



# Connecting Asset Management Governance and Structure to Institutional Success

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# Presentation Overview

- **Transportation Asset Management Planning and Implementation**
- **Organizational Culture and Asset Management**
- **Governance Models for Asset Management**
- **Lessons**



# Transportation Asset Management Planning and Implementation

# Business process management relies on critical success factors

- Upper management support
- Buy-in and ownership
- Testing
- Training
- Measurement and metrics

# Structure organization process (SOP) provides a standard

- **Organizationally arranged versus operationally arranged**
  
- **Asset management as a communications tool**
  
- **Corporate attitudes create a lot of success (or failure)**
  - **Top heavy versus horizontal alignments**

# Implementation means different things to different players

- The scope of asset management systems varied substantially across the Country
- Unique features
- Most agencies are struggling with exactly what to include or not to include
- Asset management framework
- End product variation
  - MAP-21 requirements
  - Good business practices



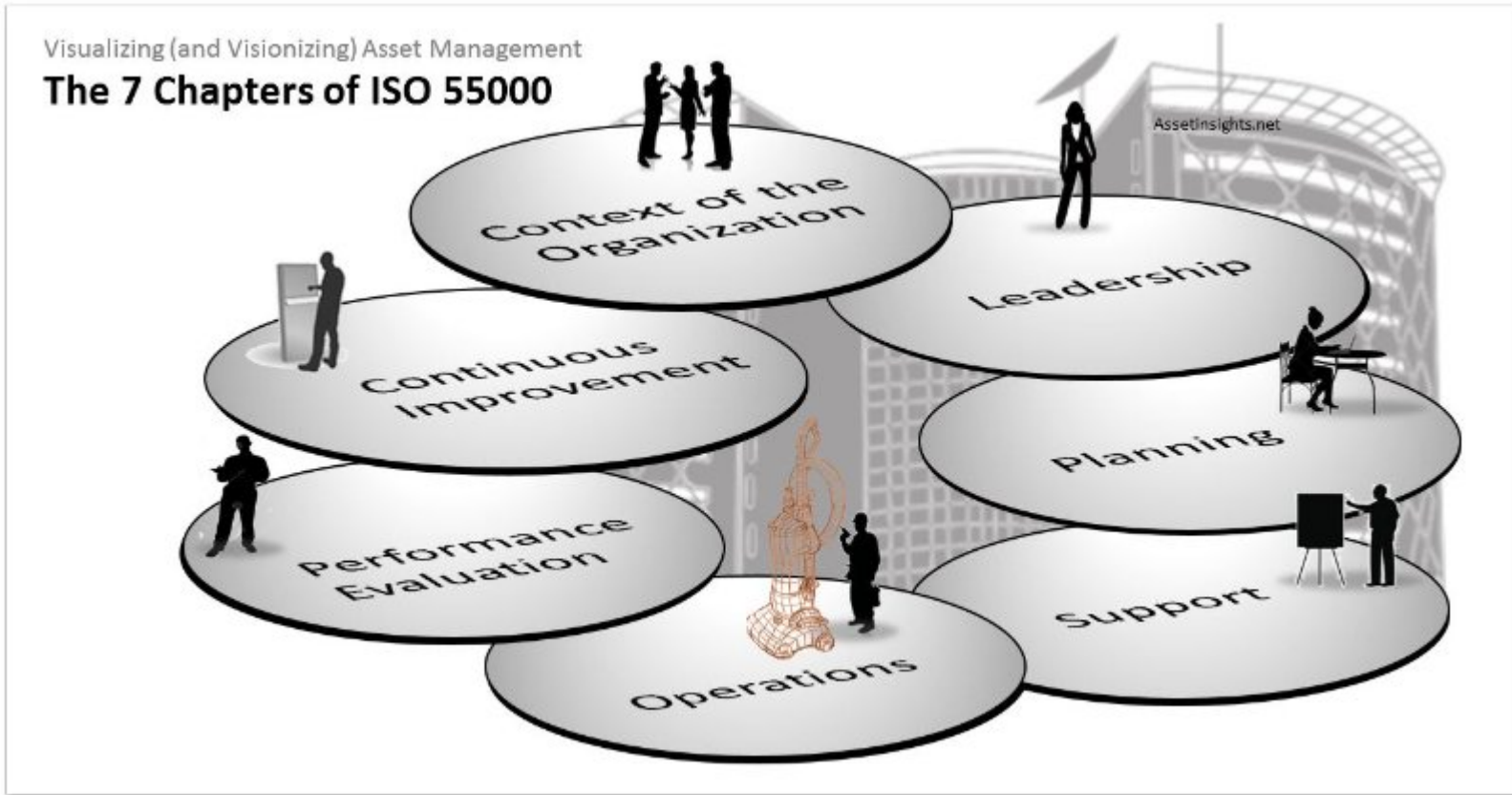
Asset Management for Sustainable Service Delivery: A BC Framework

