

Noun [[edit](#)]

governance (*plural* **governances**)

5. (*management*) Accountability for consistent, cohesive policies, processes and decision rights.

<https://en.wiktionary.org/wiki/governance>

11th National Conference on Transportation Asset Management

How Internal Governance Arrangements can Influence Transportation Asset Management Implementation

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Minneapolis, MN

July 11, 2016

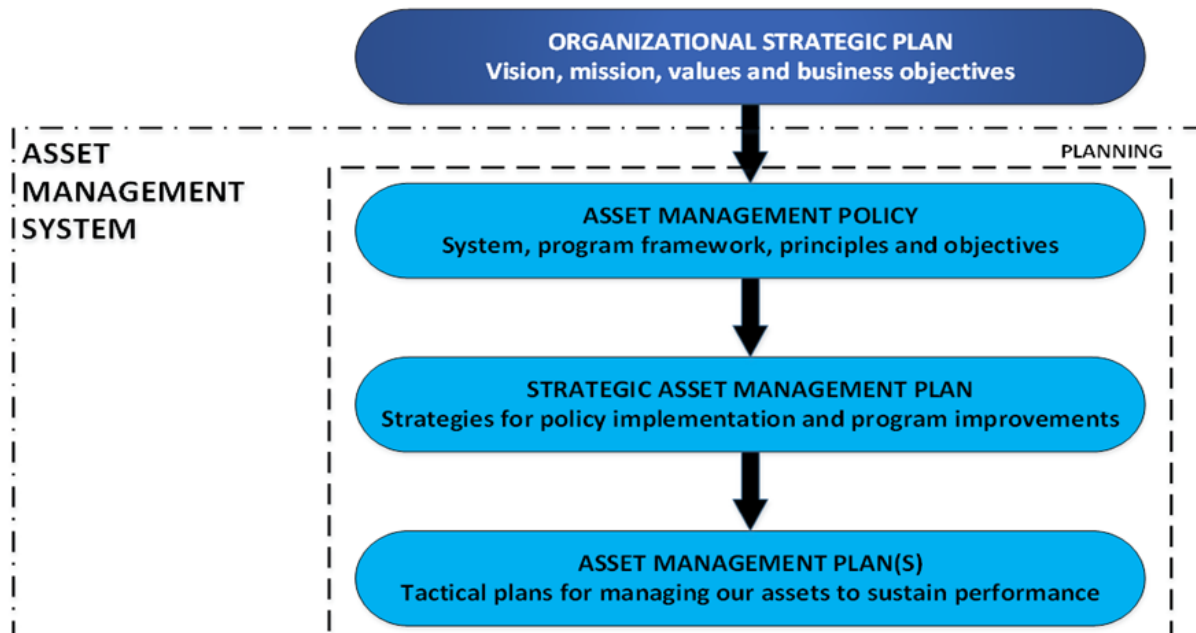


