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## ASSET MANAGEMENT

*may be the only game in town, but*

## ENGINEERS

*are not the only Players!*

### Asset Management is Multi-Disciplinary

But what do we really mean by this term?

In this issue I look at five professions – Engineers, Economists, Architects, Finance Specialists and Information Specialists.

These are not the only professions with an interest in asset management, but they are key.

For each one I ask

- **“Why - in just one word** – should this profession be interested in asset management?”
- What is this profession’s **key and critical role?** (Hint: What is the one thing that they can do in their profession, *because of that profession*, better than those in other professions?)
- **What can/should these professionals do?** What are the main asset management functions of their profession?

Consider and Enjoy!

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## Getting Your Message Across

*“First seek to understand, then seek to be understood”*

### **What do you wish that your fellow professionals understood about asset management?**

Why not send your messages to me at [info@amqi.com](mailto:info@amqi.com)?  
And I will put them on my new multi-disciplinary asset management website *coming shortly to a computer near you*

#### **For example:**

##### *From Engineer to Accountant*

I want you to know that **it is** possible to make efficiency gains in maintenance and asset management BUT

- o re-tooling
- o re-training
- o information gathering
- o planning and analysis, etc

in order to make such gains, **COSTS MONEY** and **TAKES TIME**. We can't do it on thin air and wishes!  
**Talk to us about the cost and time estimates.**

##### *From Accountant to Engineer*

We **do** appreciate that budget estimates are subject to variation and we **do** appreciate why you build in layers and layers of contingencies. But we can't afford to short-change other sections of the organisation to provide excessive buffers for one section. We don't *know* that the buffers are excessive and they may not be, but to be on the safe side, we cut back. **If you know of a better way of meeting corporate needs and your own, please let us know.**"

##### *From Engineer to Architect*

We like a good looking building as much as the next man, but please take into account that if it is going to remain good looking over its life span, we are going to have to get in and repair and maintain it. In fact, the more you can do to ensure that needed repair and maintenance is at a minimum, the better the building will continue to look. **Please talk to us about element life spans, off-the-shelf components and minimising life cycle costs.**

### **Why should you be Interested?**

In one word:

### **ACTION**

When things go wrong – and to prevent them going wrong – it is to **Engineers & Technicians** that we all turn. Others may also think, plan, or decide, but engineers and technicians *get the job done*. And they are the only ones who can!

### **You have a special role**

Assets are the means by which our living standards are delivered. To maintain our standards of service, we need to maintain an adequate infrastructure network. **Engineers & Technicians** know more about the linkages between changes in condition and consequential service outcomes than any other built environment professional.

### **What Engineers & Technicians Can Do**

- Understand long-term trends in asset degradation and the effects this may have on service standards;
- Participate in establishing sustainable standards of service by providing valuable insight into the practical implications of achieving a range of outcomes;
- Contribute to development of policy with regard to private sector participation in the development, delivery and renewal of Australia's infrastructure;
- Analyse and understand asset performance and the associated service standards (and risk implications) of current practice.
- Provide a valuable contribution to the debate on appropriate use of new technology in providing a sustainable future.

### **Why should you be interested?**

In one word:

**HOLISTIC**

Economists are well placed to “see the big picture”. Economists have the skills and techniques that enable them to encompass the impacts on all who may be affected by a decision, both positively and negatively, and beyond as well within the deciding organisation –using tools such as cost benefit analysis, and particularly, multiple-criteria analysis.

### **You have a special role**

Economists are also often well versed in presenting a case to decision makers, and so making the asset management message a compelling one.

### **What economists can do**

- Understand the long term “big picture”, as it applies at regional, state and federal levels, i.e. beyond the confines of individual organisations,
- Examine and develop policy that is relevant and recognises the issues of all jurisdictions and levels of professional involvement,
- Assist regulators to make decisions that safeguard the future whilst managing the present,
- Understand, analyse, develop and document the history of asset management and its impact on community decision-making

### **Why should you be interested?**

In one word:

### **PRUDENCE**

Organisations and communities look to finance specialists to ensure prudent financial and strategic behaviour, behaviour that will ensure future financial sustainability that underpins the acquisition, operation, maintenance, renewal and disposal of the assets that provide service.