# Where does asset management fit?

- Again, it depends
- Size of network
- Asset categories
- Government level
- Legislative mandates
- Overall approaches
  - Strategic
  - Tactical
- Might be in the eye of the beholder

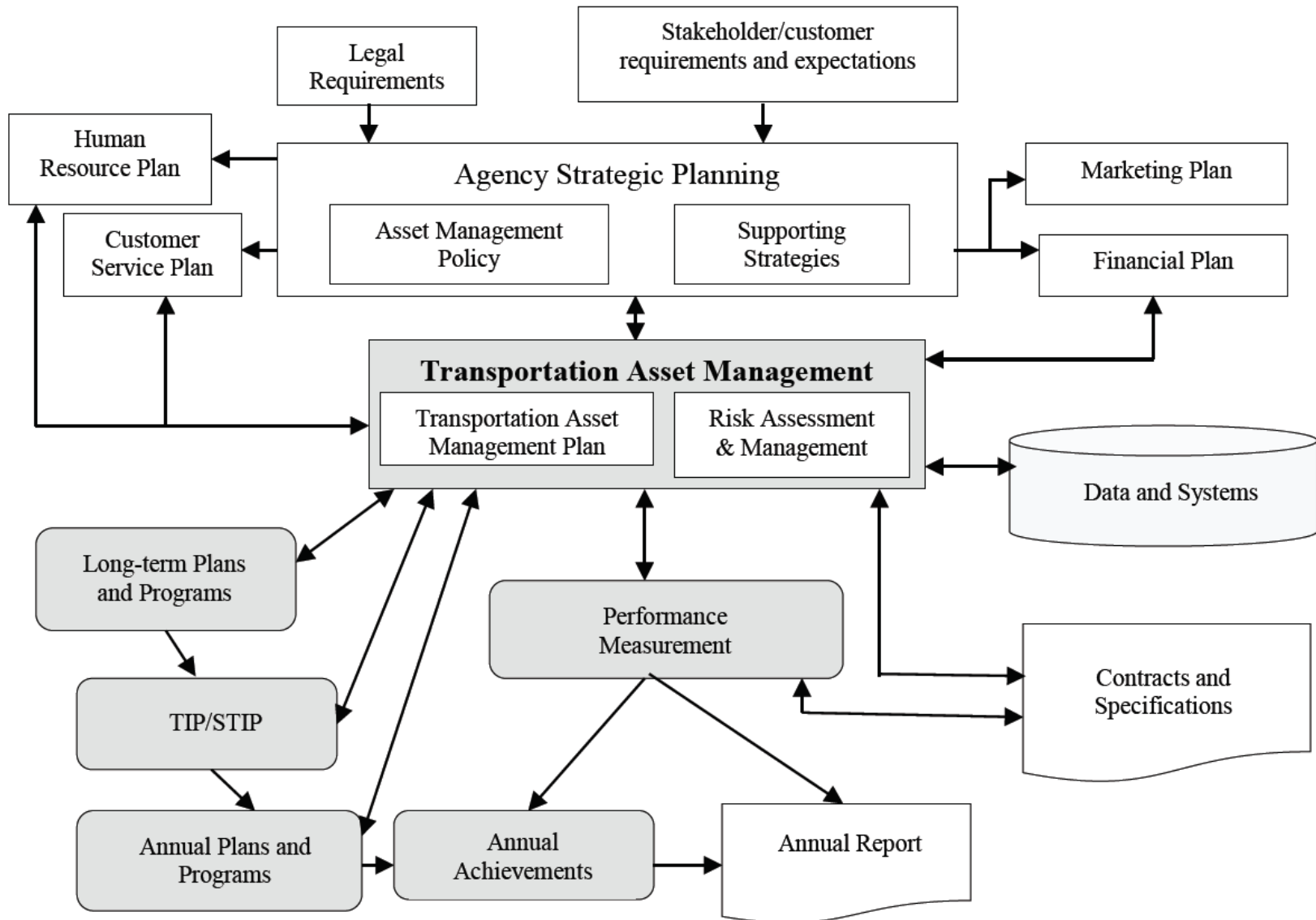


# ISO 55000 starts with context



