

ISSUE 224 Sep 10 2007



For Practitioners, Policy Makers and Planners in Public Infrastructure



The “X” Factor

- that ‘something different’ that stands the most successful apart from the masses.

Leo Gohier reflects on what it was like to set up of the asset management unit in Hamilton City Council, Canada - one of the few councils *in the world* where the asset management unit is purely a decision making unit, devoid of all operational responsibility, *and whose research, analysis and co-ordination drive all asset activities in Hamilton.* This issue is probably also the world’s first biography of the evolution of an asset management unit!

What you will learn from this is the importance of selecting your team on the basis of personality and diversity as well as technical skill, and the necessity, once chosen - to give them their head! It is not too late to learn from this. *A strong team ethos is your best protection against staff poaching as skill shortages start to bite!* See the “X” factor on pp 2-6.

And the missing tool in the asset management tool box! **Adrian Duff** introduces Maroochy Shire Council’s approach to service levels in a way that makes sense to the consumer and gives Council real and relevant choice in improvement. pp 7-8

Consider and Enjoy! Penny Burns

Editor: Dr Penny Burns, AMQ International
PO Box 75 Salisbury South Australia 5108
Telephone 61 (0) 8 8281 5795
Email: amqi@amqi.com Website www.amqi.com



The “X” Factor

The “X” Factor is that ‘undefinable’ extra element that makes a winner.

Here, surrounded by illustrations of Hamilton City, Canada, Leo Gohier describes the attitudes, the focus - *and the feelings* - in achieving this undefinable extra.

Why should you read this?

If you consider that you will have no problem retaining staff when increasing shortages everywhere encourage staff poaching; if you have no interest in developing staff loyalty, encouraging innovation and ‘beyond the box’ thinking - then don’t read any further.

Leo Gohier’s Story of the Evolution of Asset Management in Hamilton



“Here is my two cents’ worth on how we felt (because it was all about feeling – yes, technical people can “feel”!) when we first started in the mid 90’s. It truly was about feeling and not process, and that is the perspective that I will provide here:

“we had no clue about where we were going, we just believed that something can/ should be done”

It was all about “feeling”,

- and this is where having an open mind was important since we all *felt* differently; it was about accepting that every direction was actually part of the correct direction and part of the solution. It was about bringing all of this together into a plan to move forward. It really had to start with an emotional experience – it was about a journey, where we had no clue about where we were going but we just believed that something can/should be done.



It was about choosing and valuing your people,

It was about surrounding yourself with people who are OK outside of their comfort zone, and in fact find it fun;

it was about letting them have a piece of the action, of contributing, that is how they became believers and more importantly contributors. It was about debating, not arguing; it was about building, not knocking down; it was about communicating, not calculating (in fact, this still stands today as the primary objective of the State of Infrastructure Reports that the City does),



It was about ways of communicating

- it was also about using tools that people understood and were comfortable with (like a budget) in a creative manner to actually pass a message that they were *not* comfortable with - it was about doing something with no plan, but just a commitment and knowledge that “it” had to be done, whatever “it” was – it was about continuous evolution and not about standing still

It was about a social conscience,

- about doing what was right for our City, about thinking/projecting many generations out; it was about accepting the notion that people will always (there’s that word again!) want a constantly-evolving menu of services; in the end, it was about people and trying to meet their needs: my goodness, it was about public service! (I still believe that the private sector could not experience such things, because of the profit motive and the need to constantly adjust to the next challenge to stay ahead of the curve, which in turn leads to a shorter vision just to survive; we at the government level had the luxury of being able to look so much further into the future with our crystal ball.)



It was about recognising both eternity and impermanence,

- it was trying to put a tangible face to an intangible “eternity, always, forever, permanent, infinity, posterity, etc.”; it was about proud (another “feeling”) technical people who build things that last many generations (but not forever!); it was about this profession of ours accepting that nothing is permanent, which in and of itself was a sobering and humbling experience.

Mostly, I found that it was about believing and a lot of perseverance

– there were always “experts” that used their pocket calculators to prove that we were not quite right because we had left out this or that, or that our assumptions were not quite scientific enough or that our conclusions were not to four decimal points! – they missed the point that it was not all about science itself but it’s about “feeling” and orders of magnitude and trying to get to another level – I guess this made them feel better in that they could contribute to the debate by proving us wrong – they missed the point about this being a journey and a mindset, and not a process.

“There were always “experts’ ready to prove us wrong.”

It was also about guts (mixed with bravado and fearlessness

– it was about not being afraid when we were challenged by our peers who would tell us “how can you say that when you don’t know?” Our simple answer: our number (or estimate) was automatically better than theirs and was closer to the truth, since their own number was zero!