Asset management – beyond the legislation



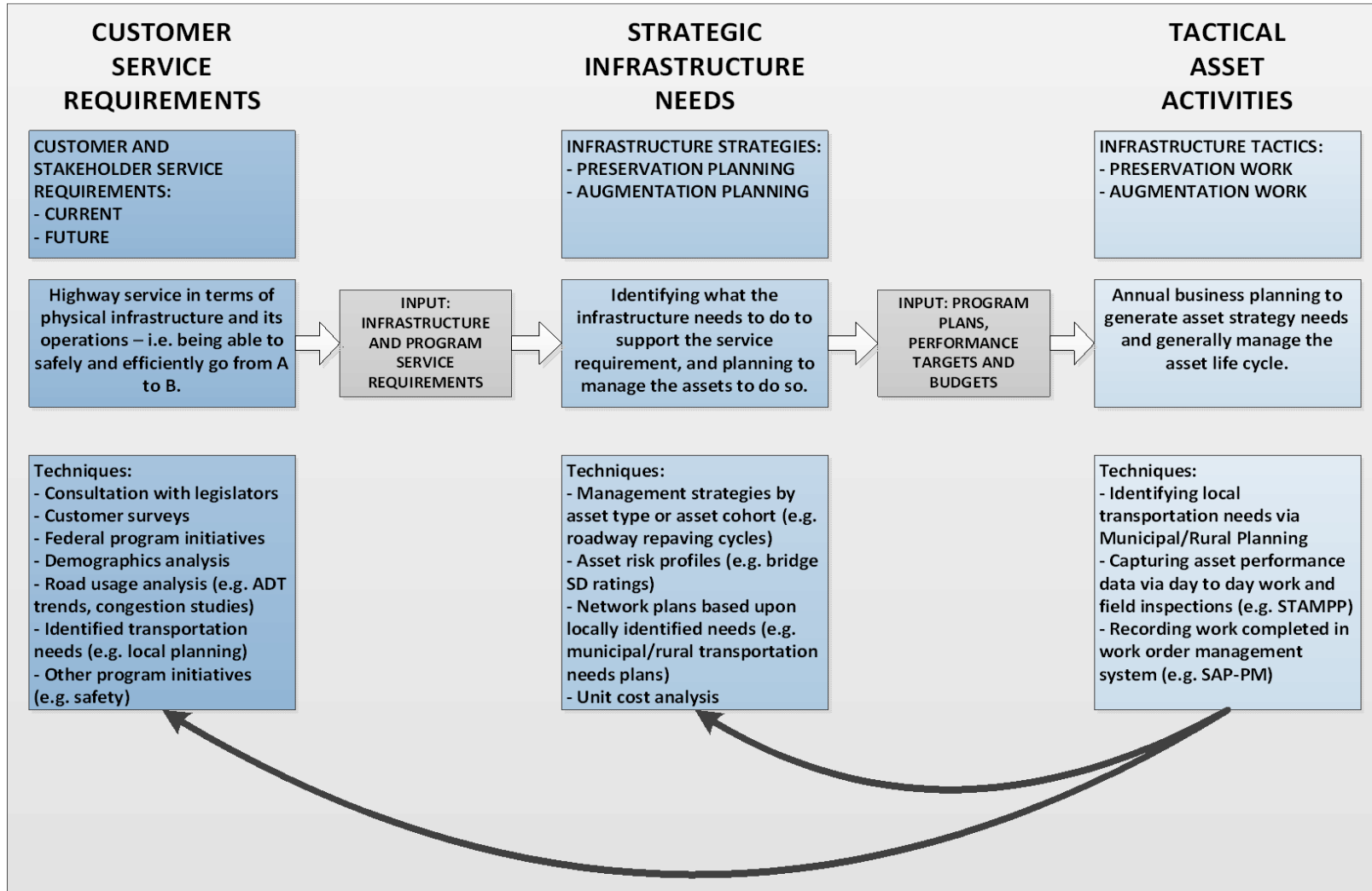
Good governance in asset management

- Establishing a governance structure for your asset management program, providing clear policy direction on your asset management objectives



Good governance in asset management

- Knowing the characteristics of the services you provide and determining what you need to invest in or spend on your assets in order to expand or sustain your services



