

SOLUTIONS FOR THE BUILT ENVIRONMENT

F M

FACILITY MANAGEMENT

TAMING TIME

7 steps to improved capital works programming

ASSET MANAGEMENT

How to think long term

HEALTH AND SAFETY

New dangerous goods management laws

PUBLIC FACILITIES

Effective Heritage building FM

WIN A RHEEM LAZER ECO ABOVE-BENCH BOILING WATER SYSTEM

FEBRUARY | MARCH 2014
\$10.95 inc GST

WIN
65" HITACHI
INTERACTIVE FLAT
PANEL DISPLAY WORTH
\$7,999
GO TO PAGE 81



How to think LONG-TERM

How to overcome the challenges of taking a long-term, planned approach to maintaining the value of physical assets is discussed by STEVE LYONS, managing director at SPM Assets.

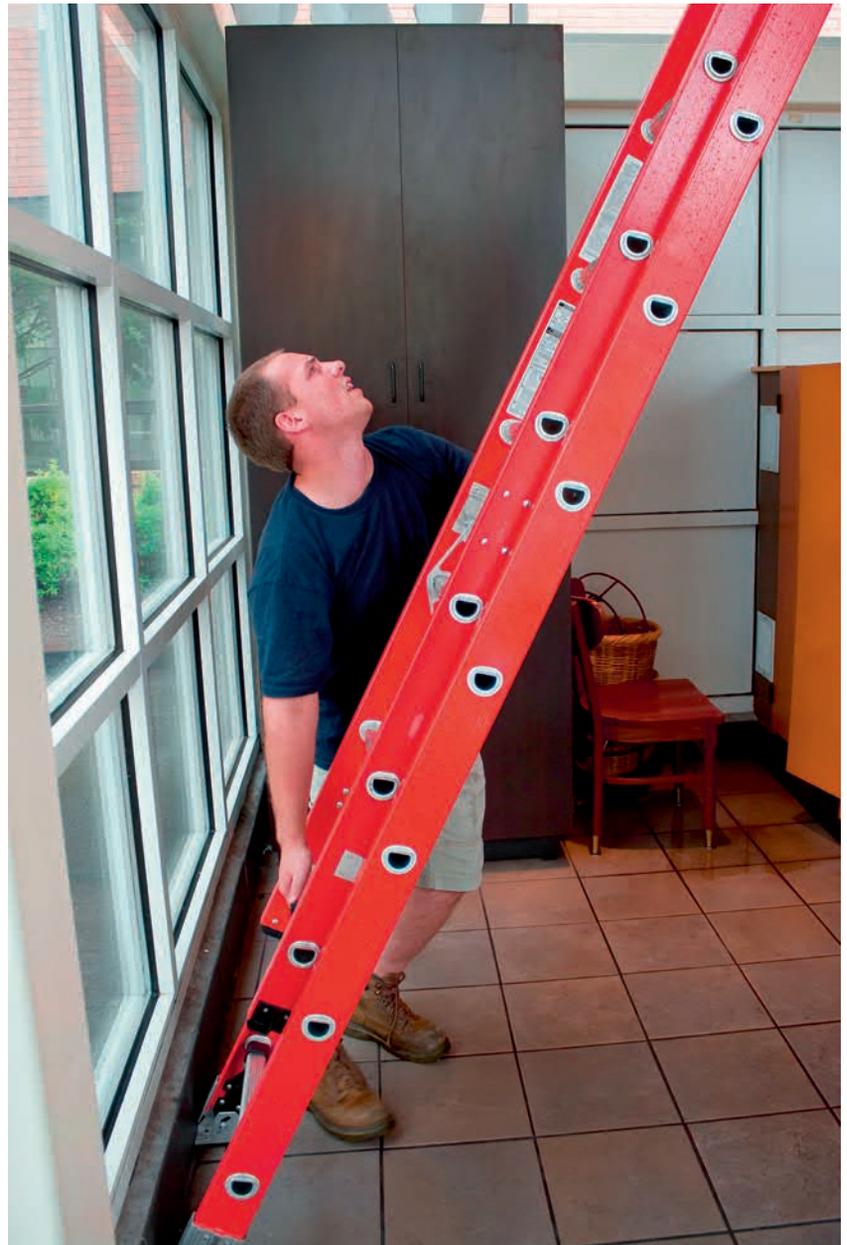
Buildings can last forever. Although this statement may seem strange, it is true. There are plenty of examples that have outlived their life expectancy, such as the State Library of New South Wales, Notre Dame and Boorowa Council's Museum that was built in 1882, to name a few. As long as there is a need for the building, it can be maintained to perpetuity.

