

Work Group: Asset Management
Strategy and Planning

Host: Jacobs

Work Group: Strategy and Planning



Institute of Asset Management Conceptual Model





WG Core Members

- 1. ALN Facilitator: Rich Culbertson
- 2. Senior Panelist: Bob Holcombe
- 3. Host: Jack Dempsey, Jacobs
- 4. Brandon Kriner, Sunflower Systems
- 5. Josi Heron, Jacobs
- 6. Jack Kelly, OMB(r)



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Key Federal Tools

Laws

- Title 40 Federal Property and Administrative Services Act of 1949
- GPRA Modernization Act of 2010 (GPRAMA)

Executive Policy

- OMB's Circular A-11, Preparation and Submission of Strategic Plans, Annual Performance Plans, and Annual Performance Reports.
- Capital Programming Guide Supplement to OMB Circular A-11, Part 7: Planning, Budgeting, and Acquisition of Capital Assets.
- **OMB Circular A-123,** Management's Responsibility for Enterprise Risk Management and Internal Control

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Key Federal Tools (continued)

Regulations

- Federal Management Regulation (FMR)
- Federal Acquisition Regulation (FAR)

Standards

- Accounting and Auditing Standards FASAB, FASB, PCAOB, Yellow Book, AICPA
- ASTM 2279 ... Guiding Principles of Property Asset Management
- **ISO 55000** Asset Management

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Key Issues -- Asset Management Strategy and Planning

- Does the Federal government have sufficient resources (assets?) in place to do this well?
 - Policies
 - Tools, e.g., procedures
 - Sufficient people who are adequately trained
 - Information resources
 - Performance monitoring tools
 - Budget programed in the right stages, shortfalls of annual budgets

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Key Issues -- Asset Management Strategy and Planning

- Are there more strategic ways to manage property?
- Does the Federal government make a sufficient case of a higher performing asset portfolio based on its contribution to mission performance?
 - ISO 55000 provides guidance to align mission objectives with organizational goals, could bridge this gap

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Key Issues -- Asset Management Strategy and Planning

- To what extent do agencies prepare Agency Capital Plans (ACPs) as required by the Capital Programming Guide?
 - Is there quality control of these plans?
 - How well do the ACPs justify assets in terms of their contributions to mission?
 - At what level of granularity do ACPs identify asset requirements?
 - How best to align these ACPs with ISO 55000?





What Can We Do?

Advance the Polices and Strategies of the Federal Government, focus on A-11 to incorporate the following ISO 55000 principles:

- 1. Align asset management with ISO 55000
- 2. ISO 55000 assessment on agencies as feasible.
- Evaluate how ISO 55000 principles can be implemented across all sectors
- 4. Model Strategic Plans after the ISO 55000 Strategic Asset Management Plan (SAMP)





Align asset management with ISO 55000

- Model after the performance management cycle (A-11) and/or IAM's Conceptual Asset Management Model
- Groundwork for continuous process improvement: including, Planning, Evaluation, Reporting.

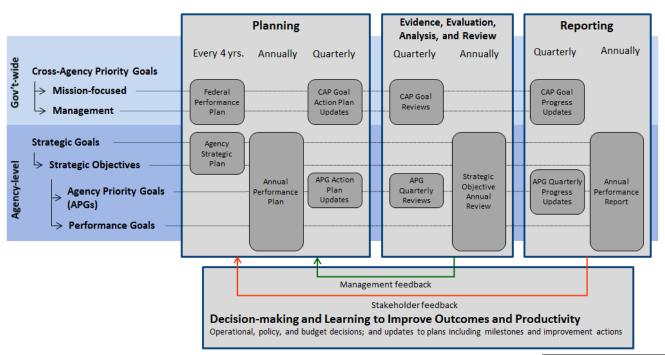




Recommendation #1 cont.

