



Asset Management

**Managing Assets
in the context of
Asset Management**

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About ISO/TC 251

We are the ISO Technical Committee for Asset Management Systems responsible for the development of the ISO 55000 family of standards. These standards define good practices in Asset Management and requirements for a management system.

Find out more at committee.iso.org/tc251

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Some thoughts to promote clear conversations...

This document addresses a simple question:

Do you mean Asset Management or Managing Assets?

People and organizations have been caring for assets since mankind first invented tools. Over the years we have derived entire disciplines to help define the best ways to care for those assets through their lives and as such we have been **Managing Assets** for ever. With the advent of the formal discipline of **Asset Management** some 20 years ago there has been a development of structured approaches to assure stakeholders that those care activities are focused on deriving value for the organization and not just promoting 'gold-plated' care arrangements. In this pursuit **Asset Management** and **Managing Assets** are not alternatives.

Managing Assets (things you do to assets) can be done with or without a structured organizational strategy and context. An organization gains more value from **Managing Assets** within a context of organizational purpose and strategy that steers this activity (and becomes **Asset Management**).

Asset Management has a broader focus than **Managing Assets**, encompassing many organizational levels and applying to all functions or departments. The terms and concepts are explained in ISO 55000 'Asset Management', which shows how the application of broader Asset Management approaches can help you extract most value for stakeholders.

With the broad acceptance of Asset Management as a discipline there are many cases of other activities being rebranded as Asset Management and it is important the value that Asset Management brings from a broader organizational view is not lost.

Here are several questions that indicate whether the primary focus of a given conversation or activity is **Asset Management** or **Managing Assets**.

When you talk about Asset Management, what topics do you focus on most?

A **Managing Assets** Focus

- Lifecycle activities and asset care - availability, reliability, dependability and safety
- Asset location, condition, life extension and/or interventions
- Asset databases, systems (and IT) and performance
- People, skills and work management
- Budgets and key performance indicators (KPIs) / cost of maintenance and current performance

An **Asset Management** Focus

- The purpose of your organization and what assets does it need – and why
- Value, purpose and long term outcomes
- Risk and context e.g. markets / climate / regulation or what
- Holistic approach to different funding streams e.g. CAPEX and OPEX?
- Collaborative behaviors - breaking down silos both internal and supply chain?
- How assets contribute to organizational value

When you listen, what are others really focused on?

Managing Assets	Asset Management
<p>Your colleagues are focused on:</p> <ul style="list-style-type: none"> • Asset data, location and condition assessment • Current KPIs • Department budget 	<p>Your colleagues are focused on:</p> <ul style="list-style-type: none"> • Information supported decisions (strategic context and related to customer needs) • Strategies to select and exploit assets over their lifecycles to support business aims • Collaboration across departments to optimise resources allocated and activities
<p>Your stakeholders are focused on:</p> <ul style="list-style-type: none"> • Costs • Current performance • Response to failures / maintaining function 	<p>Your stakeholders are focused on:</p> <ul style="list-style-type: none"> • Triple bottom line and value • Clarity of purpose of the organization • Focus on impact of activities on organization's objectives
<p>Your top management is focused on:</p> <ul style="list-style-type: none"> • Short term gain / loss • Departmental / individual performance • Savings, especially OPEX 	<p>Your top management is focused on:</p> <ul style="list-style-type: none"> • Long term value for the organization • Developing competence and capability across workforce • Business risks understood and mitigated
<p>Your suppliers are focused on:</p> <ul style="list-style-type: none"> • Short term contracts and performance • Service level agreements are focused on contract specifications 	<p>Your suppliers are focused on:</p> <ul style="list-style-type: none"> • Long term contracts and/or partnering relationships in support of client value and objectives • Understanding client strategy and needs in 5-10 years

How can ISO 55000 / 55001 / 55002 help?

These International Standards provide an overview of **Asset Management**, its principles and terminology and the expected benefits from adopting asset management. An 'asset' is 'something that has potential or actual value to your organization'; and '**Asset Management**' is "**the coordinated activity of an organization to realize value from assets**".

The Standards provide common concepts, language and requirements for Asset Management and the supporting Asset Management System. In doing so, they address both the activities performed directly on the assets (**Managing Assets**) and the strategies and plans of the organization to derive value from those assets (**Asset Management**).

For more resources, please visit: <https://committee.iso.org/tc251>