

Asset Management: Not just for Christmas....

Light Rail Conference 2023

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The main title of the document, "Asset Management: Not just for Christmas...", is written in a large, white, sans-serif font. It is positioned on the left side of the page, overlaid on a background image of a modern office with large windows overlooking a city skyline. The background is tinted with a dark blue color and features a faint, white, geometric network pattern of dots and lines.

Asset Management: Not just for Christmas....

Asset Management – Not just for Christmas

Some common misconceptions

Asset Management – common misconceptions

Isn't Asset Management just a posh name for Maintenance Management?

Asset Management – common misconceptions

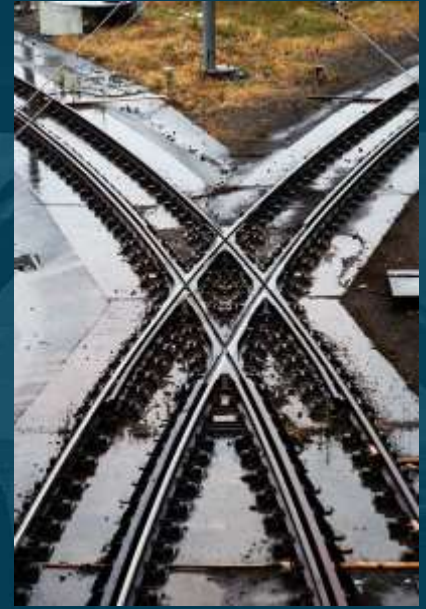
An Asset Management System is a software application isn't it?

Asset Management – common misconceptions

Surely Asset Management is about managing assets?

Asset Management – definitions

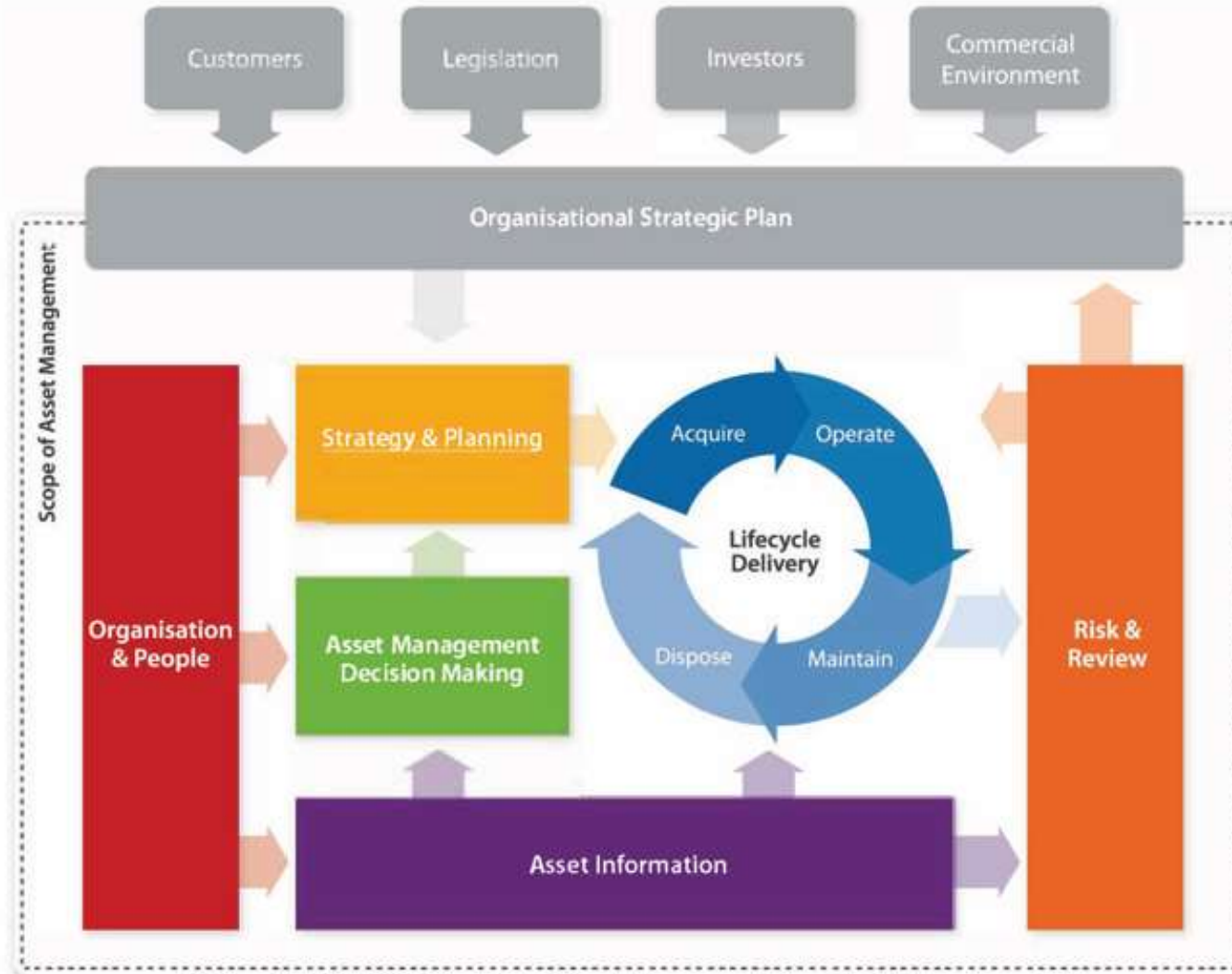
- **Asset** - item, thing or entity that has potential or actual value to an organisation
- **Asset Management** - coordinated activity of an organisation to realise value from assets