A building really can last a lot longer than originally expected and its capital value maintained, if there is a good plan in place to look after it – a plan that has teeth and is followed, and a plan that has policies and strategies that drive the achievement of asset standards. That is what is needed for long-term thinking.

Thinking long-term requires good process, systems and people. You need to know your buildings well and have building standards defined at a level that can be easily measured. Some components won't meet the standards now and will deteriorate rapidly over the next few years. More money will be needed to address the shortfalls and it's the facilities manager's job to apply the available funds in the best way at the best time.

All of this makes sense. There have been quite a number of manuals, guidelines and books written on the subject over the years. Theoretically, if you are unsure of how to do long-term asset planning, you can read the books and attend the courses.

Why is it then that so few corporate facilities managers move beyond reactive maintenance regimes? This is short-term thinking at a time when most government organisations are obligated to plan out from 10 to 20 years and public private partnerships (PPPs) are contractually required to plan out 30 years-plus.



Many remain comfortable addressing issues as they arise through reactive maintenance; however, reactive maintenance regimes are risky.

Does your board know the risks?

Reactive maintenance regimes are risky. Many boards aren't aware of their facility-related risks and remain comfortable addressing the issues as they arise through reactive maintenance. Often, it takes a costly component failure or loss of life (for example, the Cave Creek disaster in 1995) to force an organisation to think long-term.

In this respect long-term planning is regarded as an insurance policy – it gives people assurance that they are being cared for and kept safe. It shouldn't take a disaster to make a facilities manager or governing body take notice.

Yet, most organisations remain reluctant to invest in new processes and systems to think and plan long-term, as the return on the investment can be challenging to report tangibly. And this is one of the main problems that facilities managers need to overcome.

Why future planning is so hard

While it is relatively easy to create maintenance and replacement plans for the next three years, knowing what's coming up beyond this is a little more challenging. This is because many facilities managers rely on their knowledge of the facilities and their expert judgement to identify the issues and propose projects to address them.

The industry needs to move to more of an approach that analyses asset information to determine possible future events – using the facilities manager's expertise in a more targeted and strategic way.

Over the years, I have heard comments such as, "It's a mind shift that makes my head hurt", "What's the point because no one listens anyway" and "I've spent the past year working on a business case to renew and upgrade a plant room and now it's been deferred for five years". Challenges, yes. Insurmountable, no.

The main challenge is gaining support and buy-in from senior management to a level that the asset planning process is appropriately resourced. Once the topic is on the strategic agenda, implementing the process can easily follow. There are plenty of skilled and experienced people in the industry that can help you realise the strategic imperatives for why you need to do this – and how. Get good advice and take it.

The next challenge is to set up a good asset register at the right level of detail that is directly aligned with your organisation's business needs. Often, an organisation will simply collect data on its assets because it can – it has a big corporate system that can hold all types of data, including serial numbers, makes, models, capacity, age, condition, colour, manufacturer ... and the list goes on.

Before you start collecting information, determine what the data is needed for and how it will be used. Then design an asset information management strategy to suit. You could need significantly less data than you may have thought and it may already be available. And it's so important to allow for the ongoing data improvements and data updates at the start of the process.

Once you've made the 'mind shift', gained support from the highest level and collected the data, the next challenge is to use the data to drive the works program. This process needs to be more than an academic exercise. All too often organisations are legislated or forced to comply with reporting requirements rather than thinking long-term for the good of their business.

