

If Asset Managers lose control of their information, they lose control of everything

Latest thinking on Asset Information

"Recognise corporately the distinction between good asset information as *the business need* – and IT as the *enabler!*" Just one of the lessons learnt the hard way by top utilities and networks in the UK. See what else they have found. [Page 985.](#)

An invitation

Readers will recognise the name of Ruth Wallsgrove, the guru of asset information good practice in the UK. Ruth invites you to join with London Underground, Network Rail, ScottishPower, British Energy, and others in exploring issues of importance in Asset Information. [Page 986-7](#)

Several years in the making, but at last it is here!

We have spent many years designing and testing to bring you the most useful and detailed asset management services database that we could invent. It is now available for preview by users and for registration by service suppliers. [Pages 988-990](#)

And—learning from New Orleans

In the last issue of SAM, we addressed the question of Interconnectivity as one of the key characteristics of infrastructure assets—meaning that none of us are immune from the problems of others. [Page 984](#)

As always, please enjoy!

Penny Burns

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LEARNING FROM NEW ORLEANS

According to the US President, no one could have foreseen the breaking of the levees in New Orleans in the event of a severe hurricane. But this is precisely what has been forecast for many years. As recently as five years ago, the three most likely disasters facing the USA were identified as a terrorist strike in New York, an earthquake in San Francisco, and a hurricane in New Orleans. It is not as if the event were totally off the radar.

But despite being up there in the 'big three', not only were improvements to the sinking levees not carried out, but general maintenance was cut back in the face of budget constraints.

Some are saying that because New Orleans is predominantly black and poor, it has attracted less funding from a Government focussed on big business and the reduction of aid to poor and needy; others that its big business focus has resulted in a government less able to act for the community good.

There will, no doubt, be much soul searching and analysis in the coming months and it will pay the rest of the world to watch carefully.

We have learnt from the USA before

It was the general collapse of infrastructure in New York City in the early 1980s that created greater awareness of the problems of ageing assets here in Australia as well as in the UK and in New Zealand. In the mid 1980s, South Australia conducted the studies that showed that, unless we took steps to counter the problem, we could go the same way as New York. That is why Australia was able to take on board the messages of asset ageing while we still had planning time. It is probably not an exaggeration to say that our leading position in asset management today is thanks to learning from the USA.

Most developed countries today have adopted similar approaches to the USA involving commercialisation and privatisation with a reduction in community wide supply and there is no doubt that this has led to considerable improvements in efficiency and waste reduction. But along the way, it seems that governments have become more concerned with short run efficiency than they are with longer-term effectiveness. And communities have let them!

Interconnectivity

In the last issue of SAM, we looked at what was critically different about infrastructure assets. Yes they are long lasting which raises a great number of accountability issues, but equally critically they have a high degree of interconnectivity. This means that the city benefits from infrastructure provided to the country and vice versa. Equally, the city can suffer if insufficient funds are provided to support the country. As the USA struggles to move all of the grain that is grown in Iowa and Illinois and the huge industrial output of the Midwest that comes down the Mississippi River to be shipped from the port just to keep a functioning economy in the USA; as it copes with the lack of oil and gas, and tries to manage the flood of refugees out of New Orleans, the impacts of this interconnectivity are going to come to the fore.

"In 1985, when the Chairman of the SA Public Accounts Committee spoke to the New York City Council officers he asked when they had first become aware of their burgeoning asset renewal problems. "When maintenance bills started to accelerate" they replied. And then what did you do? "Well, we cut maintenance funding. We had to because of the budget." And then what happened. "All hell broke loose" was the exasperated answer. "Things started breaking down, the problem got out of hand much more quickly than we imagined." It is a matter of public record that when painting stopped on a major bridge in New York, it has so badly rusted within just three years that bits were literally falling off." ("Facing the Renewal Challenge". Vic Gov. 1998.)

If now in 2005, the Chairman were to go back and inquire how the focus on individual self interest, short term gains, a lack of community understanding and failure to 'think forward' were impacting the ability of the country to sustain its community futures, what might be the answer?

This could be the most important infrastructure asset management issue to be resolved in the next decade. If you would like to help frame these issues for public debate and inquiry, please write to me at ACORN Inc.

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ASSET INFORMATION

THREE KEY MESSAGES



1. Recognise corporately the distinction between good asset information – the business need – and IT as the enabler

2. Be clear about ownership of the information

3. Focus on information rather than data

IT is necessary to store, process and make data available; IT also still has much to offer in enabling good decision support tools.

However, as the London Underground 'Infracos' JNP and SSL identified in 2002, there has been confusion between the information and its 'containers' (their words). If you don't have good processes for managing data and turning it into useful information, IT can't help. Worse, it can eat up money and divert attention away from both the issues of information and from asset management itself.

Ownership means who decides what is important and takes accountability for the management of information – even if the actual collection and handling is delegated to others, IT and field teams. Asset information is critical to decisions and an extremely expensive asset in its own right (often over 20% of total corporate expenditure).

