

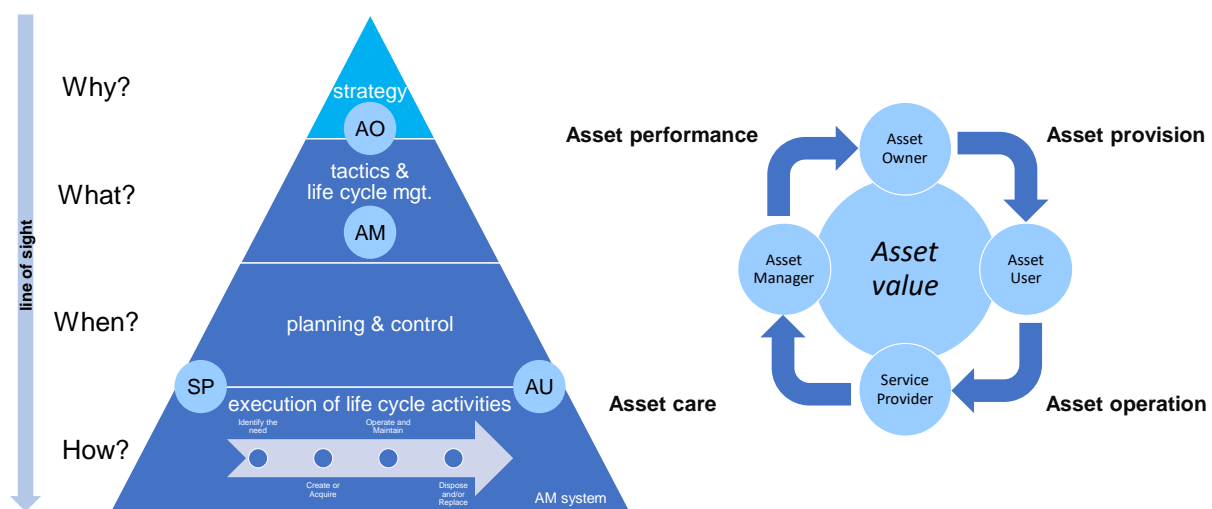
Integrating Asset Management Roles in your organization

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Asset Management Roles

In every organization many departments and employees are involved in (parts of) Asset Management. In practice, we have many expectations and assumptions regarding what everyone's contribution to Asset Management is. It is not always clear who is responsible for what. As a result, several departments or employees sometimes feel responsible for the same activity. Or they assume that somebody else takes care of it. In order to avoid unnecessary waste of time and energy, it is better to define sharply the Asset Management Roles with associated tasks, responsibilities and mandate. Furthermore, we could link these roles to functions, job descriptions and competence profiles, so that we work in the *line of sight*. The relationship between Asset Management Roles and position within the Asset Management System is represented in the figure below.



At strategic level top management make decisions about the future of the organization. We'll find at this level the common issues such as vision, mission, goals and framework, coordination with stakeholders, the License to Operate and the organization's strategic plan. This is mainly about *Why?* and is input for the Asset Management System of the organization. Top management act on behalf of the organization and its shareholders as the owner of the assets. The Asset Owner (AO) decides about the acquisition of new assets and the disposal of superfluous assets and thus deals with the investments. The Asset Owner also establishes the required budget for operation and maintenance. Top management could delegate the ownership to for example a policy department or the Plant Manager, if applicable.

The Asset Manager (AM) manages the assets within the triangle Performance - Risks - Whole Life Costs and we'll find this role on tactical level of the organization. The Asset Manager determines the *What?*, what needs to be done to achieve the desired results in the above mentioned Asset Management Triangle. The Asset Manager is one of the most important roles within Asset Management and connects the strategic level with the operational level of the organization. Elements such as the (strategic) asset management plan, a long-term investment and maintenance plan and the maintenance strategy are put together by the Asset Manager. The Asset Manager is usually active in a separate Asset Management department, but sometimes also within the Maintenance department or even Operations & Maintenance department. If the role of the Asset Manager is fulfilled by an external party, we also call this a *Managing Agent*.

