads and footpaths are just some of the assets this community appreciates and enjoys. These assets contribute to the well being of our community. They are highly used and valued by the community and enhance the quality of life for people who live, work, study in, and visit Boroondara".

Sell the benefits

"But their ongoing and future maintenance and development has become a significant issue for the City of Boroondara. This local government and the community it represents have an important responsibility to look after these assets if we are serious about ensuring they continue to fulfil our current and future needs."

Be positive—show you are in control

"A key priority in the 2001-2004 Council Plan is the adequate maintenance and development of our public assets to provide for both current and future generations and to maintain the physical and visual amenity of our City. There is a significant financial cost involved in maintaining assets in a long term, sustainable and financially responsible manner. "

A challenge facing all councils, indeed all levels of government

"Managing ageing assets is an issue that all local governments are facing, not just Boroondara."

Make the issues 'come alive' - by using particular examples

"Assets needing attention in Boroondara include urgent footpath repairs totalling \$13 million to improve safety and access of footpaths. The total length of all footpaths in Boroondara stretch from here to Sydney and beyond, so the task of monitoring, maintenance and repair on this type of asset alone is enormous.

Other significant and pressing needs include the replacing of the original wiring in the Hawthorn Town Hall and installing fire sprinklers at a cost of \$1.1 million, repairing the footings on the Camberwell Town Hall and refurbishing run down sporting pavilions, to name a few."

Make it a winnable challenge

Sell your achievements

"There are many things the City of Boroondara is doing to maintain and enhance these assets. One of the many features of the Asset Management Strategy is a unique partnership between Council and the Swinburne University of Technology. This partnership is providing valuable training experience for students and ensuring the Boroondara community has the best knowledge, work practices and technology available to look after our assets into the future. The information collected as part of this project will substantially improve the City of Boroondara's knowledge of assets and how to manage them.

Innovative new technology is being used to assess the condition of assets and devise management plans for the future. Some of the technology being used includes hand-held computers with on-board mapping systems, which can link to satellites for confirming asset locations and store digital camera images.

To date, Council officers have walked every street in Boroondara and inspected every building and park in order to provide updated information which is being used to develop strategies for the future. "

Ensure High Level Commitment—Mayor's message

.."Sustainability is another key theme of the Council Plan. Council is committed to sustainable actions in everything we do. A simple explanation of this is that we need to cater for the needs of present society without compromising future generations. The City of Boroondara is responsible for more than a billion dollars worth of assets and we are working to preserve and enhance these in a sustainable way. The ongoing maintenance and development of these assets will be a key focus for this Council and community in the coming years." Meredith Butler, Mayor.

Note how asset management is integrated into the Council's theme of sustainability!

Follow Up—Keep the story running

The message was reinforced in the next monthly issue of the Bulletin where the Council built on its message in the context of the Council Plan, again establishing the need for renewal of ageing assets if benefits are not to be lost, using pictures of assets in trouble. Having already set the scene, it was time for hard facts:

"The Asset Management Strategy identifies the following needs:

- \$18 million projected cost to meet the equitable standards set by the Commonwealth Disability Discrimination legislation.
- \$13 million to make safe footpaths with a trip hazard or extensive cracking.
- \$18 million five year program to implement a range of proactive building maintenance works.
- Five pavilions at a replacement cost in excess of \$2 million
- \$10 million to replace aging brick drains."

And again this message is supported by the Mayoral comments.

The Editor of Boroondara Bulletin, Tanya Smith, along with the CEO and Asset Management staff, is to be congratulated on a clear, positive, sensible message, well integrated with the general business policy of the council.



The Return of the 'Wine Awards'

Best practice examples of
Involving the Community in the Asset Management Message
are now being sought.

These could be found in

- Newsletters,
- website messages,
- educational plagues on renovation or repair sites,
- community forums,
- shared projects (such as the Boroondara-Swinburne Technical College example on the previous page
- radio talkback, etc

- in fact anything that promotes the support of the community for the sustainability of community assets.

Send hardcopy examples (newsletters, photos, etc) to

Dr Penny Burns, "Strategic Asset Management" PO Box 75, Salisbury, SA, 5108

Or electronic examples to

info@amqi.com

By October 31st 2002

All entries will be featured on the www.amqi.com website and come November, all Members of the Virtual Asset Management Community members can vote for the examples that are most practical, most inspiring, and most useful.

And our prize?

What else but half a dozen bottles of premium South Australian red wines for the enjoyment of the winner and friends. (We will post these anywhere in Australia or overseas – so send in your ideas and contributions.)

* More about the ASSET MANAGEMENT COMMUNITY very soon!