It's surprising how quickly the various tasks fall into place to produce a good plan for the future. Avoid the traps though – avoid reinventing the wheel. The Institute of Public Works Engineering Australasia (IPWEA) has written the book on how to do this. It also has good cloud-based tools for doing property assessments, analysis and planning at www.ipwea.org/buildingsplus.

The industry needs to move to more of an approach that analyses asset information to determine the possible future events – using the facilities manager's expertise in a more strategic way.

How to go about it

Learn from others: join a few carefully selected LinkedIn forums and IPWEA's Asset Mates. As this longer-term view is mainly associated with government organisations, follow forums with a strong government representation.

Update your reading: IPWEA has been providing internationally recognised 'how to' guides since the mid-1990s and is a key member of the international panel that has developed the upcoming ISO 55000 standard – these guides will also help you to align with the new ISO.

Tailor an asset management system to suit: consider how your organisation could apply a framework using the ISO as guidance and:

- align your approach that meets the needs and expectations of stakeholders
- gain commitment from the governing body, provide leadership through policies and define roles, responsibilities and authorities
- establish your asset management objectives and identify the organisation's key risks and opportunities
- provide the right amount of support – appropriately skilled and experienced people engaged at the right time and the right level
- ensure it's about asset information management over time rather than one-off data collection or property assessment projects
- change the way things are done – this is a new business process that needs to be embedded into the organisation
- ensure there is a 'continual improvement' process that recognises that data, process and systems will need to improve over time, and
- decide on the right computer software early on in the process – you will need to collect and hold a sizeable volume of data, and then be able to readily analyse and report it. Avoid spreadsheets and simple databases – implement asset planning software that can be extended as your needs evolve.

Make a real difference: this is for the betterment of your organisation. Ensure you:

- tell a compelling story with the new information, so that decisions are made knowing the risks and opportunities
- take bite-sized chunks to gain real value from the process early rather than waiting for the system to be fully implemented
- make use of the information in the annual works programming process – judgement is still needed when basing your projects on the new information, and
- report on how it is making a difference early on in the process – the ideal story is to show how the more proactive approach is minimising costly reactive call-outs, providing a better level of service to tenants and making the most of the budgets available considering the long-term view.

Those getting it right

Through this long-term thinking approach, facilities managers will be playing an active role in achieving the organisation's vision through providing facilities that customers and staff can rely on and feel good about.

Use proven practices and software to make this work quickly – get early 'runs on the board' and show that it makes a real difference. Assure your stakeholders that you know what is coming up and how you are managing the risks and opportunities.

Here are a few examples of what others are doing:

- **A national banks** properties team and the finance team are now on the same page, and funding is based on life cycle, rather than receiving the typical 'last year's minus five percent' funding.
- **A council in Victoria** is now able to focus on immediate maintenance to bring community facilities up to standard and then prioritise planned renewals based on community need and usage. The process brought its property department closer to its community planning departments.
- **A New Zealand university** now has a 'beautifully constructed strategic framework' that threads its way through all aspects of operation and is the basis for all decision-making, even at the 'shall we repair or replace this component?' level. It lives and breathes its values. That is the link.
- **A large New Zealand council's** asset management process for public facilities like art galleries, museums and libraries now has a master plan for capital works that is aligned with maintenance requirements, and allows maintenance people to make informed decisions on repair.
- **A New South Wales council** has applied an asset planning approach to determine options for changing the use of its older library facility to a modern commercial office that could be leased. ●

Complimentary White Paper

Strategic Space & Move Management The Business Benefits



Service Works' new white paper includes:

- The importance of strategic space management to **maximise occupational efficiency**
- Cost & organisational advantages gained from **effective move planning & management**
- The **benefits of space management** software & its importance in delivering a cohesive operational strategy

[Email info@swg.com](mailto:info@swg.com) to obtain a copy

Visit Service Works Global at **Total Facilities** Stand Number **B16**
4th-5th March 2014 - Melbourne Convention & Exhibition Centre