

# Better Organisational Outcomes Through Strategic Asset Management



## THE EFFICIENCY CHALLENGE

With Chinese growth stalling and rising government debt, both private and public sector organisations need to seek efficiency savings and increase productivity to maximise organisational outcomes.

Productivity is defined as an efficiency measure of how labour and capital are combined to generate output. The management and performance of an organisation's assets therefore has a significant impact on its overall productivity.

Strategic Asset Management is vital to achieving better productivity and improved efficiency as it ensures that an organisation's whole asset base is optimally structured to

enable it to meet its strategic business and financial goals.

Put simply, Strategic Asset Management is about generating efficiencies and enabling better organisational outcomes.

It helps public sector organisations generate cashable savings that can be reinvested to deliver better frontline services. It helps private sector organisations become more agile to confidently adapt and respond to changing business conditions, enabling them to plan their long term capital requirements in a financially sustainable manner, thereby creating a sustainably strong balance sheet.

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### WHAT IS STRATEGIC ASSET MANAGEMENT?

Asset Management is a strategic whole-of-organisation activity, which is best defined as “a key part of business planning, which connects, at a strategic level, decisions about an organisation’s business needs, the deployment of its assets, and its future investment needs.” (Sir Michael Lyons, 2004).

In the UK and US, central and local governments have made savings and released capital running into billions of dollars, and private sector organisations around the world are gaining competitive advantage by embracing Strategic Asset Management. However, to date, very few public and private sector organisations in Australia have truly embraced asset management at a strategic level.

Indeed, research has shown that asset management in Australia is often commonly misunderstood to be facilities management; property management; engineering; or maintenance. These are tactical and operational elements of Strategic Asset Management and therefore very few organisations have unlocked its full potential. This provides innovative organisations with a window of opportunity to gain competitive advantage.

### THE STRATEGIC ASSET MANAGEMENT FRAMEWORK

Without a Strategic Asset Management framework, we find that an organisation’s balance sheet and its assets often become lazy. Capital is misdirected, the value and condition of the capital base erodes and the operating efficiency and effectiveness of the organisation becomes compromised.

We recommend that all organisations have a Strategic Asset Management framework, which incorporates:

- An asset management policy
- An asset management plan that incorporates asset strategy; and
- Effective, actionable asset plans

Thinc works with private and public sector clients around all aspects of the Strategic Asset Management framework to ensure they are set up for success.

Our Strategic Asset Management expertise are underpinned by our in-depth project and program delivery skills, which means we are uniquely placed to translate strategy into implementable programs and then move quickly into delivery and value creation.

### OUR APPROACH

We adopt a collaborative approach, using our national and international experience to add real value and to help our clients achieve better organisational outcomes.

We understand that Strategic Asset Management programs are often a consequence of - or a catalyst for - organisational change. Our consultants are experienced in change management and work with clients to ensure ‘buy-in’ and ongoing optimum team performance.



### OUR SERVICES

Our services cover five broad areas:

#### 1 STRATEGY

We can assist you to implement an organisation-wide asset management framework consisting of:

- An asset management policy which outlines the asset management objectives, targets and plans of your organisation and establishes a platform for service delivery; and
- Asset strategy and asset management plans which identify your organisation’s business drivers and translate these into a vision for assets.

#### 2 PROGRAMS

We can translate your asset strategy and asset management plans into implementable programs over a one to four year timescale through:

- Preparing business cases;
- Conducting asset reviews and condition reports;
- Developing asset action programs; and
- Preparing financial plans for assets.

#### 3 DELIVERY

We can provide advice on asset delivery, maintenance and improvement solutions including:

- Procurement options;
- Outsourcing;
- Property and facility management; and
- Project management.

#### 4 REVIEW - A STRATEGIC ASSET MANAGEMENT HEALTH CHECK

We can conduct an asset management health check to review your organisation’s asset management capacity and capability against your corporate business strategy to ensure that they are aligned and maximum efficiency is being achieved.

We assess your asset performance and asset management systems against leading practice benchmarks to include gap analysis, recommendations and plans for improvement.

#### 5 IMPROVE/CHANGE

We can assist you to facilitate organisational and corporate change to increase awareness of the importance of Strategic Asset Management and improve your asset management practices.

This includes conducting Strategic Asset Management workshops and seminars so that your organisation understands what Strategic Asset Management is and why it is important.

## PREVIOUS CLIENTS

Thinc's experts have provided strategic asset management services to a range of high-profile public and private organisations, including:

- The Government of Western Australia
- The Government of South Australia
- The NSW Government
- The Australian Commonwealth Government
- The Hong Kong Government
- The Government of Malaysia
- Standard Chartered Bank
- HSBC
- Bank of America
- Town of Port Hedland, WA
- Shire of Merredin, WA

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## ABOUT THINC

Thinc is a leading, independent management consultancy, specialising in projects.

We advise on and deliver a range of projects across the health, infrastructure, private, social infrastructure and resources sectors.

We aspire to make a difference – economically, socially and environmentally. At Thinc we employ and develop the best people in their fields. We value their expertise, just as we value that of our clients. We are genuine believers in the power of collaboration. Time after time, we've shown it delivers exceptional results.

These attributes are widely recognised. With national strength, regional knowledge and sector expertise, we have the depth of resources and diversity of skills to provide a holistic approach to servicing our clients and obtaining the best possible outcomes on every project we work on.