Good governance in asset management

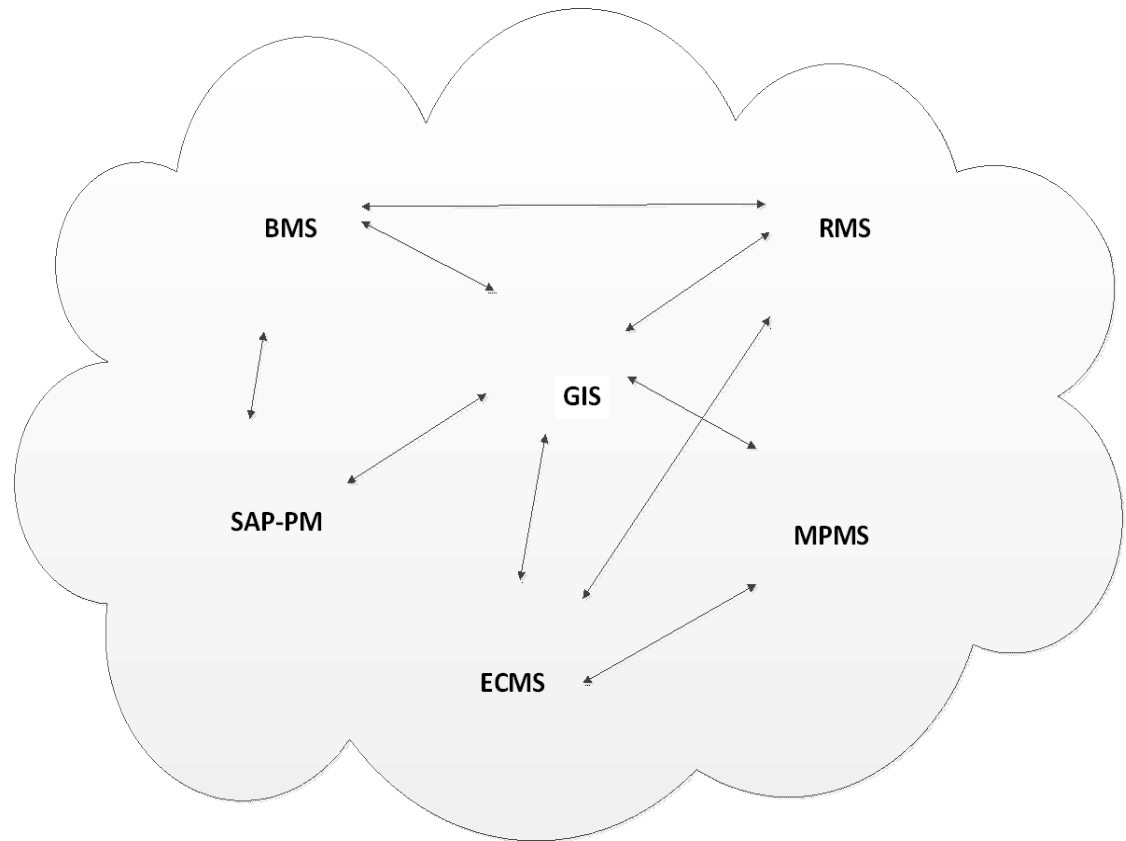
- Knowing the condition of your infrastructure and demonstrating that it is performing efficiently and effectively
- “Understanding asset deterioration rates and impacts on service life of operations, maintenance and rehabilitation activities.”



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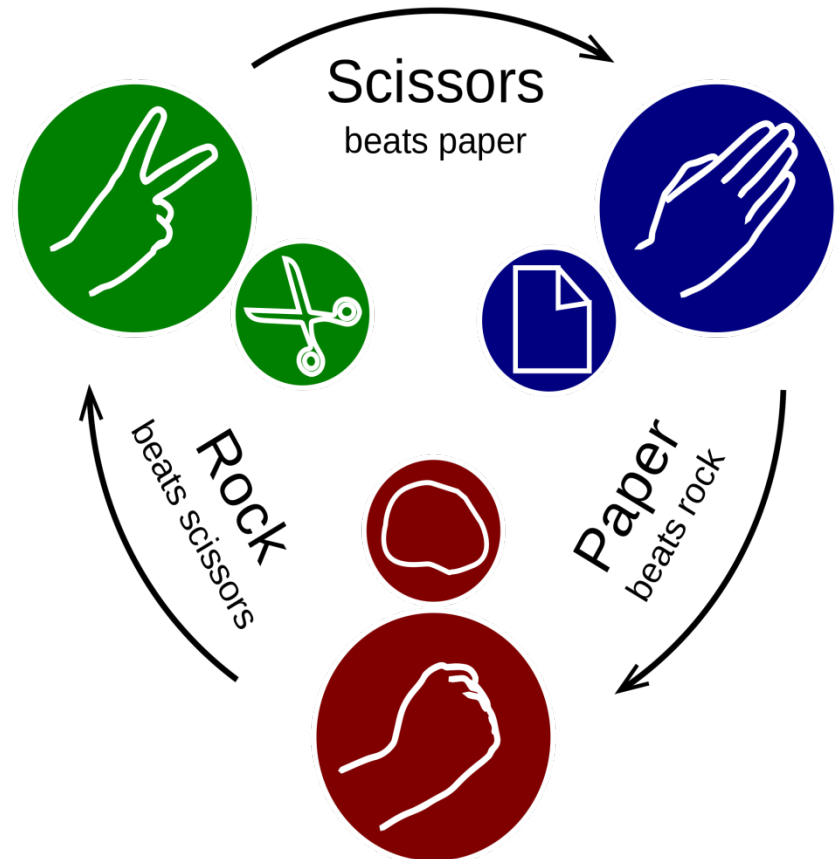
Good governance in asset management

- Having spending plans that reflect reliable, confident data analysis using integrated technology solutions; and, reflect analysis of actual performance gained from previous spending
- “It is imperative that the business architecture for these solutions aligns with our EAM Policy Principles, such that accurate and accessible data is used in our life cycle asset management processes.”



