

# Asset Management

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***Transport Chicago***  
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***“The  
co-ordinated  
activity of an  
organization  
to realise  
value from  
assets”***



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## 1. Introduction to me

# About me

- Thomas Goodyer *BA MEng (Cantab) CEng MIMechE MIAM*
- Range of projects/programmes in Power, Rail and Aviation (engineering, PM, commercial)
- Long term secondment into Her Majesty's Treasury
- Asset Management, Infrastructure Costs
- Rail franchising: everything into a NPV
- Engineer / Economist?
- American Dream...



BARKING  
POWER



MTR



ARRIVA

abellio



Heathrow



pace

British Energy



Infrastructure UK

hs  
engine for growth



SOUTH SHORE  
LINE

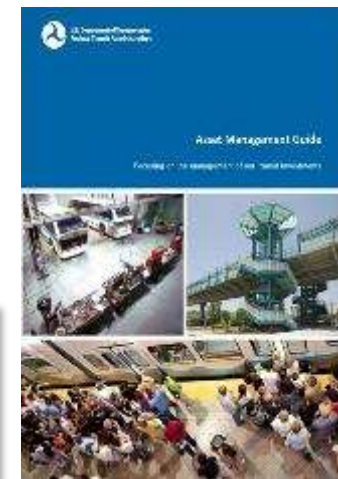
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## **2. Introduction to Asset Management at WSP**

# Leaders in Asset Management

- ✓ High technical capability in all asset classes
- ✓ US & International leaders in all aspects of Asset Management
- ✓ Authors of the **FTA Transit Asset Management Guide** and Small Agency Supplement
- ✓ Key contributors to **ISO-55001:2014**
- ✓ Industry leading approach that positions our clients for successful implementation
- ✓ Currently providing back-office services to support the US Chapter of the Institute of Asset Management



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## **3. What is Asset Management?**



# ~~What is Asset Management?~~

# What are Assets?

**Assets are there to support business objectives or obligations (agreements) of the organisation. They may include:**

- Physical systems comprising hardware and embedded software
- Intellectual property
- Physical property or infrastructure (buildings and structures) owned or managed by the organisation



# What is Asset Management?

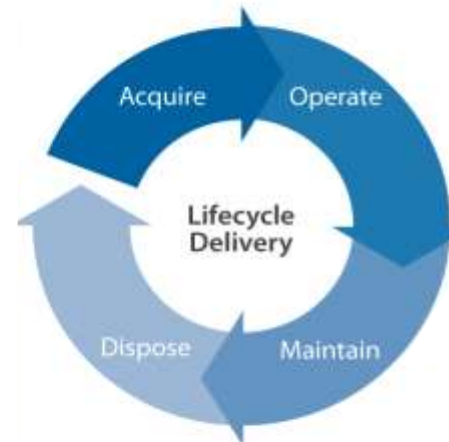
*“Co-ordinated activity of an organisation to realise value from assets”*

*ISO 55000 2014:3 Terms relating to asset management (3.3.1)*

- An overall approach to running an asset-rich business – not a technology, technique, (IT) system or fad
- A combination of management, financial, economic and engineering practices applied to physical assets
- It is about making the most of our assets by doing the right amount of work at the right time and cost to deliver the right level of service

# What is an Asset Management System?

→ *Institute of Asset Management (IAM) conceptual model*



## Recap: Key terms

### Asset

- Item, thing or entity that has potential or actual value to an organisation

### Asset Management

- Coordinated activity of an organisation to realize value from assets

### Asset Management System

- Management system for asset management whose function is to establish the asset management policy and asset management objectives

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## 4. Why do it?

# WHY DO ASSET MANAGEMENT?

Because  
you're  
told to!



Because  
you want  
to!

# WHY DO ASSET MANAGEMENT?

Because  
you're  
told to!


- US Federal Transit Agency has demanded Asset Management Plans be produced
- UK Department for Transport has demanded rail operators attain ISO55001 certification
- Australian Govt required that bidders for electricity or gas network operations attain PAS55 certification

***Theme: Government despairing that assets are deteriorating, insufficient cash to eliminate a backlog, demand that the operators/maintainers figure out how to improve***



# WHY DO ASSET MANAGEMENT?

- Heathrow Airport was lobbying heavily to get permission for expansion so went for ISO55001 to prove they're a good steward of assets
- MTR Hong Kong wanted to prove that it was at the forefront of Asset Management (and generally very efficient)
- Private water companies in the UK given ever tighter demands on efficiency, want to demonstrate continuous improvement and that they are investing optimally already



Because  
you want  
to!

***Theme: Top performing organizations want to demonstrate they're doing well, and that they want to continue improving***

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## **5. What is happening here?**

## In this region



- 5+ year ago FTA required all agencies to assess their assets (and ages)
- Using 'Useful Life Benchmarks' calculated "backlog" for the region of \$19.5bn in 2014
- ...powerful number, and it grew!



- New FTA ruling demanding Asset Management Plans from all agencies
- Commitments to improve 'performance'
- Transparency over capital project prioritization
- Requires agencies to capture (some) data on all major assets
- Not ISO55001, but it's a start!

- FHWA has a similar ruling for state highways (DOTs). Some states requiring that counties do similar

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## **6. Approaches**



“A good plan today is better than a great plan tomorrow.”

*General George S. Patton*

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## **7. Summary and closing thoughts**

## Summary

- Asset Management is the coordinated activity of an organisation to realize value from assets
- An Asset Management System is the collection of policies, strategies, processes and procedures which govern your Asset Management activities
- Benefits include reduced maintenance costs, optimized whole life costs, performance improvements, communications to leaders
- Asset Management initiatives are being undertaken by all sorts of organizations all around the world for all sort of reasons
- Significant work being undertaken by the transit sector in Chicagoland
- Start with a Plan: collate the information; develop the System around it over however many years is necessary

Thank you!

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