Management of assets aligning with ISO 55000:

A-11 – Performance Management Cycle



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 An ISO 55000-like assessment on agencies, compliance reviews to Identify gaps and addresses lack of cross-agency planning and implementation





Evaluate how ISO 55000 principals can be implemented across all sectors with the goal of improving Federal asset management

- Personal Property
- Information Technology
- Financial Assets
- Non-Tangible Assets





- Model Strategic Plans after the ISO 55000 Strategic Asset Management Plan (SAMP)
 - Strategic Planning direction comes from 5
 USC 306, GPRAMA and OMB
 - ISO 55000 provides a model of how plan for a Asset Management program
 - OMB Circular A-11 details budget and strategy
 - ISO 55000 applies it to resources and risk







Coast Guard Civil Engineering Program Case Study

Main points:

- ISO 55000 provides a framework
- Effective asset management is process
- Strategic planning is key to continual process improvement

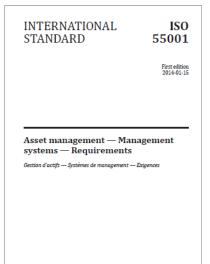




1) ISO 55000 Provides a Framework

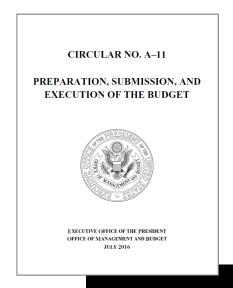
Asset Management Systems Program Development

- Improves asset / mission alignment
- Generates new policies & strategies
- Expands planning / decision making
- Sustainable, continual improvement
- Based on structure and standards



Asset Management Analysis Decision Support

- Evaluates concepts of operations
- Generates new business cases
- Applies models and metrics
- Focused on problem solving
- Based on planning and data

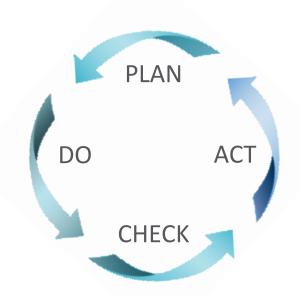


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What is Asset Management?

What does this mean?

- Strategic planning and actions are a collaborative effort
- Everyone plays a part to generate insights, recognize opportunities and avoid problems – information flows freely rather than be locked in a hierarchical structure

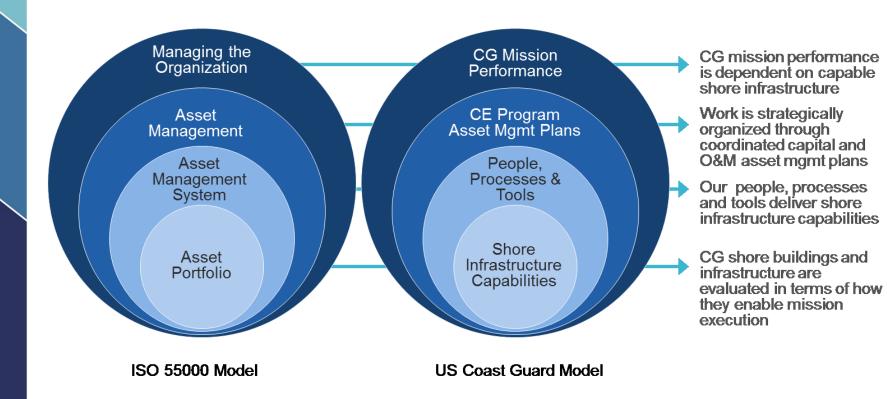


Asset Management is the *coordinated* activities an organization does to get the best value from their assets

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What is an Asset Management System?



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2) Asset Management is a Process



Coast Guard Civil Engineering Program is one of many sectors and communities recognizing the inherent value of an asset management system using the ISO 55000 guidance as a standard for the program.

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The Coast Guard's Four Cornerstone



Configuration Management

- Establish and maintain throughout a product's life cycle:
 - Product standards
 - Functional and physical assessments
 - Operational information

Total Asset Visibility

- Accurate record keeping of products supported by the product line
- Knowing what is available, where it is, and how it is performing

Product Line Management

- Manages risk and resources
- Makes financial and configuration decisions



Bi-level Maintenance

- Organizational-level maintenance (OLM)
- Depot-level maintenance (DLM)
- Associated services

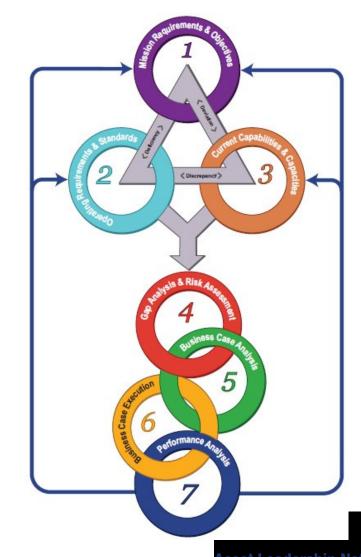
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Shore Infrastructure Mission Support Business Model

