

## Young Asset Managers



### Young Asset Managers can work Miracles!

Do not underestimate the power of youthful passion, commitment and new insight. It is a formidable combination. Young asset managers can accomplish much more than we imagine - when experienced support is quietly available in the background.

In this issue, I talk with a few young asset managers and their mentors and look at what they have already achieved. It is my hope that these stories will encourage you in your efforts to support and encourage your young asset managers.

The future lies in their hands - but you have the opportunity now to contribute to that future. Treat your young people as mindless cogs in your business and you miss this great opportunity.

Why not make it a New Year's Resolution? One you stick to! To support young asset managers whenever and wherever you get the chance?

Happy New Year!

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## **INSPIRATION FOR THIS ISSUE**

### **What does success mean to you?**

Last year when I was writing a series of issues on Asset Management success, I asked Sandy Muir, Director of Odysseus-imc (and previously, for many years, with Roger Byrne at GHD) just what he considered to be some of his greatest successes. Without hesitation, he claimed his current young protégée, Tahlia Griffin and other young people that he has worked with. That response was the inspiration for this issue.

Our greatest successes are not projects accomplished or changes made. They may feel good at the time. Some may stand the test of time. Others may fall by the wayside. A true success is one that has the potential not merely to last - but to grow!

Is not the answer to the current concerns that many experienced asset managers will be retiring within the next ten years, to ensure that those who are coming in are both willing and able to take up the challenges? And is this not the most attractive lure to asset management that we can offer potential new recruits?

### **Here are just a few of many potential stories**

To deal with the future, we must think future. In the past, asset management has been largely the preserve of male engineers. But this is not going to be the way in the future. Increasingly some of the most interesting work now being done is by young, bright, females, whether engineers or not - and by equally bright accountants, architects, planners, etc.

### **Team Work**

Above all, asset management is about teamwork. Thus it is about trust and respect. This is well illustrated in our first article about how young asset managers changed the AM landscape in Saskatchewan.

We then look at the mentor:mentee relationship with a short statement by Sandy Muir and an in-depth interview with Tahlia Griffin.

Please enjoy the following stories -  
and I would love to hear your story, whether as mentor or mentee.

## **How Young Asset Managers are changing the AM landscape in Saskatchewan**

### **Saskatchewan is experiencing a minerals boom.**

Later this month I am attending the first Canadian National Infrastructure Summit in Regina, Saskatchewan. The choice of location is not coincidental. True it is in the middle of the country and thus perhaps logistically logical. But there is a more important reason. Until recently, this province was an agricultural area. This is now changing and changing fast. Saskatchewan is experiencing unprecedented economic development. While agriculture is still important, potash, uranium, oil & gas are emerging as the future key economic players. Saskatchewan is the world's largest potash producer, the world's largest uranium producer, home of the world's largest diamond deposit and second only to Alberta as Canada's largest oil producer. The province is in the grip of a resources boom putting great strain on infrastructure designed for a different age and purpose.

### **Asset Management to the rescue!**

Elsewhere, when growth is in the wind, asset management tends to take a back seat. But Saskatchewan has recognised its potential for managing needed infrastructure growth and change. This attitude may have a lot to do with the approach taken here to the implementation of the new accrual accounting standard for local authorities, PS 3150.

### **Building on new accounting requirements**

Those who worked in local government in Australia in 1990 when AAS 27 was introduced will remember the work involved to change over from a cash based system, where all assets were expensed on the day of acquisition, to a full accrual system. Assets had to be identified, recorded, valued and depreciated. There was a lot of angst. What was to be considered an asset? How were they to be recorded? What valuation technique should be used, and how were they to be depreciated. Each decision - even the very location of assets, or knowing what a council owned - brought its share of worries.

Now imagine the situation of a province roughly two thirds the size of South Australia and with about two thirds the population (just over one million people) - but with 786 communities, rather than just 68 as in South Australia. Many Saskatchewan municipalities are very small - hamlets, villages, rural towns - where administrative and public works staff are already fully committed. Existing staff had limited time available to take on increased responsibilities that included expanded knowledge and skill sets. But the accounting system for each of the 786 communities had to be brought up to speed on the new requirements, and their asset bases entered into their balance sheets.

**A major task - yet within two years since getting serious about the task at hand,  
the province is 90% compliant.**

## Even more impressive!

A large number of these municipalities, principally the larger towns but not only them, are now wanting to take the next step of moving from purely financial accounting for assets to actually proactively managing them on a life – cycle basis.