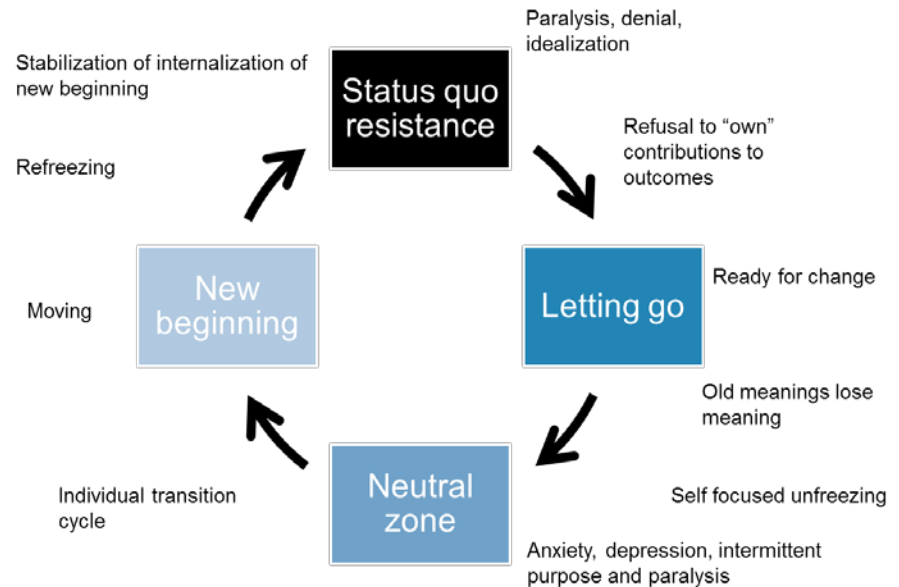
Good governance in asset management

- Being aware of and actively managing the business risks associated with your critical assets and prioritizing investment decisions towards your significant risks
- “All risks to our infrastructure associated with natural disasters, climate change, security and other major hazards or threats and the inherent vulnerability of our infrastructure to those threats are eliminated or otherwise acceptably managed such that we sustain our desired capability to provide services.”



An asset management policy creates the opportunity for change

- Spending decisions need to be justified
- Getting started on changing the way spending decisions are made is problematic as the results may not be clear for many years
- Without appropriate policy direction there can be a reluctance to change
- Establishing a policy document provides department heads with the opportunity to lead change to better ways of working



“An Asset Management Policy is the cornerstone of an organization’s approach to Asset Management.

As such it provides both the confidence that the organization is translating its overall organizational strategic plan into an effective Asset Management Plan, and provides the start of an organization’s ‘line of sight’, the golden thread of rationale which ultimately justifies every Asset Management activity the organization undertakes”.

The Institute of Asset Management 2011 “Asset Management Landscape”



An asset management policy creates the opportunity for change

- Conventionally a policy establishes the ‘what and why’, in this case for the application of asset management.
- It provides the opportunity to set out the principles and commitments, and to make the organization aware of these.
- It should be a defining statement for the organization and one that provides the direction and purpose for all that is contained in the AMS.

“The VP Operations, the VP Engineering and the VP Business Support are responsible for the administration of this instruction in close coordination with the Executive Leadership Team. This policy shall be implemented through our Strategic Asset Management Plan.”

- “Asset management strategies are planned and implemented such that work is undertaken on our safety critical assets and components as a first priority.”
- “Asset management strategies are planned and implemented such that sustaining or improving customer service performance is an inherent objective for every activity we undertake.”



An asset management policy creates the opportunity for change



“The Policy is a key reference document as we continuously improve our business processes and develop additional ISO 55001-compliant management system documentation.”

“We will annually audit and report on the implementation of this EAM Policy and respond to the findings from the audit to continually improve both the Policy and its implementation. This audit will be conducted as part of the annual audit of our EAM System, which is separately documented as our EAM System Audit and Reporting Procedure. The procedure is contained as an exhibit to this EAM Policy document.”