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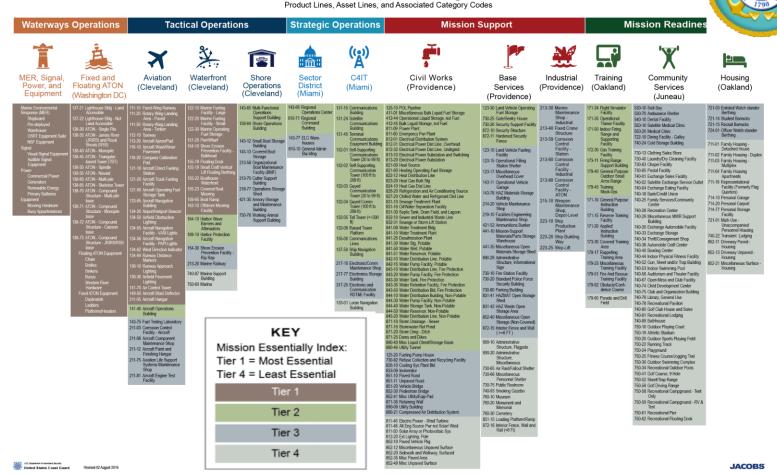
Development efforts
produced a complete
Mission Support Business
Model considering
governance, organizational
and workforce
competencies, policies,
doctrines, IT, and integrated
decision making needs.



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US Coast Guard Civil Engineering Product Line Structure

U.S. Coast Guard Shore Infrastructure Logistics Center



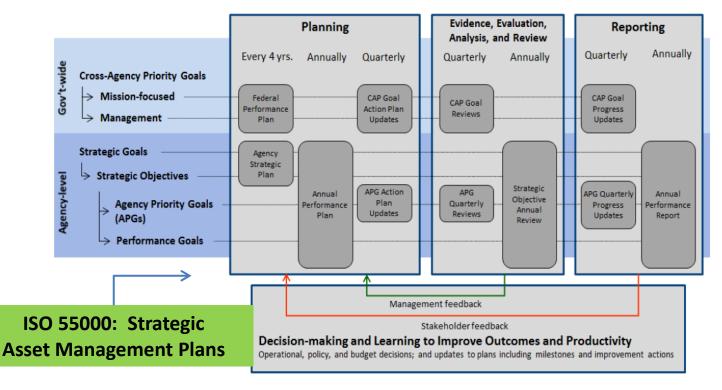
SI-MSBM is based on a detailed configuration management strategy that is consistently applied across 13 individual Asset Lines covering all 200+ Category Codes found in the USCG shore inventory.

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OMB Circular A-11 – Part 6 Performance Management Cycle





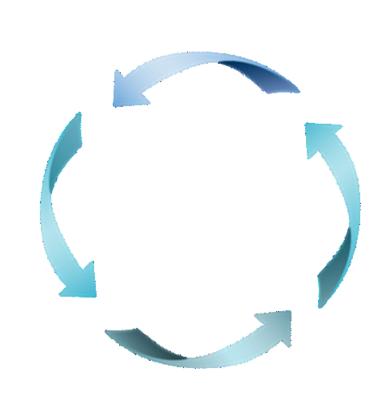
Coast Guard developed its SI-MSBM Performance Management Cycle based on OMB Circular A-11's. This ensures asset management plans and strategies align with the fiscal cycle and financial management requirements.

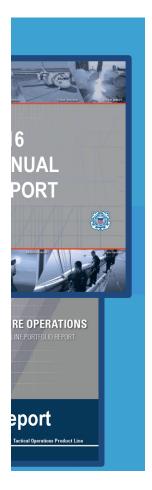
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3) Strategic Planning is Key to Continuous Process Improvement











Coast Guard Case Study

Conclusion:

- ISO 55000 provides a framework
- Effective asset management is a process
- Strategic planning is key to continual process improvement





Questions?





















