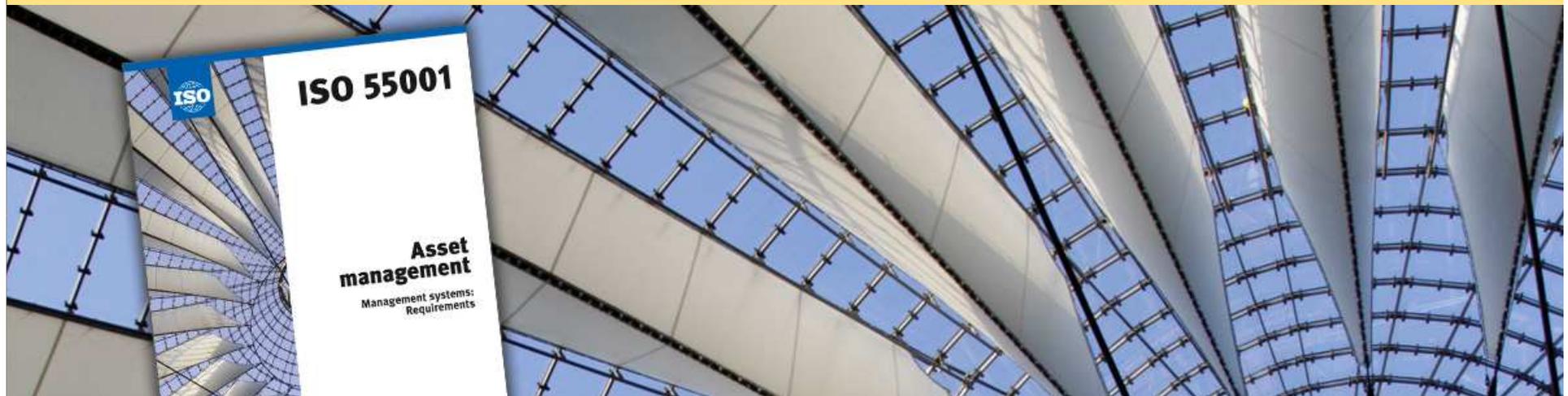


ISO 55000:2014

The What and Why of It



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Full Disclosure

1. I am not the expert, but the messenger
2. Thomas Smith is the expert
3. He's a Badger, and he has an axe . . .



The Expert Will Speak

Save the date:

Thomas Smith, the University of Wisconsin and University of Minnesota are tossing the axe and hosting a daylong detailed seminar in conjunction with CCE on ISO 55000, the first in Minnesota!

May 14, 2015

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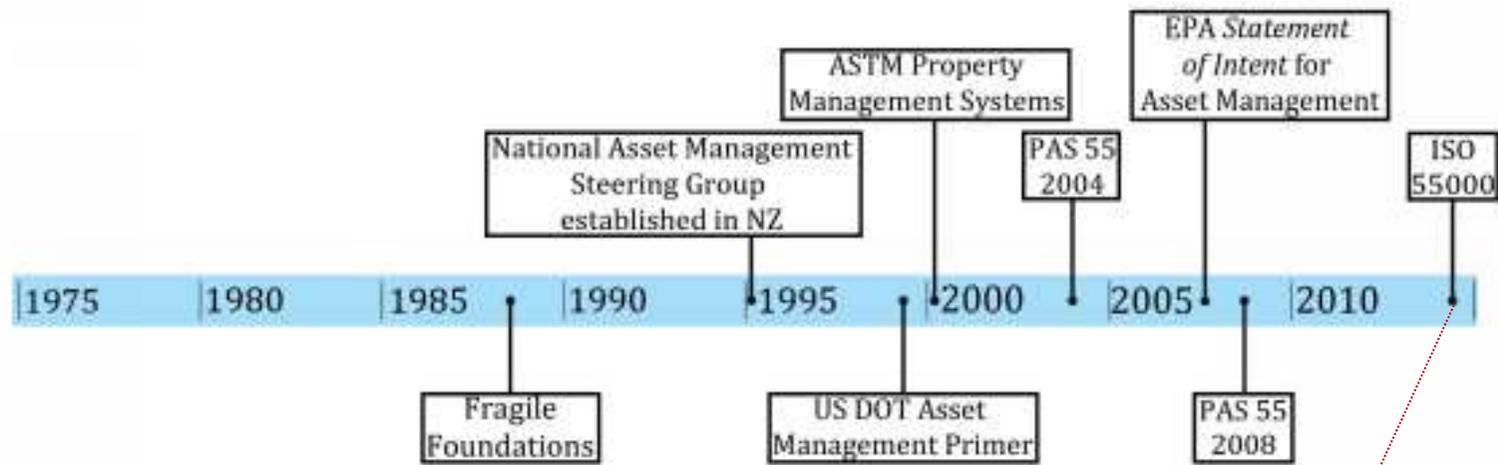
So, what is asset management?