Creating an Asset Management Division to drive change

“Brings pavement and bridge teams together”

“Using performance measures to evaluate the effectiveness of our investments”

“Proper asset planning is a joint responsibility”

“Develop policies and procedures to support strong asset management approach”

“Develop a Statewide Asset Management Plan”

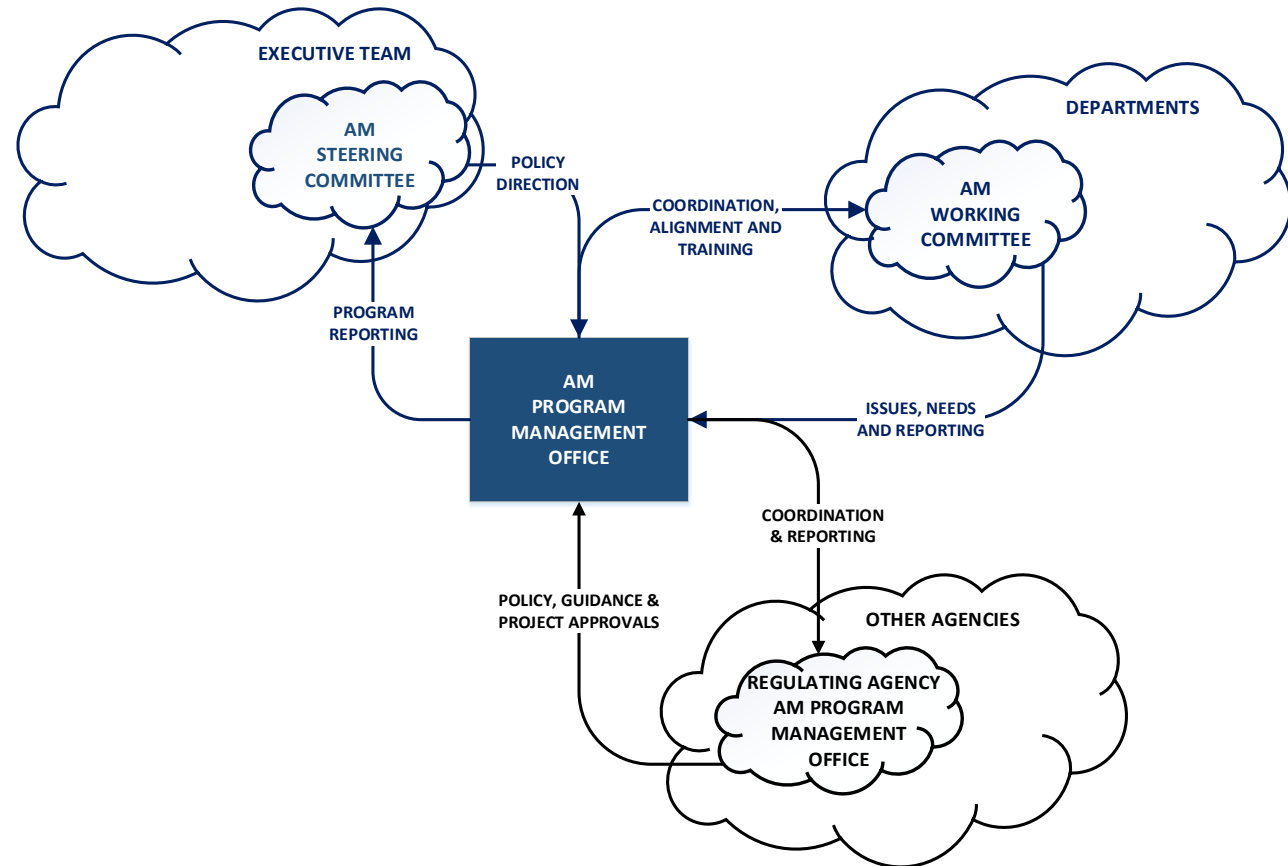
“Develop an Asset Management System”

“Instituting comprehensive asset management metrics”