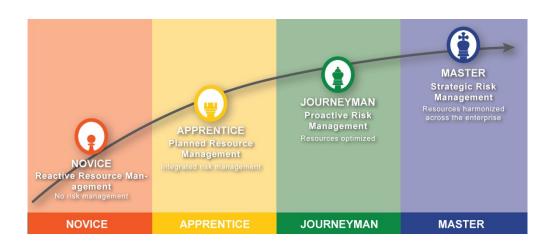


Asset Leadership Network

Back-up Slides

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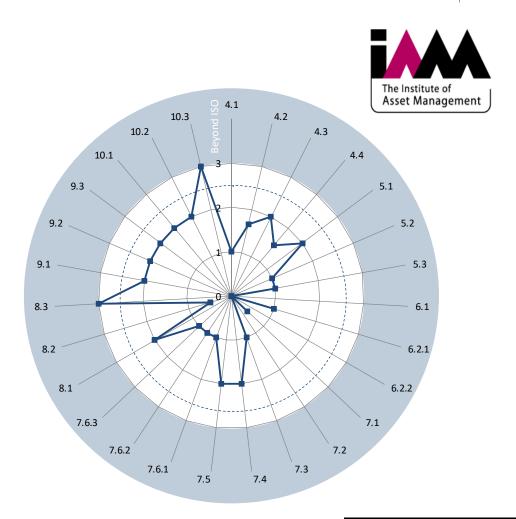


ISO 55000 Radar Chart

No Clause Understanding the organization and its context Understanding the needs and expectations of stakeholders Determining the scope of the asset management 4.3 Asset management system Leadership and commitment 5.2 Policy Organizational roles, responsibilities and authorities Actions to address risks and opportunities for the asset management system 6.2.1 Asset management objectives Planning to achieve asset management 6.2.2 objectives Resources Competence 7.3 Awareness Communication 7.5 Information requirements 7.6.1 Documented information general 7.6.2 Creating and updating documented information 7.6.3 Control of documented information Operational planning and control Management of change Outsourcing Monitoring, measurement, analysis and evaluation 9.2 Internal audit Management review 10.1 Nonconformity and corrective action Preventive action 10.2

10.3

Continual improvement



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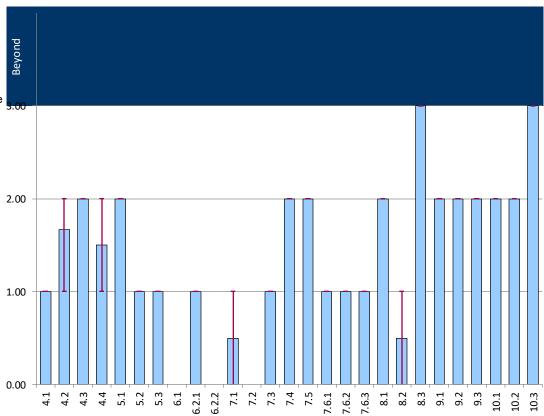


ISO 55000 Assessment Page

No Clause

- 4.1 Understanding the organization and its context
- 4.2 Understanding the needs and expectations of stakeholders
- 4.3 Determining the scope of the asset management system
- 4.4 Asset management system
- 5.1 Leadership and commitment
- 5.2 Policy
- 5.3 Organizational roles, responsibilities and authorities
- 6.1 Actions to address risks and opportunities for the asset management system
- 6.2.1 Asset management objectives
- 6.2.2 Planning to achieve asset management objectives
- 7.1 Resources
- 7.2 Competence
- 7.3 Awareness
- 7.4 Communication
- 7.5 Information requirements
- 7.6.1 Documented information general
- 7.6.2 Creating and updating documented information
- 7.6.3 Control of documented information
- 8.1 Operational planning and control
- 8.2 Management of change
- 8.3 Outsourcing
- 9 1 Monitoring, measurement, analysis and
- evaluation
- 9.2 Internal audit
- 9.3 Management review
- 10.1 Nonconformity and corrective action
- 10.2 Preventive action
- 10.3 Continual improvement

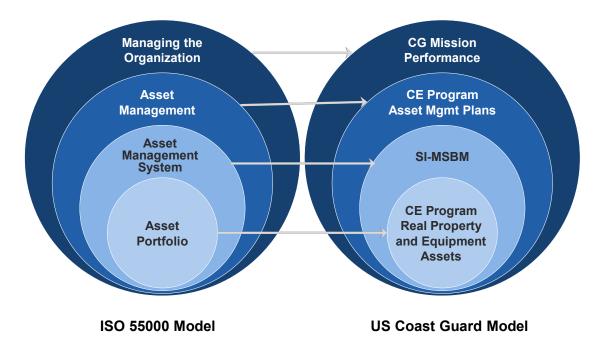




The bar chart shows both the average score per clause (blue) and the score range (burgundy).

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