Story: that was my answer at a Conference when I was challenged in front of 300-400 people by an old crusty engineer who said that neither I (nor he) could provide an estimate of sustainable costs because we did not have data to put in our scientific calculator since we did know what the future held – this was a turning point for myself and others in our engineering profession when the room roared with applause, and after two years I learned at that point to stop being defensive about our work and our beliefs and to go on the offence (but not be offensive... yeah, right!) – the people started “getting it” at that point in time, and it was a great feeling

The turning point at City Council/political level was about ten years ago

- when we presented the estimated replacement value for the water and wastewater system at 4 billion dollars “give or take a billion” – the use of humour turned out to be the perfect tool to introduce the notion of sustainability and make the point that it wasn’t about the accuracy of the number, but about the thought process and about reasonable projections

“Give or take a billion!”

The turning point for our Finance people

– working with a Finance guy like Gerry Davis [General Manager, Asset Management] was invaluable since he is so unconventional; he believed in having fun (and beer!) and in the value of “soft” numbers, in trend projections and more importantly in the basic principle that reasonable assumptions result in reasonable projections (not accurate, but reasonable!)

The turning point at the senior management team level

- was another fun time.

In the late '90's, I was scheduled to present at the staff budget review committee when I was called into another meeting at the last moment. I asked one of my managers (Betty Matthews-Malone) to attend in my place, except that I had the coloured presentation overheads (no PowerPoint in those days) with me! Betty simply had the colour overheads faxed to her (in Black and White, so all colour effects were lost and the quality of faxes in those days were not good! She successfully convinced the senior management team of the "thought" process and the reasonable projections – Betty did an outstanding job as a result of her personal "beliefs", her own passion and her sense of humour – quite an accomplishment for a young manager/engineer on last-minute notice and with really bad presentation materials – I'm sure that being 5'10" and a redhead also helped - that was the turning point with senior management staff – we had a few good laughs over that one, but of course only after I had been properly chastised by my own employee and had to buy her a nice lunch...she eventually took the embryonic asset management from the Water and Wastewater Division into the Public Works Department, put together an incredibly talented team and raised a wonderful child that is maturing quite nicely – kudos to that team!

Start above - and work down!



I believe that you can never achieve the best solution by jumping from the ground and trying to reach the sky – you never know how far you can go if you take that bottom-up approach, and you can never reach the optimal solution since you are always in your comfort zone. But you can reach the optimal solution if you start from the ideal/perfect/utopian position up in the clouds (i.e. where should we be?) and work your way back into reality, but STOP as soon as you get into reality (i.e. where can we be?). You will then have achieved the highest/best place that you can be in at that moment in time – keep doing this over and over.

Our philosophy:

- even if you fall flat on your face, you are still moving forward.

Basically, we made sustainable AM a philosophy issue and not a process issue, although we needed process to get there – we had a good time, listened to the theme music from the Twilight Zone a lot, and simply believed – additions of people like Kevin, Rick and Gerry Davis make it even more fun and ergo more productive and more successful – the guiding motto was an old Chinese proverb: Man saying something is impossible should not interrupt man doing it (Penny, sorry about the “man” part!)

Chinese proverb:
“Man saying something is impossible should not interrupt man doing it.”



My personal start down “the path of sustainability

- started in the early ‘70’s when I was working on restoration of historic sites – I was fresh out of school (this was my first job) and part of a multi-disciplinary team of historians, archaeologists, interpreters, architects, planners, and so on.

One day, a young archaeologist just out of school came in and was extremely excited about having found “nothing” at one of her sites – being a young engineer just out of school, trained to deal with tangible data and to build things, I could not for the life of me understand why anyone would be excited about “nothing” – I needed facts, I needed data, I could not use “nothing” with my slide rule – what weird people these archaeologists are - she passionately explained to me that the historian on site had been arguing with her that there had been a fire a few hundred years ago (based on historical texts that he had found in his research) and that her findings were significant because they confirmed that these historical texts were written by someone who was more of a raconteur (French for storyteller) than a reporter, and that most of his works were now discredited or certainly had to be used with caution – I must admit that it took me a few seconds to fully comprehend the meaning of “nothing” and what she had just told me, and why as the project engineer part of this team, I should be just as excited as she was.

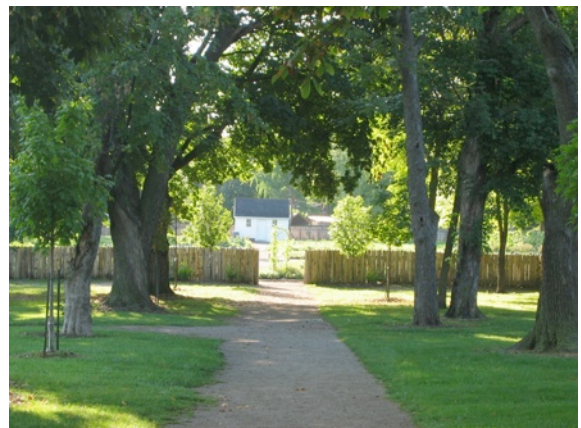
“What we can learn from others different from us”

But the whole thing was a great lesson in life in terms of reflecting upon and taking into account the thoughts of others and more importantly those outside your own profession (accountineer anyone?) – that job also brought to bear another work motto that was critical in terms of AM: understand the past, shape the future – it is important to understand why we are where we are today so that we don’t repeat the same mistakes, and let’s move towards Utopia in a practical and realistic but firm manner, hence in a sustainable manner.