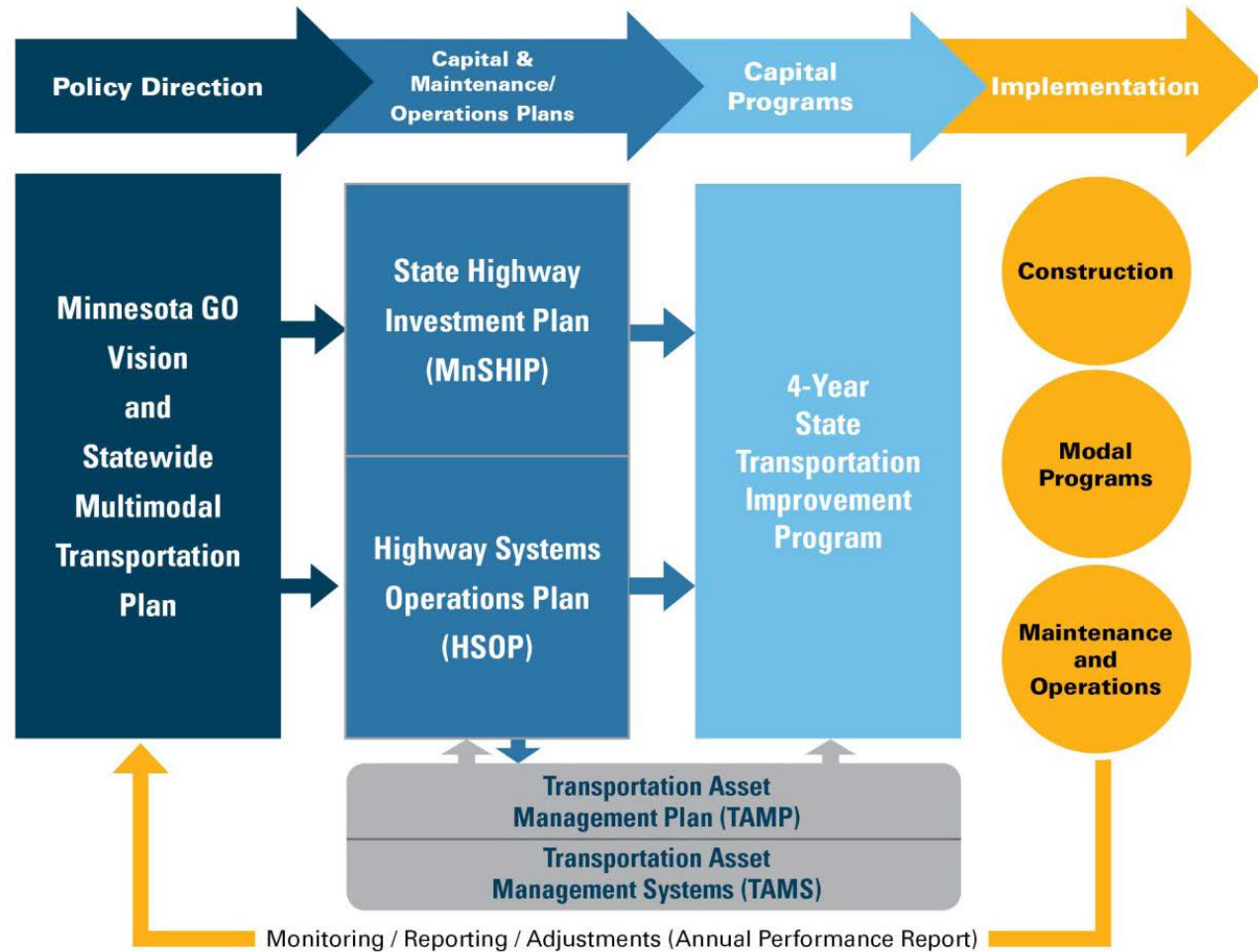


# AASHTO Guide to Asset Management, Vol 2



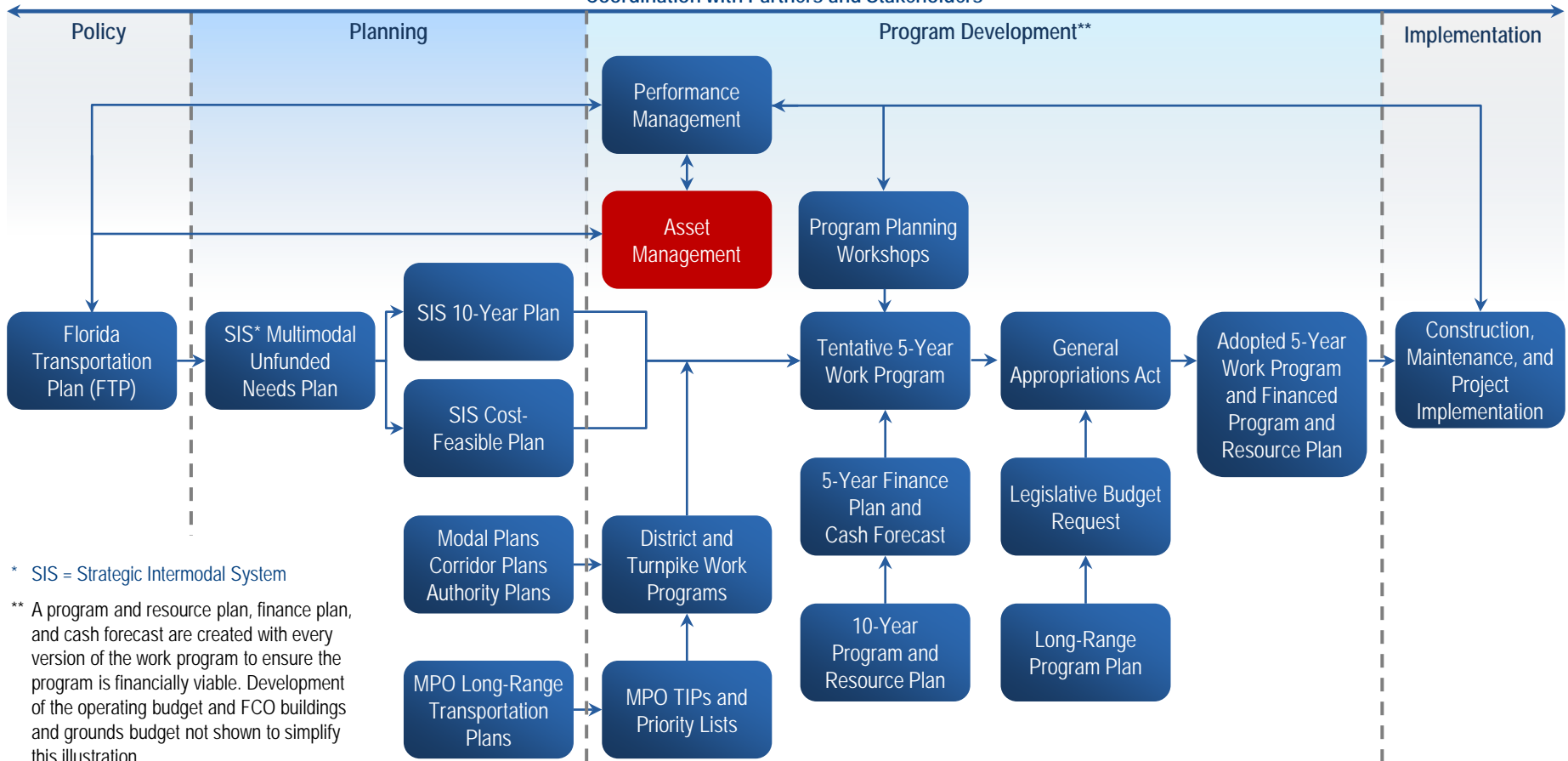