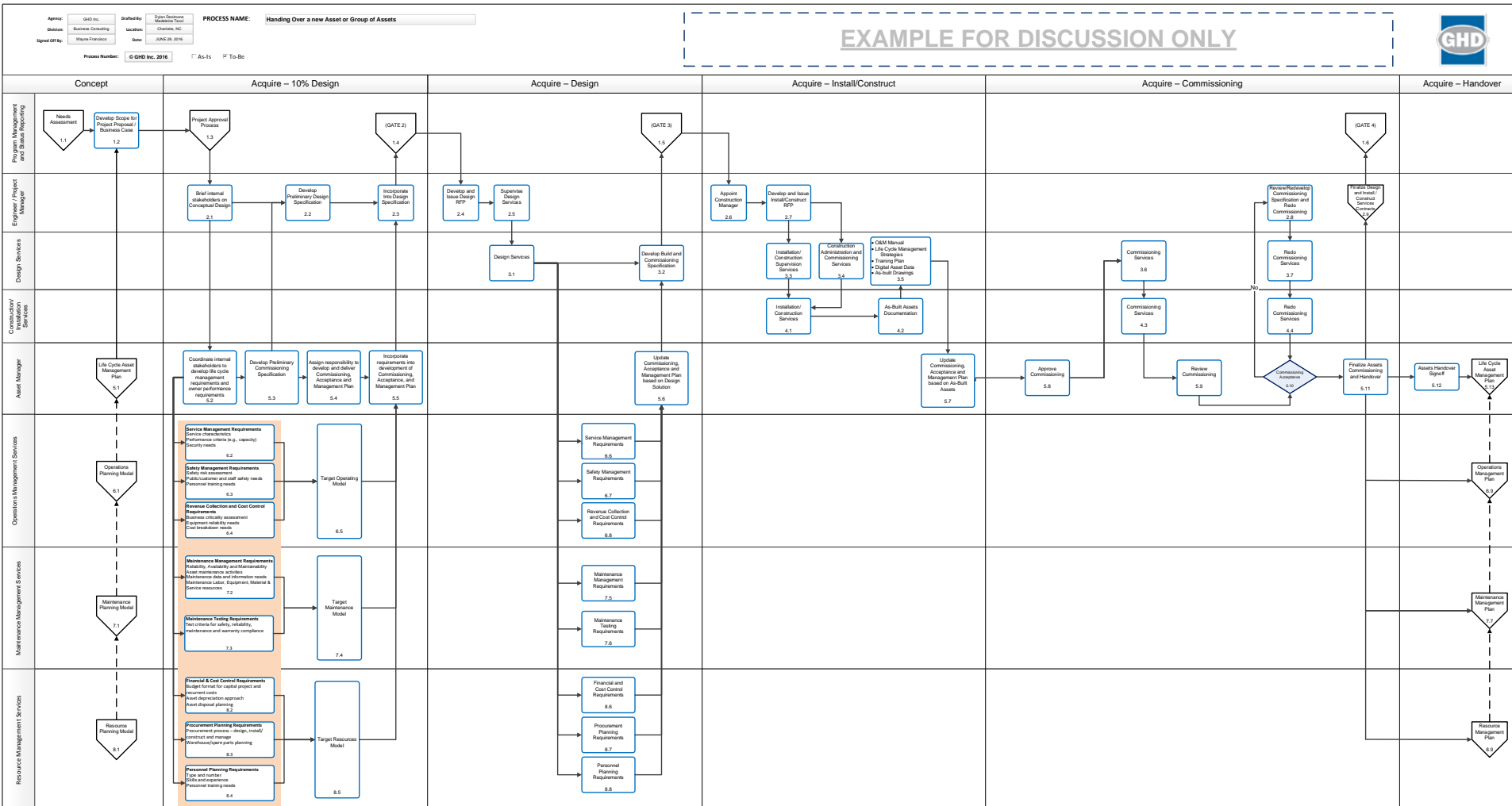
Creating a Program Management Office to drive change

- AM Steering Committee – Chaired by Executive Sponsor
- AM Working Committee – Chaired by Program Manager
- Program Manager leads the PMO



Practical benefits from establishing internal governance arrangements

This Policy applies to all aspects of our asset life cycles – from conceptual planning, initiation, design, build/acquisition, manage/maintain and retirement/disposal phases of the lives of all of our assets.



Questions?



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“Improving your asset management practices requires the application of change management techniques and a relentless focus on developing sustained performance improvements”



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Good Governance ⇔ Good Management

1. Do you have a governance structure in place that provides clear direction on your asset management objectives?
2. Do you know what level of service your infrastructure is providing and what you need to invest in or spend on your assets in order to expand or sustain your services?
3. Do you know what condition your infrastructure is in and can you demonstrate that it is performing efficiently and effectively?
4. Do you have documented spending plans that reflect reliable, confident data analysis using integrated technology solutions?
5. Are you aware of and actively managing the business risks associated with your critical assets and prioritizing investment decisions towards your significant risks?