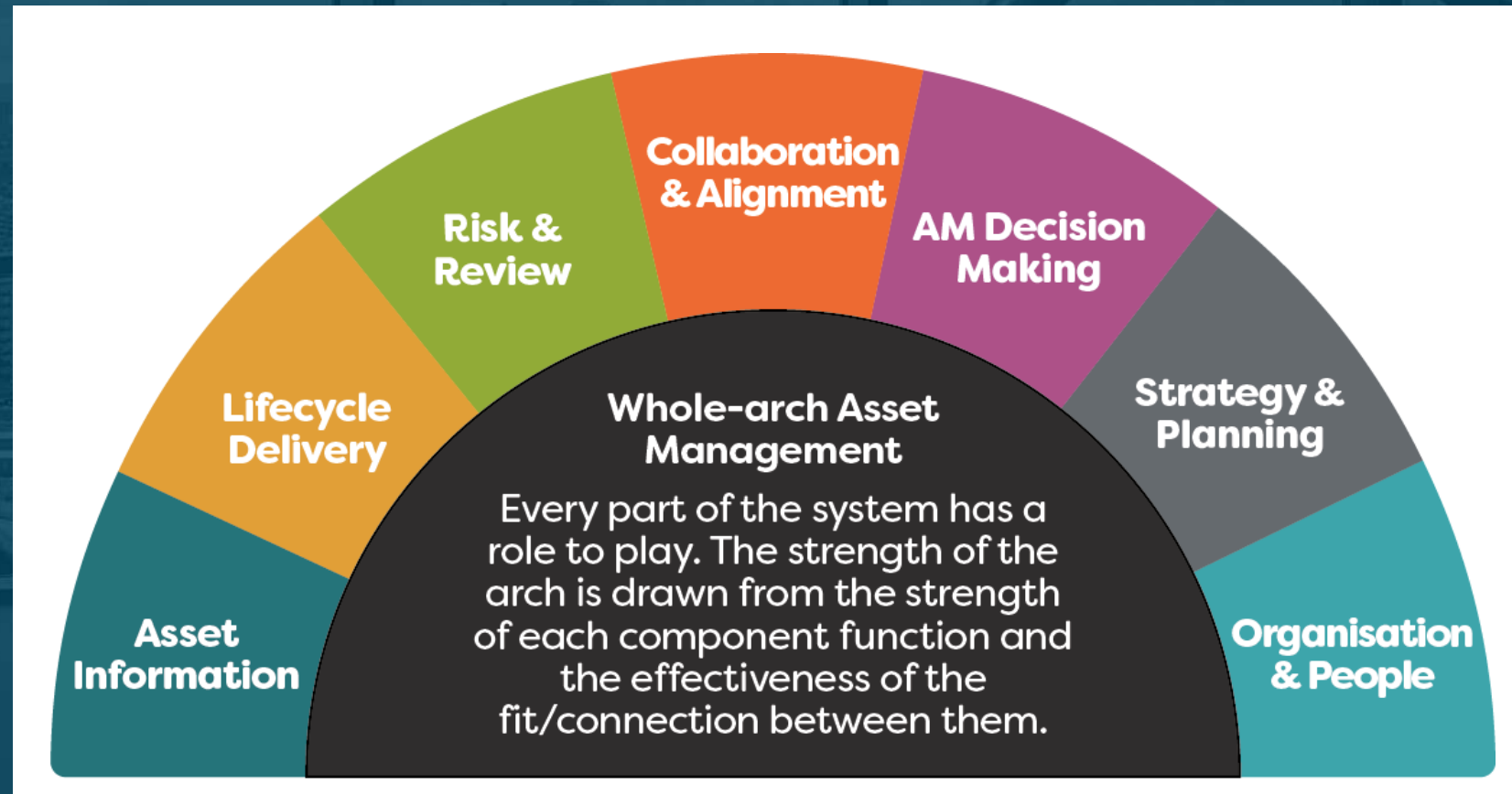
Asset Management – ISO 55001



Asset Management – IAM Conceptual Model



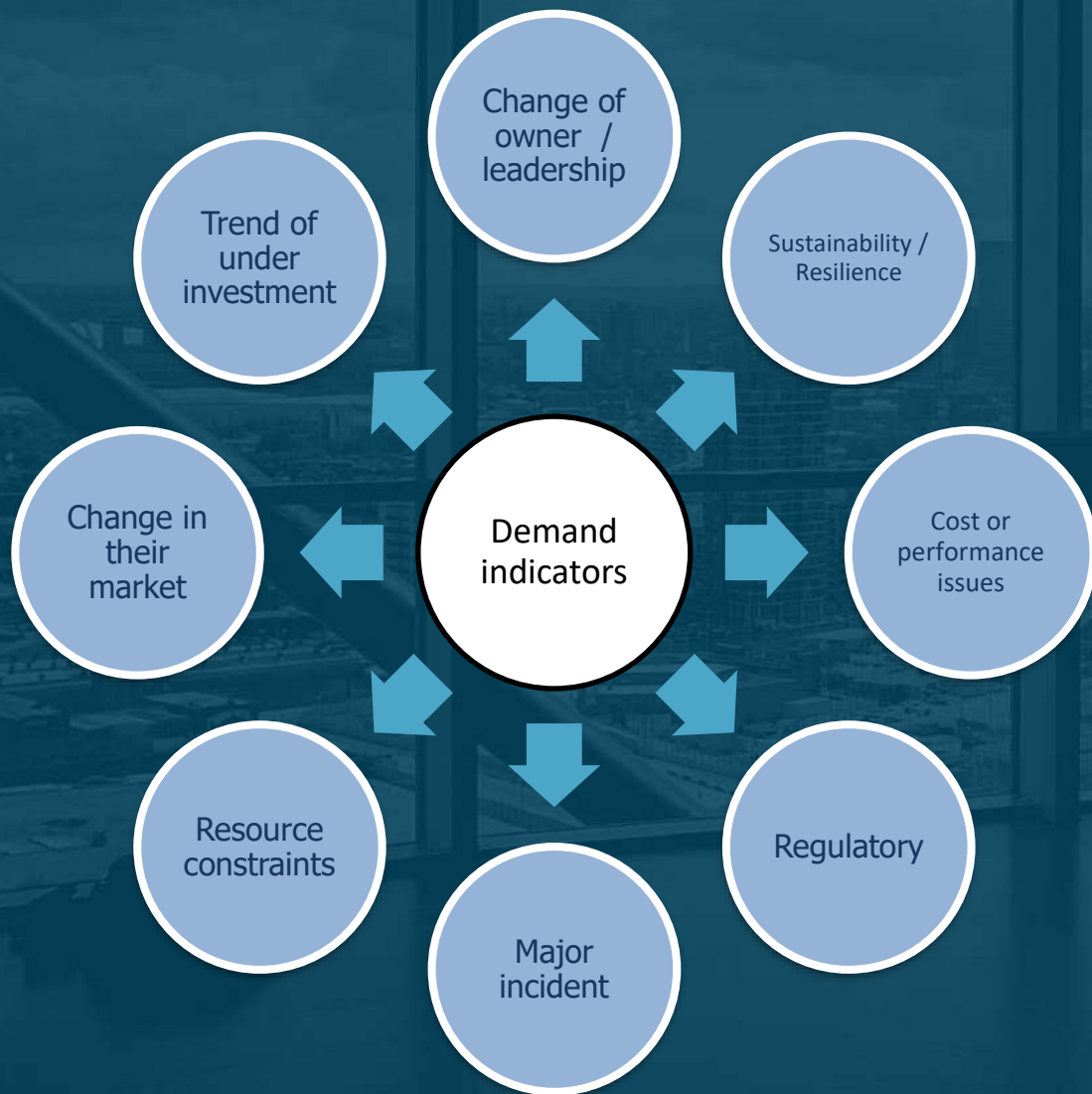
Asset Management – Conceptual Model



Asset Management – Principles



So what?



So what?

The world has changed, priorities have changed

- Capacity and demand changed for short and longer term
- Significant changes in asset utilisation both in volume and when demands occur
- Underused balance sheet values
- Revenues significantly impacted
- Ability to invest for sustainment impacted
- Maintenance funding impacted
- The need to ensure safety and compliance endures

Benefits - example

Through the application of good practice asset management, one mass transit organisation reported:

30%
performance
increase

12% cost
reduction

7%
improvement in
safety (LTIs)

Achieving these benefits does not mean effort can stop – the perceived value will erode over time, meaning that improvement must be continuous

In delivering this, key priorities included

- satisfying customer expectations
- hitting the target EBITDA
- renewals –avoiding failures
- Securing funding for the next part of the plan

A few questions to consider.....

- How does your organisation define and measure “value”?
- How well aligned is asset management with the organisational goals?
- How does this transfer from Local Authority to Tram operator and maintainer?
- What level of risk is appropriate for your business?
- How do you identify which assets and processes are critical?
- What information and data do you have to inform decisions – and what level of quality is it?
- How integrated is your knowledge of assets for technical purposes with your asset knowledge used for financial reporting?
- How do you bring about change where it is needed – and keep everyone “on the bus” as you take the journey?

What is your biggest risk?

How are you managing it?

How do you know the controls are effective?

A few questions to consider.....

- When is the right time for a business to implement good practice Asset Management?

Now

- How do we develop a corporate understanding of the need to embrace Asset Management?

Senior management belief

- What needs to be in place to enable Asset Management?

Senior management belief

Asset Management – common misconceptions

Question – Who in the organisation does Asset Management?