# Examples

## Minnesota



# Florida

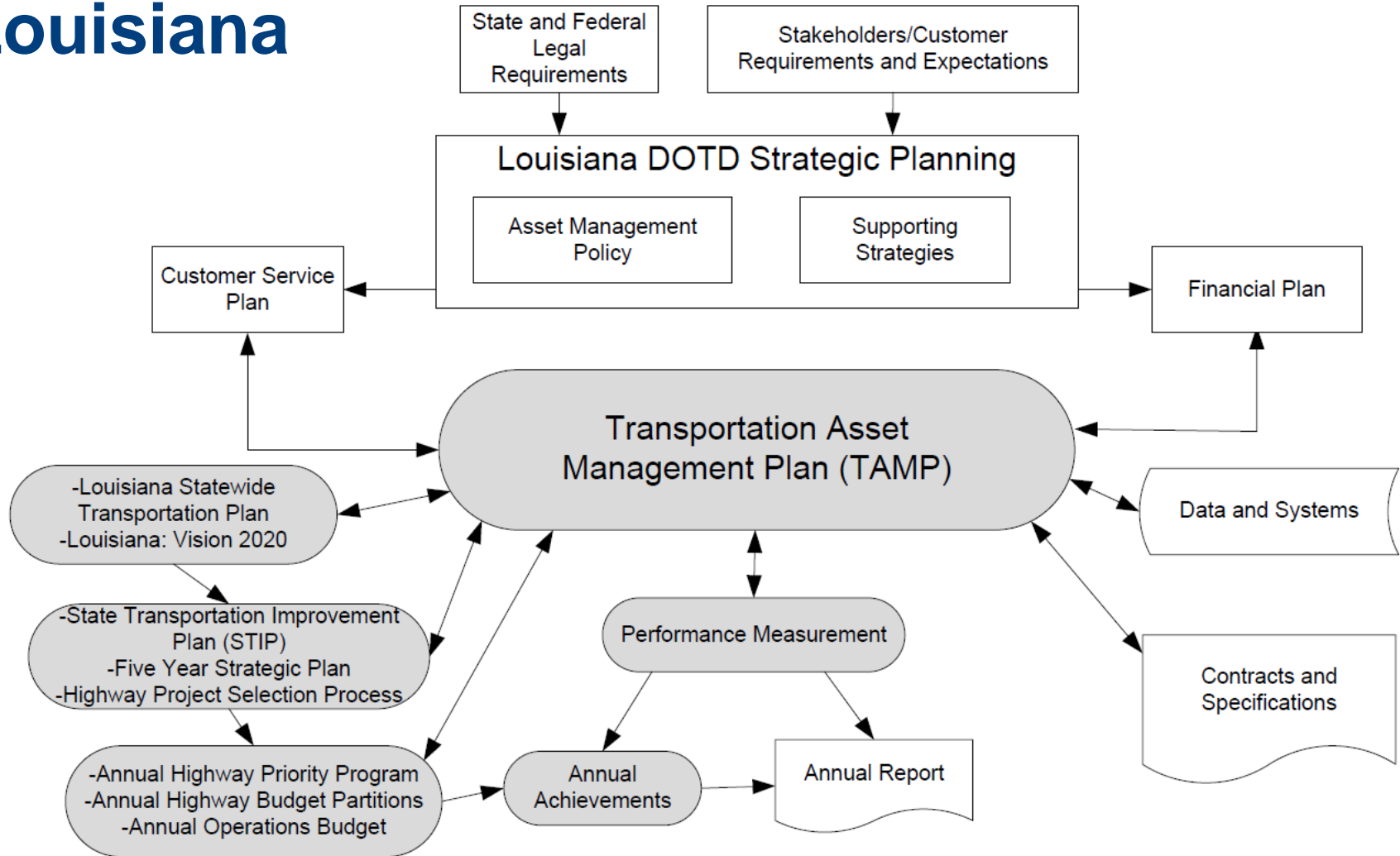
## FDOT PROCESSES AND KEY DOCUMENTS Coordination with Partners and Stakeholders



