



Issue 278
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Room for Improvement

Improvement at the level of the organisation

Strategic Property Asset Management Excellence
7 Keys to Success (pp3-4)

Improvement at the individual level - two opportunities:

One: certification of competencies

How good are your skills and competencies? If your interests lie in technical asset management, then the certification program now offered by the **Asset Management Council** may be what you are looking for both to demonstrate your abilities to employers and to discover areas for self improvement.

Peter Kohler explains what's in it for you and how the certification program was developed. (pp 5-7)

Two: course accreditation

Fully online and available to all - an accredited course for local government asset managers, specially aligned to the International Infrastructure Management Manual and presented jointly by the **IPWEA**, the University of Tasmania and the CPEE (p8)

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Editorial: Room for Improvement

The UK Audit Commission has a relationship to local government that is much like that in New Zealand - in that it seeks to use its reviews for guidance and encouragement, rather than public criticism. Where it finds gaps in performance, it steps in to do something about it. Its last report on property asset management, Hot Property, which looked mostly at police and law enforcement building assets, provided many examples of both good and bad practice. (In the UK, as in the USA and some parts of Canada, local government takes on a much wider service role than in Australia and New Zealand. It includes, for example, public housing, education and health. However, with cost shifting from higher levels of government, service roles for local government here are increasing too.)

The findings of the Audit Commission are equally applicable to state and provincial governments, and indeed to private industry. In their latest report "Room for Improvement" - from which the title for this issue of Strategic Asset Management is taken - they note their disappointment that only about 1/5 of councils have made substantial headway. These councils, however, have provided good examples for others to follow.

The Audit Commission recognises that the current economic situation presents difficulties -

It will be harder to dispose of surplus properties and prices will be lower.

But if you know what your long run development plans are, there may be the opportunity to pick up properties in the right area for less.

And this is a good time to augment your skilled resources by picking up experienced professionals that have recently been released onto the market.

In the next two pages I have summarised the essence of the Commission's case studies in

Strategic Property Asset Management Excellence - 7 Keys to Success

Attitude

Knowledge

Planning

Partnerships

Priority

Incentives

Continuous Review

The full report of the Audit Commission was released in June 2009. In August, a follow up report was released describing the best practice examples found. *You will find them both at www.audit-commission.gov.uk/*

Strategic Property Asset Management Excellence 7 Keys to Success

Attitude:

With the right attitude, *anything* is possible. The successful councils all had a 'can do' attitude. And they put effort into making things happen, they didn't just trust that good things would emerge.

Knowledge:

All the successful councils put stress on the quality of the information they had and the effort they put in to keeping it current. They collected data on size, use, occupancy, condition, running costs, and kept an eye on the open market value at realistic alternative uses.

Spread it around! Having collected the information, they didn't just place it in an asset register - they shared their knowledge with other bodies providing public services, to establish opportunities for sharing space -and sharing costs, using techniques such as publishing maps or details of the properties held by the public sector in local areas and inviting proposals for alternative use of them.

Partnerships:

Partnerships were seen as the key to reducing property costs by sharing sites. True partnerships are not about taking in tenants but working towards common community aims. A review of staffing levels and property costs per desk space resulted in one council accommodating the local police unit *as an integrated part of the Council's Community Development Team*

Planning:

Knowing what they had was important (Knowledge), but equally important was *knowing where they wanted to go*. All of the successful councils had good asset management plans. These plans included quantification of the benefits and costs of proposals (thus enabling the planners to continuously adjust as the economic climate and opportunities changed).

Holistic. The successful councils integrated Asset Management planning with business planning at corporate and service levels, with annually published Corporate Business Plan highlighting specific property and asset improvements. This included, for example, the role and contribution of property to flexible working policies, ICT plans and customer access strategies, is explicit in business plans

Priority:

The successful councils gave strategic property asset management priority. It was important to them and this was clearly seen in the way they structured their organisations.

One council appointed a Corporate Property Review Team chaired by a Corporate Property Officer / Corporate Asset Manager which was attended by representatives of all departments at assistant director level. The team scrutinised opportunities for shared use of buildings, monitored surplus properties and dealt with departments' wish lists for building.

A smaller council achieved excellent results by having a performance and governance committee scrutinise asset proposals before they go up for consideration by Members. Property reviews were undertaken by individual services and fed through to the Asset Manager by the heads of services twice a year. Whole life costing was employed and strategic goals, priorities and information about the running costs and performance of assets were considered when making decisions about use, maintenance, investment, rationalisation, management and disposal.

