




Australian Government

Department of Defence
Capability Acquisition and
Sustainment Group

ASSET MANAGEMENT - FUTURES

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- Where are we and our global partners going
 - Development of ISO Management System Standards
 - Accreditation/Certification System for AS NZ Standards
 - Future of AM in CASG
- 

Which of these statements describe your situation?

<p>Your colleagues are focused on:</p> <ul style="list-style-type: none"> • Asset data, location and condition assessment • Current KPIs • Department Budget 	<p>Your colleagues are focused on:</p> <ul style="list-style-type: none"> • Information supported decisions (strategic context and related to customer needs) • Strategies to select and exploit assets over their lifecycles to support business aims • Collaboration across departments to optimise resources allocated and activities
<p>Your stakeholders are focused on:</p> <ul style="list-style-type: none"> • Costs • Current performance • Response to failures / maintaining function 	<p>Your stakeholders are focused on:</p> <ul style="list-style-type: none"> • Triple bottom line and value • Clarity of purpose of the organization • Focus on impact of activities on organization's objectives
<p>Your top management is focused on:</p> <ul style="list-style-type: none"> • Short term gain / loss • Departmental / individual performance • Savings, especially OPEX 	<p>Your top management is focused on:</p> <ul style="list-style-type: none"> • Long term value for the organization • Developing competence and capability across workforce • Business risks understood and mitigated
<p>Your suppliers are focused on:</p> <ul style="list-style-type: none"> • Short term contracts and performance • Service level agreements are focused on contract specifications 	<p>Your suppliers are focused on:</p> <ul style="list-style-type: none"> • Long term contracts and/or partnering relationships in support of client value and objectives • Understanding client strategy and needs in 5-10 years

Managing Assets

Asset Management

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The futures of AM – where are we going?

A WORLD WHERE ASSET MANAGEMENT DEVELOPS AS A SET OF REGULATED PROCEDURES

Scenario 1: Strong Regulation

Clear service delivery expectations

Mutual respect increases information

Competition spurs innovation

Scenario 2: Weak Regulation

Conflict

Regulations increase in complexity, diminish in transparency

Minimum information feedback

A WORLD WHERE ASSET MANAGEMENT DEVELOPS AS A TECHNOLOGY, A TOOL BOX

Scenario 3: Strong Option

A focus on tools and technical processes

Innovation in technology

Scenario 4: Weak Option

Lack of understanding

Failure to communicate

Asset Management becomes mechanical

A WORLD WHERE ASSET MANAGEMENT IS A MANAGEMENT PHILOSOPHY

Scenario 5: Strong Option

Multi-asset

Multi-disciplinary

Focus on corporate goals

Scenario 6: Weak Option

KPIs are dominant,

Absence of clearly communicated corporate goals and lack of incentives to achieve them

All ISO technical committees developing management system standards have to follow Annex SL in the new consolidated ISO Supplement (Guide to Developing MSS). Annex SL harmonizes structure, text and terms and definitions, while leaving the standards developers with the flexibility to integrate their specific technical topics and requirements. This will ensure consistency among future and revised management system standards and make integrated use simpler. It will also make the standards easier to read and, in so doing, be understood by users.

High level structure (also used by ISO 55001):

- Clause 1 - Scope
- Clause 2 - Normative references
- Clause 3 - Terms and definitions
- Clause 4 - Context of the organization
- Clause 5 - Leadership
- Clause 6 - Planning
- Clause 7 - Support
- Clause 8 - Operation
- Clause 9 - Performance evaluation
- Clause 10 - Improvement

Example of identical definitions:

Organization, interested party, policy, objective, competence, conformity.

Example of identical text:

Top management shall ensure that the responsibilities and authorities for relevant roles are assigned and communicated within the organization.