\* SIS = Strategic Intermodal System

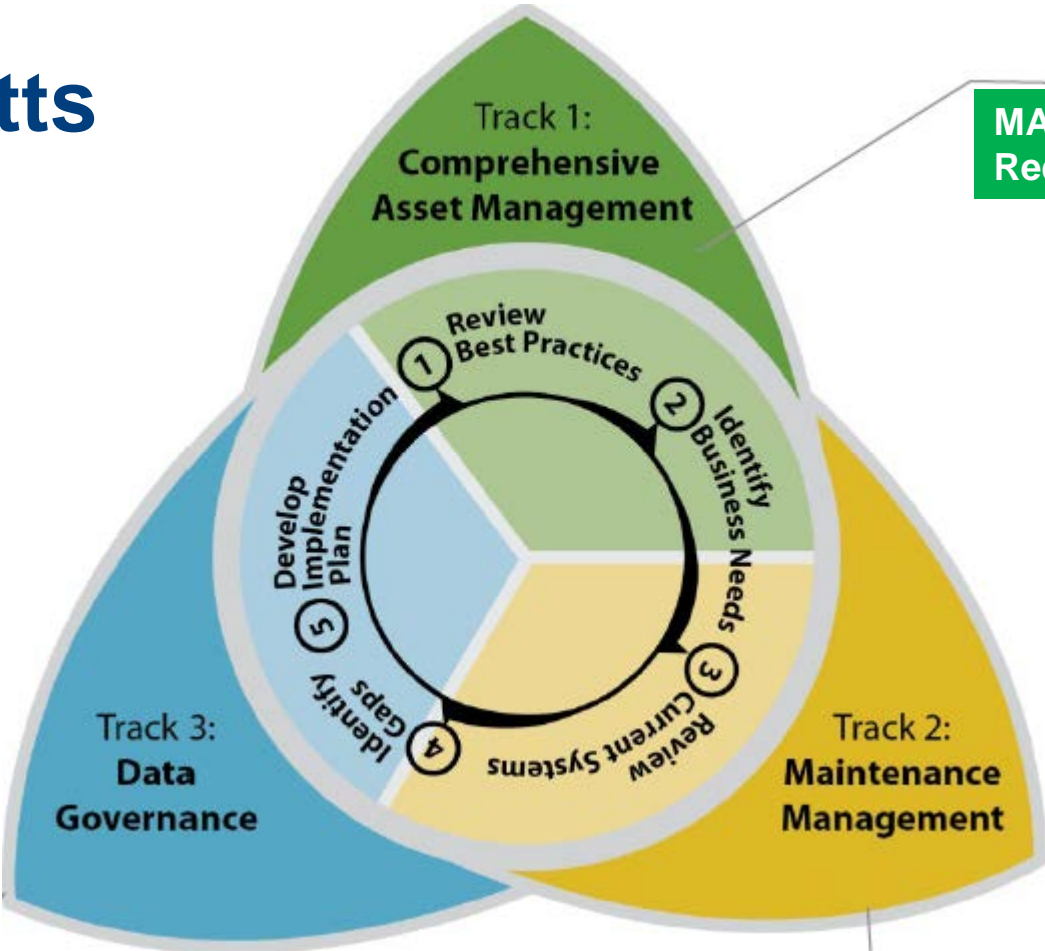
\*\* A program and resource plan, finance plan, and cash forecast are created with every version of the work program to ensure the program is financially viable. Development of the operating budget and FCO buildings and grounds budget not shown to simplify this illustration.

# Louisiana



# Massachusetts

IT and Data Structures



MAP-21 Requirements

Operations Decisions

# Organizational Culture and Asset Management

# The organization remains king

- Very few organizations have official change management plans
- Risk-based planning is a new approach for many
- Organizational culture influences:
  - Financial analysis
  - Asset management governance
  - Business practices and standards
  - Risk management and mitigation
  - Education and training acceptance
  - Performance reporting
  - But most importantly, ***how decisions get made and implemented!***

# Successful organizational change demands

- **A consensus among leadership of the need for, and benefit of, change**
- **Development of a vision of changes and strategy**
- **Communication of that vision regularly**
- **Alignment of actions so that they are consistent with the vision**
- **Involvement of leadership to empower you to make changes consistent with the vision**
- **Celebration of the change effort with short-term successes**



# Governance Structures and Models for Asset Management

# Governance structures observed

- Executive championed, formalized steering committees
- Bureau-level re-organizations
- Limited duration ad hoc steering committees
- Dedicated individual leadership (champions)
- New offices (with defined authority) or positions
- No formal structural changes
- Hybrids
- Others

# Steering committees provide immediate action

- **Directed in Provincial guides or State legislation**
- **High profile, including chartered**
  - Typically sponsored by the chief executive
- **Some examples of interagency committees**
  
- **Primary challenges:**
  - Regular meeting schedules
  - Decisions may not flow down to cause front line changes
  - Changes in key leadership
  - Stakeholder representation
  - Works best in large organizations/many stakeholders

# Reorganizations prioritize key elements

- **Directed in legislation or with executive changes**
- **High profile**
  - Typically sponsored by the chief executive
- **Allows easier cross-departmental activities**
  
- **Primary challenges:**
  - Prior relationships may be influenced
  - Ownership of new roles
  - Has to be driven by results

# Limited duration steering committees provide project focus

- **Typically established for the planning process**
- **High profile**
  - Involving multiple stakeholders
  - Organizational self-assessment is critical due to short duration
- **Primary challenges:**
  - Need to establish solid post-plan governance or the document sits on the shelf
  - Strong leadership required
  - Maintaining focus