### Young Asset Managers can work miracles

As had happened earlier in Australia, the requirements to record the current condition of assets and value them for the balance sheet brought engineers and accountants together in common cause. Professor Gordon Sparks of the Civil Engineering Department of the University of Saskatchewan was asked to assist the Province. Through his consulting company, Vemax, the professor had been supplying road asset management assistance to government agencies for many years. But now the task was far greater. I asked Gordon how the impossible had been achieved. He played down his own vast experience in the area and, instead, focussed on the co-operation of Administrators and the role played by Nicole Allen, a young engineer in his company, and Steve Brown, a young accountant in the Ministry of Municipal Affairs.

I spoke with both Nicole and Steve. They said that the push and support by the Ministry for Municipal Affairs for pilot projects was a significant key to their success. They carried out numerous pilot projects and presented to different groups of administrators, tailored to urban and rural, large and small. For example, Nicole, Steve and Gordon presented 2 – 3 hour workshops at both the Urban Administrators and Rural Administrators Annual Conventions with 250+ administrators in the room for each workshop. These presentations were video taped with 24/7 access provided through the provincial website. These were then leveraged through many follow-up presentations and workshops to administrators and elected officials. Special sessions were held with the auditors to overcome problems of valuation and depreciation. (A “First” where two engineers spent a whole day with 26 accountants/auditors and everybody survived!) What came through very clearly in our conversation was their level of enthusiasm for the value of what they were doing. I got the impression that no stone was left unturned!

## Values, Education and Commitment



I asked Gordon why he thought that Nicole and Steve did so well.

**Gordon Sparks:** “A number of reasons! First both Nicole and Steve are originally from small-town Saskatchewan so they have the values typical of small communities where everybody knows everybody and pretty much everything everybody does - as such there is a sense of accountability to each other and to the community at large, it makes them strong team players in that they respect and trust others and expect the same in return. It works! Second they have both had the benefit of a great education system - they are professionally educated.

Obviously they must first be capable - which clearly they are - and then they must have the desire to contribute and make a difference - this is more than a job! The key here from my perspective is having the willingness to step up and take responsibility to get the job done - and they do! They don't wait till someone tells them what to do, but they do seek guidance when necessary. Knowing when such is necessary is sometimes not easy but they both do well in this area - and then they have the confidence and "teammanship" to keep others in the loop as progress is made - and they can even have some fun along the way."

### **Asset Management Leadership is Fun!**

When I spoke with Nicole and Steve I was not only very impressed by their knowledge, their commitment, and their passion - but also their sense of fun and excitement! Asset management was clearly something that they much enjoyed.

#### **Here are the young Asset Managers in their own words:**

**Nicole Allen** (engineer, 3 years out from graduation):



"I enjoy asset management because it is a new problem. It requires us to find our own solution for Saskatchewan. Because this is a new initiative provincially, and somewhat nationally, there is no need to follow a set of rules, allowing us to find out for ourselves what works best for Saskatchewan municipalities. I especially enjoy collaboration with other disciplines: finance, accounting, planning and administration. I have been able to personally see the huge benefit of working together, out of our silos, to better plan, understand and communicate future financial needs of our communities. It has been very beneficial to see how other countries (Australia, UK, New Zealand) have approached asset managers and allowed us to use their experiences to benefit our own steps towards prudent management. For me, one of the best parts of asset management is seeing how excited municipal administrators become with the available information that comes from asset management: to watch administrators evolve from not knowing what asset management is to fully understanding the benefits and even demanding the information for better decision-making"

**Steve Brown** (accountant, 7 years out from graduation):



“I first got exposed to asset management as part of the tangible capital asset (TCA) implementation process in Saskatchewan. Early on in the TCA process I realized the potential of asset management and saw the need to continue the catalyst provided by the implementation of tangible capital asset reporting. The most exciting part of the whole process is being part of the early stages in setting up asset management practices in Saskatchewan and getting the opportunity to work with a diverse group of individuals in the province. The most unique working relationship I have encountered to date is working with engineers; it has certainly proved to be enlightening to listen to their perspectives!”

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## **MENTOR AND MENTEE - A growth relationship for both**

**Mentor - Sandy Muir (engineer)**



The Engineering fraternity has been structured based on the “grey hair” syndrome which is natural in a typical engineering function such as design that relies on significant experience. However, asset management in its pure form moves across boundaries which opens the door for all professions and communities to provide input into the services and supporting infrastructure requirements. Asset management provides the opportunity to change how we think about

our services and assets. The world is changing rapidly and with changes in technology it is the young and their expectations that could drive change or at least impact on how we think.