Councils in the UK, because of their size and wide range of responsibilities, have adopted a governance structure similar to that for state and provincial governments in other places, namely members have portfolio responsibilities and there is a subset that forms a decision making cabinet. In one council, a clear indication of the importance given to strategic property asset management was the fact that the Leader of the Council and his deputy (Mayor and deputy Mayor) both had strategic asset management as their portfolio!

Incentives:

Asset Rentals. Opportunities to rationalise the occupancy of properties to release surplus space were created through imaginative **service redesign**. They encouraged service directors and property managers to think about how they could operate with less property by using a system of asset rentals whereby budget managers are charged for consumption of assets thereby providing them with the information to review the cost of current use. The opportunity cost of retaining existing assets was considered and *was challengeable*. Another council adopted a similar approach by setting itself up as a corporate landlord where service departments are seen as tenants and referred to as clients. This enabled the corporate level to stay neutral when managing client requirements for assets.

New ways of providing service. Intrinsic to the rationalisation of the Council's office premises for more than one council was the introduction of new ways of working: increasing numbers of staff are becoming home-based and mobile workers. This not only helped the Council to achieve efficiencies in the use of office space, but it also contributed to its policies for flexible working and work-life balance. Overall the total floor space per full-time equivalent employee in one instance fell from 11 square metres to 10 in the last 2 years. As part of the rationalisation process, the Council aims to reduce occupancy rates of relocated staff down to an average of eight square metres per workstation.

Continuous Review

Continuous review and monitoring of the condition of property. This enables the targetting of resources where they are most needed. One council noted that by prioritising expenditure, urgent repairs are now always dealt with as soon as they are identified - both reducing cost and improving service and customer satisfaction. The Council has seen a reduction in priority maintenance through targeting maintenance resources more effectively. The proportion of property within condition grades A and B (A is the best condition) has increased from 49 per cent to 86 per cent and the proportion within grades C and D has decreased from 51 per cent to 14 per cent since the introduction of the property performance report. Backlog maintenance has fallen by almost half.

ASSET MANAGEMENT CERTIFICATION

The Asset Management Council now offers you the opportunity to become a certified practitioner in asset management.

WHO IS CERTIFICATION FOR?

Any of the many technical disciplines and roles within asset management today: e.g. a designer of equipment; a maintenance planner; a Chief Engineer; a maintenance doer; a maintenance analyst; a reliability engineer; a financial planner or accountant; a trainer; an integrated support specialist; and so on.

WHY GAIN YOUR CERTIFICATION?

It 'sells' your expertise in asset management to your company, client or future employer. A certificate appearing in your resume impresses.

It represents public acknowledgement and industry recognition

It demonstrates your commitment - to yourself and to others - to ongoing excellence. In planning your transition from one level to the next (there are four levels) you show that you are planning your career as an asset management professional and thus are more likely to be supported by your organisation,

Certification is a milestone in your career and a signpost to your future.

WHAT DO YOU HAVE TO DO?

Applying for Certified Practitioner in Asset Management (CPAM)

There are two prerequisites to obtain certification as a Practitioner in Asset Management. Firstly, you are expected to have some form of qualification that is recognized by an Australian Educational Institution. Second, you will also need to sign a Code of Ethics. (Membership of the Asset Management Council is not a pre-requisite.)

To obtain certification, you need to be able to demonstrate capability across a range of competencies. Those competencies have been determined from a Competency Standard relevant to the CPAM. The Competency Standard has been endorsed by Australian industry. All Competency Standards can be read on-line on the AM Council website.

The initial step then is to determine your capabilities. This will vary very much from person to person, particularly on the range of experience obtained during your career. As an approximate guide, applicants at the Practitioner level are likely to have had between five to eight years experience in one or more of the asset management areas.

You may do a simple self-assessment in the first part of the application process, without signing up for the scheme. A successful Practitioner will be able to

demonstrate not only capability in their area(s) of expertise, but also demonstrate in a range of asset management competencies. This means you need to achieve:

1. At least 70% of those competency sets that have been determined as "core" (from the relevant Competency Standard); and
2. At least 45 of the more than 100 competency sets that are relevant to Practitioners.

The next step is to verify your competencies. Expect this step to take some time. You will need to provide evidence, usually in written form, about how you obtained/demonstrated competence in each competency set. You will also need to provide one or more referees who are prepared to verify your achievements for each competency set. This can all be done on-line. Please note that if you are not able to track down referees, for example because the company no longer exists, it will be possible to fill in a statutory declaration.

The next step is evaluation by independent Assessors. Each application will be reviewed, and may as part of the review process, include an interview with the applicant, and with the nominated referees.