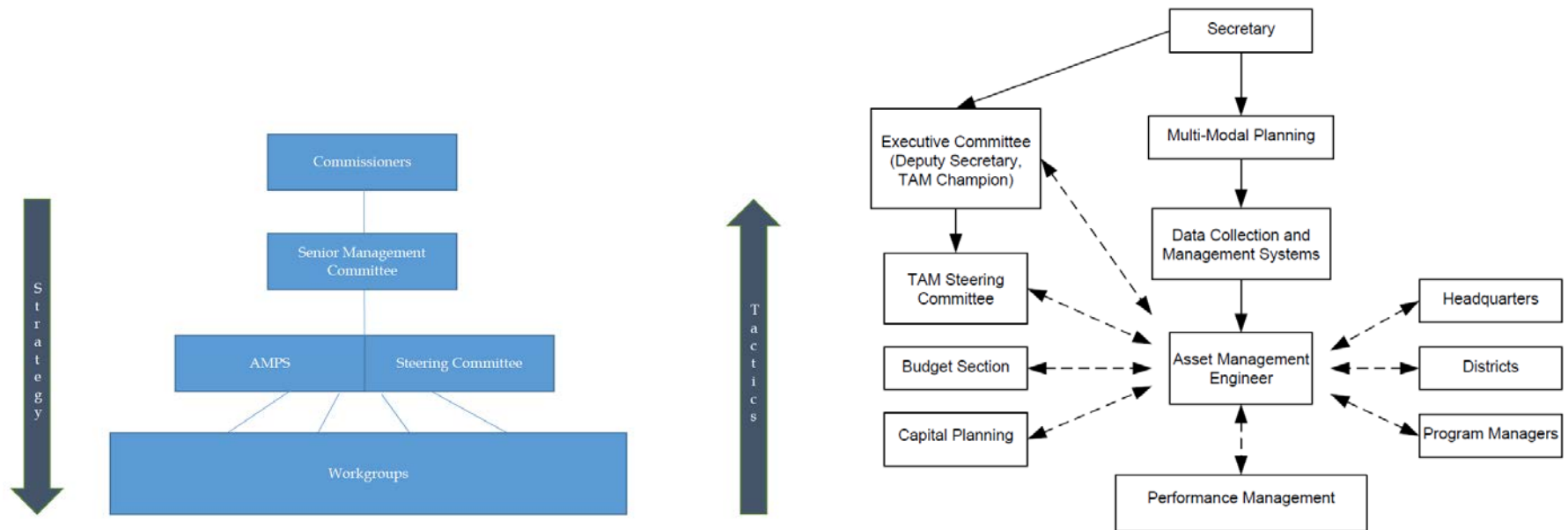
# Champions embody enthusiasm

- Influence at the highest levels
  - Passion for asset management practices
  - Typically has departmental history or industry stature
  - Can be disruptive influence to status quo
- 
- **Primary Challenges:**
    - Army of One
    - Conveying enthusiasm to overcome institutional inertia
    - Has to be able to make decisions to gain respect
    - Succession planning is critical

# New offices create clear responsibilities

## ➤ Examples include:

- New Hampshire AMPS, Louisiana DOTD Asset Management Engineer



# No formal changes allow institutional processes to remain in place

## ➤ In-house development of programs

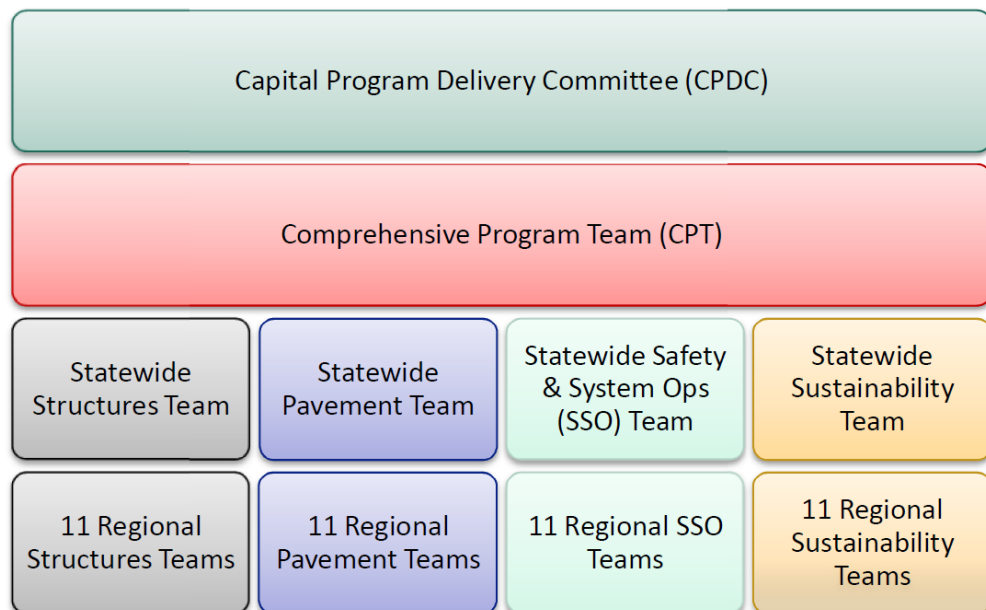
- Adapt existing systems
- Functional structures rather than organizational