“Understand your past to shape your future”

Thank you

- for providing me the opportunity to actually go back in time and reflect on how this all started. It was all about people and their feelings and their passion. It was always about communication, and it was never about the process. As the City states so eloquently on their website, AM is a state of mind and not a process. Passionate young people like Kevin greatly enhanced the process, by pushing back and giving us a fresh and inter-generational perspective. The bâton has been passed on to very capable people indeed, and I feel secure in this City’s future and I hope to grow old here. Wait a minute, I’m already old...but let’s not go there! Thanks, Leo



Ed: And thank YOU, Leo!

SERVICE LEVELS USING STAR RATINGS

A Practical, Replicable, Meaningful, Measure that aids Performance



What is your current service level?

Some years ago, a Roads AM forum I was facilitating, said that their prime objective was improving road safety. I asked them what the current trend was - was road safety improving, declining, staying the same? The forum group split three ways on their answers to this fundamental question. Or take the example of the hospital that committed to an expensive refurbishment to increase throughput - but had no idea of what throughput was before they started - and no better an idea when they finished! Before you laugh, consider your own position! And then consider the starting point of the Maroochy Shire Council:-

To focus on 'improving service' when you have absolute no idea of what level of service you are currently providing is particularly pointless.

How to measure current service level

Everybody who has booked a hotel or restaurant is familiar with the 'star quality' ranking systems. A 5-star hotel is one that is highly rated on all criteria. A 4-star hotel may be clean, affordable and attractive but without, say, conference facilities or a fitness centre. Depending on your needs and your budget, you will choose one or the other - or look to a 3 star. It is really a case of fitness for purpose.

The "Star Quality" of Toilet Blocks

Can we use this system for measuring service levels in community assets? Maroochy Shire Council says yes - and **Adrian Duff**, in his Cairns IPWEA Conference presentation, showed how it has been done for the ubiquitous council asset - toilet blocks. (Ed: *The idea is catching on - see the illustration above of a star-rated toilet in Beijing for the 2008 Olympics*)

Maroochy considers their method of measuring current service levels

- **is meaningful for customers, and**
- **provides information that enables council to**
 - **cost the current service. and**
 - **uncover the options available to them to improve it.**

Advantages of the process are:

- **The repeatability of the rating**
- **Simplify complex criteria into a simple rating scale**
- **Ability to compare the rating of one site to another**
- **Allow value judgements to be made on the LoS being provided**

Across the Board

As Star Quality is being applied across all council services, decisions can be made about the Level of Service across all of these services, thus the Council can compare LoS for Public Toilets with that for Parks and Recreation, Roads, etc.

For public toilet #1

Element	Weighting	Rating	Score
Weather protection	1	3	3
Security/CPTED	2	3	6
Cleanliness	5	4	20
Level of internal finish	3	4	12
Ventilation	4	3	12
Lighting	1	5	5
Site accessibility	3	2	6
Network fit	1	3	3
Proximity	3	3	9
Design compatibility	1	3	3
Capacity / space	5	4	20
Availability	4	3	12
Design features internal	5	4	20
Design features external	5	4	20
Condition internal	4	4	16
Condition external	3	3	9
Water usage	3	3	9
Energy consumption	3	3	9
Total	56		194
Star Rating			3.5

Maroochy's service definitions were built from their original asset hierarchy, which originally grouped assets into like areas. They then questioned and challenged as to **"why does the asset exist"** and **"what service does it provide to the community"**? *This has enabled a focus shift from assets to the services that they provide.*

Star Rating Example - Public Toilets

Step 1 - Identify criteria/core values that applies to the service.

Step 2 - For each of the criteria, identify the importance of the element using a weighting from 1-5.

Step 3 - For each public toilet, perform an assessment using each of the criteria on a 1- 5 scale, then calculate a score for each element by multiplying the score by the weighting.

Step 4 - Total the weighting and score columns and divide the score by the weighting to generate the Star rating for the public toilets.

USING THE DATA

In the next issue we look at how Maroochy use their Service Level approach to determine cost effective options for improvement



Adrian Duff is the Asset Management Co ordinator for Maroochy Shire Council. Adrian can be reached at duffa@maroochy.qld.gov.au