### **You have a special role**

Finance Specialists have a unique role in assuring the prudent behaviour of their organizations to Auditors and Regulators, who act on behalf of the community, and to the governing body and the senior management team.

### **What Finance Specialists Can Do**

- Provide financial expertise and information to ensure that plans to acquire new assets are rigorously assessed based on current information and risk management principles.
- Develop funding models and long term financial plans that secure the financial sustainability of the organisation and enhance its capacity to maintain its asset base.
- Support engineers, technicians and valuers to ensure that assets are properly valued and that the valuation information provides a sound basis for asset renewal plans.
- Support engineers and technicians to ensure that depreciation accurately reflects asset consumption and provides a sound basis for managing the assets.
- Provide regular and relevant financial and other information on a timely basis to improve the capacity of the organisation to manage its assets.
- Ensure that the organisation exceeds its statutory requirements to report on its financial position

### **Why should you be interested?**

In one word

### **UNDERSTANDING!**

**Good asset management depends on understanding assets** and what they are required to deliver. Your role is to pinpoint what information is needed for decisions on the assets, and then making that information readily available to the decision makers in a useful format – a format they find ‘user friendly’. **Their** understanding depends on **your** understanding what they do.

### **You have a special role**

**Information may well be your most expensive asset**, and often the least well managed. Information – which is not the same thing as the computer systems that store and distribute some of it – is the critical underpinning of good management of assets. Without it, optimal management is not possible.

### **What Information Managers Can Do**

- Understand what is really needed by understanding the decisions that have to be made, the decision makers and the methods they use
- Understand what information costs, and why it costs your organisation more if you do it badly
- ?

### Why should you be interested?

In one word

**TRUST!**

Your client, as well as the wider community has trust in you, as a professional architect or planner that you will provide a solution of quality. The client wants good looks and functionality. The quality promise to the community is that the building will add value to the total urban landscape – or, at the very least, that it will not diminish it! Building designs that do not consider the management of the asset through time can quickly become urban eyesores rather than highlights. The promise to colleagues is that this design is one that will support, even enhance, the reputation and credibility of the profession.

### You have a special role

Of all built environment professionals, you have the greatest impact for good (or ill). Your decisions are made at the front end of the life cycle and have a major impact on all costs to come. Your decisions shape future user options and determine how easy or otherwise – and therefore how costly – it is to maintain, renew or adapt to changing circumstances.

### What Architects and Designers Can Do

- Seek to extend your knowledge of the longer-term social, financial and environmental consequences of your plans and design
- For enduring beauty and function, ensure
  - Ease of access for repair
  - The ability to modify over time as needs change
  - The financial viability of maintenance and operations!
- If your need is finite, ensure
  - that the building is flexible enough to be reutilised in another way
  - and, when the time comes, can be dismantled safely
- 'Sustainability' is more than energy savings
- Green Fields/Brown Fields - The ageing of assets, changing demographics in established areas, and external factors such as pollution, climate change, oil prices, etc provide *Planning and Design Opportunities for established locations*

## Who else?

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### Real Property Asset Managers/ Property Asset Managers

Whose forte is that they **know the market conditions**. They have a special role in optimal utilisation of real property assets and especially in asset disposal.

### Facility Managers

Whose forte is that they **know the needs of the client**. They have a special role in managing the interface between the building and its user. Facility managers are skilled in keeping abreast of trends and changes in the way that people work.

### Property Developers

Whose forte is that they **actively seek out opportunities and are prepared to take risks**. Property developers aim to buy low and sell high. Their special role is to find property that is not currently in its 'highest and best use'.

### Urban Planners (also town and regional planners)

Whose forte is that **they consider the built environment as a whole**, rather than, as with other professions, certain subsets of it. Their special role is in understanding both the physical and social development of towns and cities (including economic and environmental planning).

## AND

- Valuers
- Project and Construction Managers
- Quantity Surveyors

AND ????

All of these professionals have a role to play in asset management and the quality of asset management on the ground is impacted by their understanding and recognition of it. For some this impact is slight, but for many it is significant.