## ➤ Horizontal alignments

- Best practices: regular team meetings, balanced scorecards, performance agreements

## ➤ Primary challenges:

- Lasting influence
- Doing more with less
- “One more thing”





# Hybrid models encourage experimentation

## ➤ Successful models incorporate different goals at different times

- Following BC framework – plan, implement, assess

## ➤ Mix of staff

- Especially effective when comparing across modal interests

## ➤ Ownership

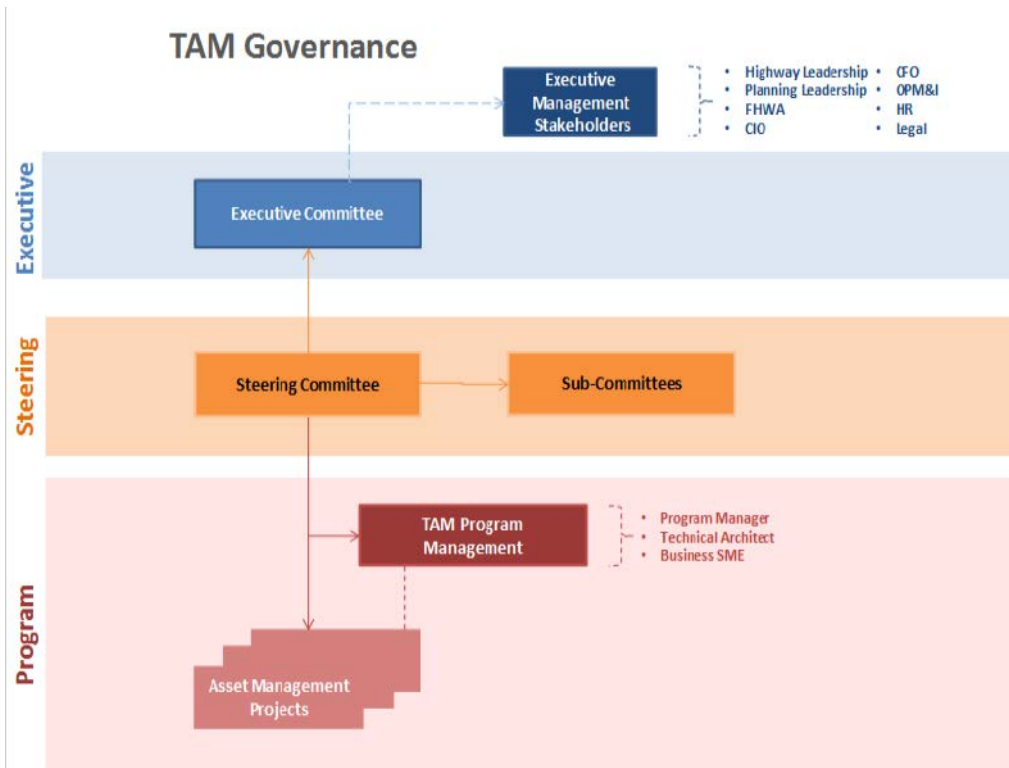
- Situational leadership examples
- Some agencies have widely distributed asset management functions with all activities coordinated at a higher level



# Ultimately...

## ➤ Clearly defining roles is critical

- Some agencies have the roles and responsibilities for each person/group involved in asset management activities specifically outlined in their business processes; some do not



# Other Lessons Learned in Governance and Structure

# Lessons

- **Use participatory strategies to involve users in changing the current practice, such as council tours and presentations to the public**
- **Agencies with the highest level of success have a dedicated asset management group consisting of representatives from all major stakeholder groups**
- **Project champions are vital but can be short lived**
- **Bottom up & top down can both be successful**
- **Multi-disciplinary nature of the steering committee and the project management team**

# Lessons, continued

- **Governance structure is successful with right communications and cross-functional collaborations**
- **Clear process overviews are important**
- **Don't be afraid to adjust based on the planning OR implementation process**
- **Executive buy-in remains critical**

# Acknowledgements

- **TAC Synthesis of Asset Management Best Practices for Canada**
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*Thank You.*

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