Tahlia Griffin is one example of a person who is the future of asset management. Her drive, enthusiasm and willingness to continue asking questions until she is satisfied that all pieces of the puzzle fit allows her to develop quickly and break the normal expectation by the industry of young professionals.

So how do we help young professionals such as Tahlia? First and foremost we need to commit to them. I am not talking about “lip service” but real support; make ourselves available to them to answer their questions and review their work. Secondly we need to get them involved in projects at all levels and expose them to clients at all levels. Thirdly as they develop we need to set goals for them and enhance their exposure to other specialists so they are free to discuss asset management at the highest level. In short, we need to quench their thirst for knowledge.

I have heard it said many times at the corporate level; “We train them up and in three years they leave”. If an organisation has this attitude they will fail the young professional who will move on. My philosophy is simple; “If you give the young professional every opportunity to grow, they will grow rapidly and add significant value to the asset management cause”. Tahlia is one example.

### **Mentee - Tahlia Griffin (environmental scientist, 4 years out from graduation)**

**Q:** I believe that you were first exposed to asset management in 2005 when you worked for Maunsells in the last year of your studies in environmental science and chemistry. What opened the world of asset management for you?

**A:** The report was a Victorian State Government publication entitled “Infrastructure and Climate Change risk assessment for Victoria”. It was a joint effort between CSIRO, Maunsell Australia (now AECOM) and Phillips Fox. The document was aimed at linking climate change to the impacts on infrastructure using risk as the basis. I was involved in identifying papers and publications on climate change impacts on infrastructure and subsequent meetings to discuss the impacts. This was my first exposure to asset management. Then I supported the asset management team in an Optimised Decision Making project for the West Derwent pipeline in Hobart. These projects introduced me to sophisticated and specialist areas of asset management.



**Q:** Asset management can seem a bit puzzling at first. How did you come to grips with it?

**A:** Yes, at first Asset Management was puzzling to me but not in a bad way. I was intrigued by the new found concept, it was exciting and challenging to me. I wanted to learn more and I think it was that drive that led me to ask a lot of questions and I was able to learn very quickly. Having experienced people around me really helped. I was fortunate to have a mentor, somebody available to answer my questions and offer guidance where needed. But I also learnt from many others, including our clients. It has been challenging, grasping the concepts and implementing them but I like a challenge and this is what has kept me focussed.

**Q:** You have now created your own company, TBG Consulting, working in the area of asset management. Tell me, what is it that you enjoy so much about asset management, and what do you feel that you, as a young person with fresh ideas, can bring to your clients?

**A:** Creating my own company has provided me with a sense of freedom and the opportunity to work in an environment not governed by corporate structure and hierarchy e.g. most people with 5 years or less would be classified under the Corporate development program as graduate or consultant meaning that roles I could do would be limited. Having my own company means I am free to manage my work and clients as I require. Having the mentoring support means I have ongoing support and comfort that I can provide advice or review my intended advice with a mentor or specialist. I have a network now that means when I need support I have a high level of comfort that the advice I receive will be correct.

To me, Asset Management is fresh, challenging and still today clients are just embarking on their Asset Management journey, so it has a strong and exciting future. I enjoy the strategic thinking involved in Asset Management. No project is ever the same and Asset Management has the flexibility that allows me to work with clients to achieve their outcomes. In other words, there's no right and wrong way, it's the end result that counts! I enjoy working with a variety of people. Clients are great and I learn a lot from them.

As a young person who is not an Engineer I feel I can provide a different viewpoint for the management of infrastructure. I think I bring drive, enthusiasm and fresh ideas to the table. I would like to think that my passion for Asset Management 'Rubs Off' and that our clients are more enthused about Asset Management by my obvious passion for it. I like to discuss Asset Management concepts, both for my own consolidation and to get our clients to talk and communicate on Asset Management concepts and issues also. At the end of the day it's all about getting our clients to progress in Asset Management. This is the most rewarding part of my job. The realisation, when the penny drops to why we do, and how we benefit from doing, good Asset management. To me asset management is about change (hopefully for the better) and even as a young person I hope I can be part of the change.

### **End Note: Thought for the week**

I come across many Asset Managing "cooks" who can follow recipes to produce asset management- "food". Sometimes I find Asset Managing "Chefs" who can improvise with the limited ingredients -"resources" to produce mouth-watering outcomes. I want to meet more Chefs!

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