Book review

Asset Management, Whole-Life Management of Physical Assets

Chris Lloyd (ed.). Thomas Telford, London, UK, 2010,
ISBN 978-0-7277-3653-6, £54, 242 pp.

How often have you heard, or used, the phrase ‘people are our most important asset’? The implication here is that there is more to an asset than just the physical infrastructure. Those who choose to analyse the concept will probably list many more facets: finance, information, knowledge, reputation and so on; the list could be very long. However, all too often, when organisations discuss asset management, it is only the physical assets that are discussed, in particular the level of expenditure upon maintenance. This book makes clear that such an approach is far too narrow and ultimately this is a side issue.

Despite being a slim volume, the chapters cover a broad range of topics from an historical outline of the development of asset management in the utility sectors to the creation of an organisational culture. While many municipal engineers might describe their work as creating and maintaining public assets, it is debatable how wide and all-encompassing their brief is. This book will therefore be familiar in parts but will also contain aspects new to many.

When assets are created with a life expectancy measured in decades, occasionally centuries, there are inevitable conflicts between short-term goals and long-term requirements. There are many stakeholders involved in these conflicts: initial investors, operational staff, shareholders, regulators and customers. Balancing these competing requirements is not an easy task and certainly not one that can be left to a specific discipline within the organisation. The authors make clear that the thinking and approach needs to be absorbed into the entire structure of the organisation at all levels, across all disciplines, for the full benefits to become evident.

In that sense this book can be understood by everyone; no prior knowledge is required and hence no one is excluded; this is both the book’s strength and its weakness. It raises awareness and poses plenty of questions but makes few demands upon its readers. At this stage of the ‘asset management’ debate, when a paradigm shift is being sought, that is no loss, but it will be too generalised for some.

Those looking for a detailed treatise on condition-based maintenance or information technology (IT) modelling will need to look elsewhere;

there are plenty of good texts on these topics already. This book is aimed at placing asset management into a conceptual framework that is as relevant in the boardroom as on site. The editor has drawn together chapters from eight authors, each a specialist in their field, to discuss asset management from a variety of perspectives.

The opening chapters discuss the historical background of the rail, oil and gas sectors to show how the practice has developed from simple maintenance into whole-life management. Succeeding chapters cover the development of the British Standards Institution’s (BSI) PAS 55, the creation of an asset management culture and the incorporation of climate change into the thinking.

The approach throughout can be summed up as

- thinking about whole systems not their parts
- applying a whole-life perspective
- managing risks not resources
- leaving assets in the state you would wish to find them
- stakeholders understanding the choices made.

The role of statutory regulators in setting appropriate performance standards is discussed, from the perspective of ‘what gets measured, gets done’. This recognises the fact that any indicator provokes an organisational response to comply, irrespective of whether the measurement is productive. No quick-fix solution is peddled. One author comments that the adoption of asset management, as a system, needs to be viewed in the same way as Deming’s quality standards when they were adopted. It is a philosophy of continual improvement rather than a patent system of measurements.

In the current climate, public sector managers need to present a persuasive business case to justify investment in infrastructure. The earlier chapters in section 1 could be easily used to brief non-technical colleagues and elected councillors about the outcomes that can be expected when an asset management approach is adopted. The middle chapters, in section 2, will be most helpful to train practitioners and design systems. Section 3, the final part, is a guide that should enable senior engineers to operate in a strategic context.

This book is a valuable addition to the literature and will inform the thinking and sharpen the approach of all stakeholders.

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