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That depends on who and when this was asked

Figure 1 Asset Management Standards Timeline



January 2014

Per the EPA - 2008

“Asset management is maintaining a desired level of service for what you want your assets to provide at the lowest life cycle cost. Lowest life cycle cost refers to the best appropriate cost for rehabilitating, repairing or replacing an asset. Asset management is implemented through an asset management program and typically includes an asset management plan.”

Per the British Standards Institute Publicly Available Specification 55 (PAS) - 2008

Asset management is the “systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organisational strategic plan.”

Per ISO 55000 - 2014

Asset management is the “coordinated activity of an organization to realize value from assets.”

Purpose: ISO 55000

The standard is devoted to explaining and enforcing strategic and comprehensive asset management through the use of a management system aligned to organization strategy.

This is a wide open playing field . . .

And further . . .

*This International Standard specifies the requirements for the establishment, implementation, maintenance and improvement of a **management system** for asset management, referred to as an asset management system.*

And further . . .

Asset management requires accurate asset information, but an asset management system is more than a management information system.

Why a Management Systems Standard?

- The standard serves a broad audience
- A “technical” standard is not possible
- Provides greatest possibility of success
- Integrated management systems may be developed across several other ISO standards, i.e.
 - ISO 9000 Quality Mgmt Systems Standards
 - ISO 14000 Environmental Mgmt Standards

Why a Management Systems Standard?

“This international standard can be applied to all types of assets and all types and sizes of organizations. The International Standard is particularly intended to be used for managing physical assets in particular, but it can also be applied to other asset types.”

But English language proficiency seems an issue with the drafters

Research shows. . .

that ISO Management Systems do not succeed independently, but must be part of, and integrated with, the overall mission, vision and values of the organization.

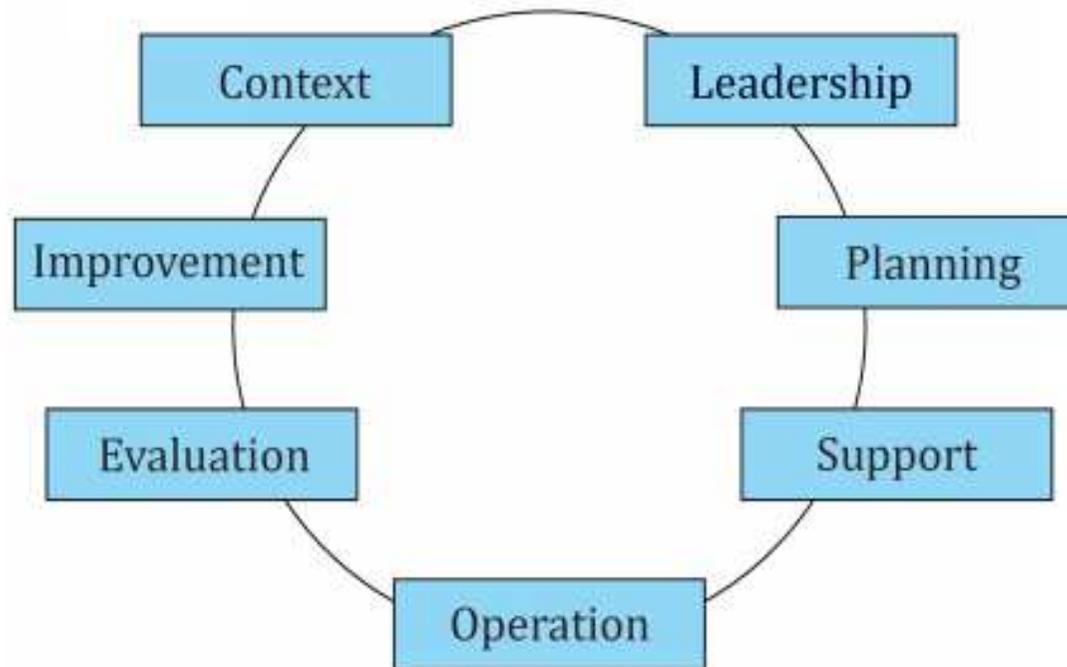
Requirements of the Strategic Asset Management Plan (SAMP)