It is becoming clear that this ownership has to reside in Asset Management, on behalf of the whole organisation. Not because AM is the only user - which it is not - but for two other reasons:

- AM is set up to rationally and effectively determine asset requirements against business objectives and so has the right tools and methods to 'asset manage' asset information properly (AM methods can be applied quite directly to information, though few organisations yet do).
- It also has the broadest need for asset information, especially how different kinds of information about assets have to come together (asset register, costs, performance data, failure history and modes, unit costs for solution options and so on). Everyone else has more local or specific needs.

The principle of separation between requirements and delivery is equally vital with IT as it is with the delivery of physical assets.

There is a mountain of evidence that organisations – not just asset organisations – continue to suffer from data in place of information. Any information process which spends a lot on data collection and IT

ASSET INFORMATION
Three Key Messages
Cont.

Information rather
than data (cont.)

and then fails to present the data in a way a key user can use it essentially fails to provide anything,

Users inside AM and Asset Delivery functions, perhaps more than many, are intolerant of data presented in unhelpful ways, or that is generally difficult to access. They feel they have other things to do other than wrestle with unhelpful records or user hostile IT. They appear particularly prone to recollecting data if they feel they cannot access it easily. And, in AM in particular, the real need is for heavily 'compiled' data – trend graphs perhaps of more than one factor, for instance, or highly processed exception alerts. Raw data, or even the kind of reports many organisations put on top of the big IT 'transactional systems', prove to be spectacularly unhelpful in asset decision making.

This has two implications

– think about what information you need for decisions and in what form before you commit to expenditure on data collection or IT,
- and ensure the 'front end' or user interface is suitably prioritised in any information chain.

Good user interfaces are very cheap compared to transactional systems and data collection, and yet they are essential to deliver the benefit.

**IAM INFORMATION BEST
PRACTICE GROUP**

'the state of good
practice on asset
information was well
behind AM in general'



From Ruth Wallsgrove

When the scope of PAS 55 Parts 1 & 2, the UK national standard on Asset Management, was drawn up it was decided not to try to include much on the management of asset information. We considered that the state of good practice on asset information was well behind AM in general – very little was written down, and there still is plenty of evidence that organisations struggle with it. The idea was to promote a discussion about good practice that could, in time, be built into PAS 55 or even done as a standard in its own right.

I've personally been doing work on good practice for some years, for example helping companies benchmark their costs of managing asset information (see SAM 143 (June 25, 2004) for example) or on asset information strategies, and proposing more systematic approaches to the latter. I found when I made notes for myself that I had tons to get down – all kinds of issues and all kinds of ideas from different people on solutions.

It's not that you couldn't write down some very sensible principles straight away. For example, treat asset information as a costly and valuable asset, and prioritise the information that makes a difference to decision making. Or that there aren't many thoughtful people out

An Invitation to join the IAM Asset Information Best Practice Group



So the next step was to get together people who do feel very motivated and talk about how to progress good practice. What are the main issues, what do we already know about what works (and what doesn't)?

Currently we're compiling '10 good reasons to have an asset inventory' and examples of companies who have developed them successfully, because after all this time it's still an issue in too many organisations.

In general we're on the look out for good case studies, for real examples of what has worked.

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there working on better methods. But it seems to me that asset information is complicated precisely because we have very little established good practice to apply to any part of its lifecycle – so everything about it tends to be a mess, including the wild west frontier of IT projects. Plenty of people understand it is important and want it better managed. But not many feel it's their job to manage it better.

An informal working group on Asset Information Good Practice was set up this spring. It includes representatives from major asset-based companies in the UK, from London Underground and Network Rail, ScottishPower and British Energy, to Dwr Cymru, Northumbrian, Anglian and Severn Trent Water companies – and including the Office of Rail Regulation. Everyone involved has a particular brief to improve asset information in their organisations, or assure it is managed well in their suppliers or regulatees. We're now formulating formal terms of reference as an Institute of Asset Management (IAM) project, but we've already started building up material, for example through a workshop at the IAM's last conference in June. Jane Rennie of British Energy is the IAM Council 'champion' for the project.

The hot topics for the group?

Information as an asset – the implications

- Developing better processes to identify business requirements
- Information exists to support decisions: using that to focus the information strategy
- Behaviour – changing attitudes towards owning & maintaining data
- Facilitating data collection/ data input so it will be done right
- Presentation of information to users – exploiting power of visualisation
- Exploiting real time data and technical advances to facilitate data collection
- Developing dialogue with IT – understanding what they can and can't do
- The asset inventory as cornerstone of managing asset information

In case you're still wondering, 'asset information' is not meant as a weasly synonym for IT/ computer systems. Asset information is a much bigger issue, in sheer cost alone. As Dino Nola (now of London Underground) put it to me, IT is the container, not the information itself. Some big AM names in Britain are beginning to ask out loud whether investment in expensive dumb 'enterprise asset management systems' will ever repay the costs, and I am pretty sure the answer is that it certainly won't if we don't look beyond the system to the information that actually matters.

