

The Value of Asset Management to an Organization

Template for Assessment of Opportunities

First Edition

English Version



GFMAM

Global Forum on Maintenance
& Asset Management

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The Global Forum on Maintenance and Asset Management

The Global Forum on Maintenance and Asset Management (GFMAM) has been established with the aim of sharing collaboratively advancements, knowledge and standards in Maintenance and Asset Management.

The members of GFMAM (at the time of issue of this document) are:

- Asset Management Council (AMCouncil), Australia
- Associação Brasileira de Manutenção e Gestão de Ativos (ABRAMAN), Brazil
- European Federation of National Maintenance Societies (EFNMS), Europe
- French Institute of Asset Management and Infrastructures (IFRAMI), France
- Gulf Society of Maintenance and Reliability (GSMR), Arabian Gulf Region
- Institute of Asset Management (IAM), UK
- Japan Institute of Plant Maintenance (JIPM), Japan
- Plant Engineering and Maintenance Association of Canada (PEMAC), Canada
- The Society for Maintenance and Reliability Professionals (SMRP), USA
- The Southern African Asset Management Association (SAAMA), South Africa

The enduring objectives of the GFMAM are:

- 1) To bring together, promote and strengthen the maintenance and asset management community worldwide
- 2) To support the establishment and development of associations or institutions whose aims are maintenance and asset management focused
- 3) To facilitate the exchange and alignment of maintenance and asset management knowledge and practices
- 4) To raise the credibility of member organizations by raising the profile of the Global Forum

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1 Purpose and background

The purpose of this document is to provide a template for evaluation of new asset management opportunities with focus on the potential for realization of value to the organization.

The template for application is an integral part of GFMAM project 'The Value of Asset Management to the Organization'. Information on background, project scope, definitions and methodology refers to this document.

2 References

The following are references to work that has been undertaken by members of GFMAM related to the value of Asset Management

- The Value of Asset Management to an Organization
- Asset Management Maturity
- The Asset Management Landscape

The following are some more general references to different approaches to defining and assessing value:

| | |
|-------------------------|---|
| ISO 55000 | Asset management -- Overview, principles and terminology |
| ISO 55001 | Management systems -- Requirements |
| ISO 55002 | Asset management -- Management systems -- Guidelines for the application of ISO 55001 |
| AS 4183 | Value Management |
| CEN EN 12973 | Value Management |
| CEN EN 1325 | Value Management - Vocabulary - Terms and definitions |
| SAVE International..... | SAVE International, Value Standard and Body of Knowledge |

3 Template for Assessment of Opportunities

< Guidance for using the template is included in blue-coloured text in brackets and is intended to be deleted when using the template >

Assessment of Asset Management Opportunities for (Subject)

< Insert Subject in title >

The organizational context

< Insert a description of the organizational context to enable the reader to understand the situation under which the asset management decision is to be taken >

What are the key *Organizational objectives* for the company?

- 1.
- 2.
- 3.

< Insert a limited number (e.g. 2 to 4) key organizational objectives, which are expected to be affected by the asset management decision. Organizations typically have many objectives and the intent here is not to list them all but to identify the most important in the given context >

What are the challenges in respect of *Performance, Cost and Risk*?

| Challenges to organization prior to implementing the opportunity | | | |
|--|-------------|------|------|
| Objective | Performance | Cost | Risk |
| | | | |
| | | | |
| | | | |

< For each of the key objectives identified above, describe the challenges the organization is facing which motivate the asset management decision. The challenges should be described in respect of the performance, the cost and the risk for each objective >

Which *Opportunities* is the company considering?

- 1.
- 2.

< Insert a brief description of limited number of key opportunities the organization was considering to face its challenges >

What is the expected effect on *Value* for each opportunity?

| Opportunity 1. | | | | |
|----------------|------------|-------------|------|------|
| Objective | Time | Performance | Cost | Risk |
| | Short-term | | | |
| | Long-term | | | |
| | Short-term | | | |
| | Long-term | | | |
| | Short-term | | | |
| | Long-term | | | |

| Opportunity 2. | | | | |
|----------------|------------|-------------|------|------|
| Objective | Time | Performance | Cost | Risk |
| | Short-term | | | |
| | Long-term | | | |
| | Short-term | | | |
| | Long-term | | | |
| | Short-term | | | |
| | Long-term | | | |

< For each opportunity describe the expected effect on value. Value is described as the expected effect to performance, cost and risk on the short-term and long-term respectively. Performance, cost and risk can be descriptive but should also be expressed in measures which qualify for SMART (Specific, Measurable, Ambitious, Realistic and Time bound). The timespan for short-term and long-term must be clearly defined, and the time perspective can be further refined where useful (e.g. categories like 0-2 years, 3-5 years, 6-10 years, more than 10 years) >

Which *Decisions* are taken and why?

< Describe which opportunity was chosen and what was the rationale behind the decision. How was performance, cost and risk balanced to optimize the value creation? How were the objectives balanced and was that affected by the interests of different stakeholders? >

What is the resulting *Value* from the implementation of the opportunity?

| Actual results | | | |
|----------------|------------|-------------|------|
| Objective | Time | Performance | Cost |
| | Short-term | | |
| | Long-term | | |
| | Short-term | | |
| | Long-term | | |
| | Short-term | | |
| | Long-term | | |

< In retrospect after the opportunity has been implemented in the organization, describe the actual resulting value to the same level of detail as the assessment of expected value prior to the decision. Risk is not of relevance here as there is no effect from uncertainty to objectives in retrospect >

What was the learnings from the implementation of the opportunity?

< Discuss the learnings from the implementation of the opportunity. Learnings should address both the results, the process and the methodologies applied. How was the actual value creation compared to the expected? What was the key reason for differences in expected and actual outcome? Were all relevant objectives identified and addressed? Was the evaluation of performance, cost and risk feasible and consistent? >

Conclusion

< Insert the conclusion from the learnings of the implementation >