- The organization defines the “boundaries”
- The organization defines the “portfolio”
- The organization defines the “policy”**
 - External and internal issues
 - Requirements
 - Interaction with other management systems/standards

**Note: the tem “portfolio” has very specific meanings – refer to the standard

Seven System Elements

Figure 2: Elements of an Asset Management System



The order is not important – it is NOT sequential!

Context:

“The organization shall establish, implement, maintain and continually improve an asset management system, including processes needed and their interactions, in accordance with the requirements of the International Standard”.

ISO 55001:2014, sec 4.4

Context results in:

- SAMP: Strategic Asset Management Plan
- Scope of assets to be managed

Context of the Organization

- Establishes scope – what assets are controlled by the management system and the external and internal context
- External: covers environmental, physical, social, cultural and economic factors
- Climate change, global security (both physical and cyber) and social responsibility
- Internal: organization culture, mission, values and vision.

Leadership

- Refers to “Top Management” when describing leadership obligations
- Includes leaders at all levels
- Avoids specific titles

Leadership – Five Tenets

- Direction (mission, values, vision, etc.)
- Assurance (systems in place, integrated)
- Support (personal responsibility, resources)
- Coordination (oversight, eliminate barriers)
- Risk Management (coordinated approach)

Planning

- Does not prescribe performance, but rather prescribes plans
- Does not create a separate planning hierarchy, but rather a seamless planning equal in stature to other business planning process such as finance, technology, operations, HR, etc.

Planning Tenets

- Planning the Asset Management System
- Establishing Asset Management Objectives
- Planning to Achieve Objectives.

An ambiguity: who does the planning? Presumption: leadership driven until the management system is in place.

Support

- Organizational support for asset management system is multifaceted.
- Burden of proof is heavy in this section

Support - Tenets

- Resources (what and where are they in “support”)
- Competence (define, acquire, evaluate, review and improve of those developing and managing the system)
- Awareness (are all stakeholders aware?)
- Communication (5 w’s +h)
- Information requirements (types, quality, dissemination)
- Documentation (identity, process, control)

Operation

- Refers to the operation of the system, NOT of the individual assets feeding into the system.
- Requires control of outsourced activities
- Suggests a cycle of policy, standards, plans and processes are continuously fed back into the design and operation of the system.

Evaluation

- The organization must evaluate and report on:
 - The asset performance
 - The asset management performance (financial and non-financial)
 - The effectiveness of the system
 - The effectiveness of the process for managing risks and opportunities.

Evaluation Tenets

- Monitoring, measuring, analysis, evaluation
- Internal audit
- Management review
 - System performance against plan
 - System design/operation against suggest improvements
 - System design and objectives against organizational change

Improvement

- The organization shall continually improve the suitability, adequacy and effectiveness of its asset management and asset management system.
- Includes outsourced systems.

Improvement Tenets

- Non-conformity and corrective action (reaction, control, correction, remediation)
- Preventative action (proactive vs. reactive)
- Continuous improvement

Compliance

- Conformity assessment is the demonstration that specified requirements relating to a product, process, service, person, system or body are fulfilled
- Demonstration may be undertaken by a manufacturer or supplier (first party), a user or purchaser (second party), or an independent body (third party).

Why Bother?

According to ISO:

- more efficient use of resources
- improved risk management, and
- increased customer satisfaction as services and products consistently deliver what they promise.

Why Bother?

Regarding ISO certification:

- Certification to management system standards is **not** a requirement. You can still benefit from implementing these standards without having to be certified to them.
- If you are looking to get certified to one or more of our management system standards, you must contact an external certification body. **ISO does not perform certification.**



Now That's More Like it!

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Remember, Save the Date:
May 14, 2015



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