So, how do you motivate people in the field to return good quality data? What has your organisation managed to achieve with visual display of asset data? Who manages asset information in your company? The more we pool experience, the quicker we can get down good practice, get it out there – and get beyond the pain and misery of asset inventories that don't work, data collected and never used, IT inflicted and never helping..... Send us your stories, even of what not to. do.....

**Now available for
previewing at**

www.acorninc.org

At Your Service!



Preview

Several years in the making, but at last it is here!

The most detailed and useful service database designed specifically for asset management services.

Use it two ways:

ONE

- If you know what services you want performed you can use the database to identify a range of potential service suppliers.
- All suppliers are Corporate Members of ACORN Inc and have corporate goals that are sympathetic with the community sustainability goals of ACORN Inc.
- ACORN Inc does not warrant the capability of any service supplier. You will need to determine that for yourself by their responses to your request—however we will be providing guidelines for how to get the best out of your consultancy commissions!
- The database is in the form of an excel chart which can be sorted. And you can cut and paste to create a select list of the suppliers who meet your requirements.
- See the explanatory chart on the back page
- Then view all 8 categories— with over 50 separate services—
on the website at www.acorninc.org

(The database is now open for registration by companies who would like to become corporate members and support the work of ACORN Inc. We will be listing all registrants on October 1st.)

TWO

If you want to check what you are doing and what you *could* be doing, run your cursor over the red comment boxes of each category to find an explanation of the benefits of each of the services listed—perform your own self-diagnostic!

The Eight Categories

1. AM & Your Business
2. Asset Accounting
3. Asset Planning
4. Capital Acquisition/ Disposal/ Outsourcing
5. Improving Performance
6. Operational Efficiency Improvements
7. Asset Information and Knowledge Management
8. Regulation, Audit, Policy, Control, Compliance

Consultants who are interested in helping their clients achieve long term sustainability are invited to

become
Corporate Members of ACORN Inc.



ACORN Inc. Corporate Members are Companies who

- Provide asset management related goods or services
- Believe in the importance of better infrastructure and community asset decision making, and the ACORN Inc. objectives, and
- Are prepared to work for sustainable community futures

ACORN Inc. objectives

Infrastructure decisions are complex and expensive and their consequences have a major impact on the welfare of communities; impacts that go well beyond jurisdictional boundaries and over generations yet unborn.

ACORN Inc. has been created to help communities make more informed and far-sighted infrastructure decisions, decisions that will ensure their future sustainability.

ACORN Inc. members work towards

- Strengthening the quality of asset management services provided to the community
- Assisting Decision-Makers to create the best community outcomes
- Creating aware and supportive communities

Corporate Members are critical to achieving these goals because:

- As providers of asset management goods and services, they are a major means of disseminating good practice and, indeed, of establishing the benchmark of what is good practice. They are in the best position to spread the ACORN message of sustainable asset management decisions by their focus on future oriented, long-term decision making.
- They are major sources of research and innovation
- They are well connected with decision makers and the wider community
- They benefit from a wider appreciation of the benefits of asset management in the community, in the short term, and through more sustainable futures, in the longer term.

ACORN Inc Corporate Members

- May list their service availability in the "At Your Service" database, the most comprehensive asset management service database in existence.
- Corporate Members' staff may become Supporters of ACORN Inc. without cost.
- Corporate Members support the work of ACORN Inc. by promoting the ideas of ACORN and taking part, where able, in ACORN events and activities.
- Fees are scaled in proportion to involvement in asset management; there are currently eight levels according to the number of asset management service categories the company participates in. Companies may choose the level of their own involvement.
- Fees are used to support ACORN Inc goals and Corporate Members may suggest and take part in activities

HOW TO USE THE NEW “AT YOUR SERVICE DATABASE”

Company Name with link to their website

One of Eight Major Categories, (see website for details of the others)

1. BUSINESS
Ensuring that your **Asset Management** supports your **Business**

Company Name & Link	1. AM Strategy	2. AM Process	3. Structure	4. Service Levels	5. Participation	6. Risk Assessment	7. Continuity	8. Business Cases	Head Office	Special Expertise
Company Name (with link to their website)	■	■	■		■	■	■		EG. Perth, WA	E.G. Public Sector, esp. Roads, Local Gov.

Up to 8 subcategories

Location of Head Office (for when you want someone local)

Companies can indicate any special expertise that they might have, either in terms of assets, or in techniques, or perhaps in location, eg “15 national offices”

Users can use the subcategories to find a specific supplier of they may use the explanation of uses and benefits as a sort of self-diagnostic to check what services they would benefit by—whether carried out in-house or by others.

Users can sort by subcategory so that all companies who have checked that service are moved to the top of the screen

Companies indicate which services they offer

e.g. “AM Strategy reviews your AM strategy to ensure it aligns with and supports your business strategy, gives clear outcomes and clear messages to all stakeholders (eg regulators, owners, customers and suppliers).”