As a successful applicant, you will be able to use post nominals, in this case CPAM. You will also receive a certificate, and a competency profile, and be listed on the website if you wish. To maintain your certification, you will need to demonstrate CPD every 3 years.

HOW WERE THE COMPETENCIES DEVELOPED?

Developing each competency

'Competency' is defined by the demonstrated ability to apply knowledge and/or skills and, where relevant, demonstrated attributes as defined in the Asset Management Certification Scheme.

Development of the Asset Management Certification Scheme competencies required the following five actions:

- Asset management was defined in terms of concept (Capability Assurance Model) and processes (Asset Management Technologies Model) composed of Disciplines, Competency Standards, Competency Elements, and Competency Sets to specific Units of Competency;
- Associated existing national and international asset management Standards were related to each Discipline and Competency Element;
- Units of Competency were searched and verified by relevancy to asset management issued across the globe;
- Only Units of Competency that are publicly available that have been endorsed or approved by government or industry bodies were included for grouping into like Competency Sets; and
- Relevant Competency Standards (one each for each level of the scheme) were associated and indexed for the Competency Sets to each Competency Element.

4 Levels - Start where you are - and progress

The Asset Management Certification Scheme is a four Level scheme based upon an individuals demonstrated attainment of competencies in asset management comprising

- Level 1 – Certified Associate in asset management;
- Level 2 – Certified Practitioner in asset management;
- Level 3 – Certified Senior Practitioner in asset management; and
- Level 4 – Certified Fellow in asset management.

Certified Associates are assessed on knowledge and experience. They demonstrate an awareness of the Competency Elements that comprise the Asset Management Profession, and an understanding of the contribution that they make to the successful application of the principles of asset management in their organisation.

Certified Practitioners have demonstrated achievement in a range of competencies that comprise the Asset Management Profession, and will have an understanding of the contribution that they make to the successful application of the principles of asset management in their organisation.

Certified Senior Practitioners have demonstrated advanced achievement in a range of competencies that comprise the Asset Management Profession. A Senior Practitioner provides significant tactical contribution within a broader set of guidelines and objectives, and a degree of synthesis of strategies and higher level objectives.

Certified Fellows provide a strategic contribution within a broad set of guidelines and objectives, displaying a high degree of synthesis and an ability to readily solve complex asset management problems.

Basis of the Scheme

The Asset Management Certification Scheme has been designed to be consistent with the definitions and perspectives to be published by the Global Forum of Maintenance and Asset Management (GFMAM). The GFMAM is a newly formed alliance of international organisations and includes the Asset Management Council representing Australia, EFNMS representing Europe, ABRAMAN and FIM representing South America, GSMP representing the Arabian Gulf region and SMRP representing the USA.

Further, the Asset Management Council has established a definition and an overview model of asset management to create a consistent view and language for asset management. That model is known as the Capability Assurance Model, and key points of this model include: there are four underlying principles of asset management, asset management is a process, the nature of the process is continuous improvement that asset management must also include culture and leadership.

To support this view of asset management as a process, the Asset Management Council has developed a framework outlining the supporting Asset Management Technologies and Standards that collectively create the asset management regime, named the Asset Management Technologies Model.

These models are the two Source Models from which eight Disciplines have been derived from to 'house' Competency Sets for the Asset Management Certification Scheme.

For more information on the Asset Management Certification Scheme, go to www.amcouncil.com.au/certification

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Fully consistent with the International Infrastructure Management Manual

Be among the first to study an exciting new program

Graduate Certificate in Infrastructure Asset Management

Study Period 2, 2009 (Jun-Nov)



Institute of Public Works Engineering Australia

Accredited by the University of Tasmania, this new program has been jointly developed by the Institute of Public Works Engineering Australia (IPWEA) and CPEE to meet the need for enhanced technical skills in the field of public works Infrastructure Asset Management.

It will provide today's Infrastructure Asset Management Specialist with the opportunity to expand their skills and knowledge, and gain recognition with a University postgraduate award.

The course has as core units:

- Asset Management Fundamentals
- Asset Management Practices^

^unit available in Study Period 1, 2010

The range of electives includes:

- Project Evaluation
- Engineering Risk Management
- Financial Management

Like to know more?

Go to -

www.ipwea.org.au/GradCertIAM



INFRASTRUCTURE ASSET MANAGEMENT STUDY UNITS

Asset Management Fundamentals

Asset Management Practices

2 Specialist core units based on the IIMM

plus 2 Electives

Group A - Select 1

Pavement Management
Pavement Maintenance & Rehabilitation
Project Evaluation

Group B - Select 1

Engineering Risk Management
Financial Management
Managing Information Systems