33 Published MSS currently use the HLS, including:

- **ISO 9001:2015** Quality management systems
- **ISO/DIS 45001** Occupational health and safety management systems
- **ISO/DIS 41001** Facility management - Management systems
- **ISO 14001:2015** Environmental management systems
- **ISO/IEC DIS 19770** Information technology - IT asset management

Wow – real possibility for an Integrated Management System (IMS) solution. Executive Teams and Business Managers must be happy with that!

- International Standards Organisation (ISO) exists to develop and publish international standards.
- Standards Australia exists to aid the development and adoption of standards in Australia.
- Joint Accreditation System (JAS-ANZ) exists to accredit certification and inspection bodies to signal they are competent to carry out their duties.
- Conformity Assessment Bodies (CABs) exist to certify that organisations or the products they offer conform to specified 'Standards'.
 - Certification is also known as third party conformity assessment (Tip: check your audit provider is accredited by JAS-ANZ for that specific standard).





ISO 55001 – Asset Management System Requirements



Summary of Benefits



Provides management system for asset management



Defines framework for policies, plans, objectives and processes



Aligns all asset lifecycle activities to objectives



Drives continual improvement and value extraction



Optimizes relations between risk, costs and performance

Where is CASG going with AM? Same place as the rest of the developed world!

What might CASG Alignment to AS NZ 55001 look like

ISO Section #	ISO Section Title and Requirements	CASG Support for Requirements?
4	Organization: AM objectives are consistent and aligned with organizational objectives	Supports the alignment to the organizational objectives via the CLC modeling of risk, opportunities and cost over time.
5	Leadership: <ul style="list-style-type: none"> Aligned with organizational objectives Manage risk Cross-functional collaboration AM policy & responsibilities are documented and communicated Establish and update AM plans Reporting to top management 	In addition to organizational alignment, provides enterprise wide business insights, and supports an organizationally integrated approach, collaboration and transparency of decision-making with respect to development of investment plans. Supports risk-informed decision-making and corporate risk management. Supports the establishment of plans, common strategic framework, and the ability to communicate, update and report out to top management.
6	Planning: <ul style="list-style-type: none"> Determine risk and opportunities Address risks and opportunities given they change over time Integration to other processes Aligned with organizational objectives Identify decision-making criteria Integrate requirements from all stakeholders Develop plans and evaluate Document, communicate, audit 	Supports planning to address risks and opportunities as they change over time. Supports both the short term and long term view and objectives. Provides clear line of sight from asset investment plans and their expected outcomes to the organizational objectives. Supports an integrated approach with teams (finance, engineering, planning, maintenance, strategy and operations) and with Financial, ERP, GIS and EAM systems, business case development and optimization to maximize value within financial and resource constraints which is risk-informed and evidence-based. Plans are documented, reviewed, communicated, updated and auditable.
7	Support: <ul style="list-style-type: none"> Meet IT requirements of AMS Availability of decision-making information, control & reporting Traceability between technical and financial data 	Delivers the information technology solution to support the AMS requirements for investment planning and decision-making. Enables relevant information to be collected, analyzed, evaluated and reported on. Provides traceability between engineering assessments and financial plans.

ISO Section #	ISO Section Title and Requirements	CASG Support for Requirements?
8	Operations: <ul style="list-style-type: none"> Controlling plan changes Risk management/monitoring Outsourced activities are controlled 	Supports control of plan changes through permissions and locking of final plans. Enables assessment of risk exposure and how investments are tied to risk mitigation. Enables outsourcing of activities to be monitored within the plan at the investment level.
9	Performance Evaluation: <ul style="list-style-type: none"> Evaluate and report on risk and opportunity management, asset performance Audit reporting 	Supports reporting on asset performance including risk, value achievement and financial outcomes. Supports audit of change to the investment plans, risks and benefits including audit reporting.
10	Improvement: <ul style="list-style-type: none"> Ensure corrective actions are taken Continually improve the effectiveness of AM, and AMS 	Supports continuous improvement through performance reporting on actual costs and resources, schedule and actual achievements and reviews of same. Supports development of valuable historical knowledge base with associated analytics to derive critical insight.

- Questions?