At low tactical level, the organization's workflow is regulated, both for Operations and Maintenance. This is the *When?*. The planning and control function includes, among other things, the preparation

and planning of operations and maintenance, but also the supervision of the maintenance execution and the inspection of the condition of the assets. We perform the life-cycle activities (engineering, operations, execution of maintenance, etc.) at operational level within the organization, the *How?*. Planned and unscheduled maintenance and the realization of the production schedule is the focal point here.

The low tactical level and the operational level are represented by two roles: the Service Provider (SP) and the Asset User (AU). The Service Provider arranges the planning & control of the construction and maintenance of the assets, carries out the engineering, maintains the assets and supplies related services. The Asset User organizes the day-to-day operations. Both roles work together intensively to carry out the life cycle activities as efficiently as possible, so that the operational plan is achieved. In practice, the role of the Asset User is usually performed by the Operations department. The Service Provider can be found both in the internal Maintenance department and outside the organization in the form of an external contractor. We often see a mixture of contracting and outsourcing at this level, potentially in combination with a Managing Agent.

To summarize: the Asset Owner provides the assets (Asset Provision), with which the Asset User can achieve the production targets (Asset Operation). The assets are maintained by the Service Provider (Asset Care) and the Asset Manager realizes and monitors and reports the long-term Asset Performance, so that a contribution is made to the organizational objectives.

Relating Asset Management Roles to functions and competences

It is important that it is clear who is responsible for which role, what activities are involved, what the boundaries are, what information must be exchanged and that the associated mandates are well organized. Communication must be unambiguous. The ISO 55001 standard for "good Asset Management practice" specifies that "Top management shall ensure that the responsibilities and authorities for relevant roles are assigned and communicated within the organization"¹. You can use methodologies such as the RASCI responsibility matrix to properly document this for your organization and secure it within your Quality Management System. If desired, in- and output could be specified by means of Service Level Agreements, which will certainly be useful in the case of external parties.

In order to make it work, we link roles to (existing) functions. In this way you can fulfill a certain role as part of your job, in whole or in part. For example, the Production Manager could also have the role of Asset User. However, the Production Manager function is broader than the role of Asset User only. The Head of Asset Management may fulfill partly the Asset Manager role, e.g. approving an asset management plan. A function can also completely merge into a role, for example the function of Asset Manager in the role of Asset Manager.

You can use the so-called Competence Framework of the IAM² to make the roles specific to your organization and to link the roles to functions and job descriptions³. The Competence Framework "...describes what people are working in Asset Management and what they know and understand. It is a tool that organizations, managers and individuals can use in numerous ways including in Training Needs Analysis, Recruitment and Selection, Career Planning, Continuing Professional Development and Workforce Management "⁴.

ISO 55002 indicates that "the organization must determine the competences required for all asset management roles and responsibilities, knowledge, understanding, skills and experience needed to fulfill them. The organization should map its current competences to its required competences to determine any gaps"⁵. The result will then be part of the strategic asset management plan or the underlying asset management plans.

¹ ISO 55001 (2014), section 5.3

² IAM = Institute of Asset Management, www.theiam.org

³ The IAM Competences Framework, part 1 & 2, version 3.0 June 2014

⁴ www.theiam.org/CF

⁵ ISO 55002 (2014), section 7.2.2

In whatever way you organize the Asset Management Roles, employees functioning in a role require specific competences, certain experience and trust that everyone acts in a role-based manner. Certainly during the implementation of Asset Management, we often see that employees have to start working in a new position and / or role. This sometimes requires different competences, so that employees have to start developing these competences. For example, directing instead of doing it yourself, thinking in terms of lifespan or risk, managing contractors and transparent and numerical substantiation of scenarios. That is why this topic also touches on aspects like leadership and cultural change within the organization. New methods and responsibilities do not automatically settle within the organization, it requires time and repeated attention and rigorous management with a careful eye for the possibilities but also imperfections of our employees. Therefore, the implementation of Asset Management is not a sequential implementation of methodologies but a change management process.

Want to know more? Get into touch via the IES office. See our website www.iesbv.nl for more information.