

Workshop 2: Develop your AM Strategy and Team Terms of Reference

Welcome to Workshop 2! Over the next two days, we will be “putting pen to paper” and will spend a lot of working time developing your asset management strategy and team mandates.

Module 4—Develop Asset Management Strategy

After completing this module, participants will achieve the following learning goals:

- Reflect on progress in asset management since the last workshop, review components of an asset management strategy and describe a process for developing a strategy
- Develop asset management objectives
- Identify and prioritize goals that support asset management objectives
- Outline your asset management roadmap for the next 5 years

Reflect on progress, review components of a strategy and describe a process for developing a strategy



Activity

1. Reflect on your progress since the last workshop. What did you accomplish, and what do you still have left to do?

2. What challenges did you encounter in completing the assigned tasks?

3. What conversations did you have about asset management? With whom?

4. Did anything surprise you in completing these tasks?

5. What have you learned that you think could help you with your next steps?

As a refresher, a strategy:

- Outlines the framework and approach for implementing the asset management policy
- Serves as the conceptual structure for the asset management system
- Defines the system's internal makeup and interactions with external practices or functions
- Identifies objectives (specific, measurable outcomes required of assets and asset management) and reporting requirements
- Provides an overview of current corporate assets, services, risks, costs, and funding
- States status of corporate asset management practices
- Identifies goals
- Outlines strategies to improve asset management practices
- Outlines relationships between other corporate initiatives or plans

In this course, we will be following the Asset Management Handbook & Toolkit process for developing and implementing an asset management strategy:

1. Establish a baseline
2. Develop asset management objectives
3. Identify goals and appropriate activities for each objective
4. Outline a corporate approach to asset management for the next five years
5. Communicate the strategy
6. Use and update the strategy

You will be provided a USB drive that contains an asset management strategy template that follows this process. We will be walking through this together, with facilitated activities and discussion along the way that are designed to help you develop and test your strategy.

Source(s): *Building Community Resilience Through Asset Management: Handbook & Toolkit for Alberta Municipalities; FCM Guide: How to develop an asset management policy, strategy and governance framework*

LEARNING GOAL: Considering your baseline assessment, develop asset management objectives

Establish a baseline

There are a variety of tools available to help you assess your current asset management practices, including the NAMS maturity assessment, AssetSMART 2.0, and the FCM AMRS. In Workshop 2, we will be referring to the FCM AMRS assessment we completed in Workshop 1.

Your baseline also considers the other initiatives that influence asset management or tools you are currently using to support asset management processes. These may include:

- Basic asset inventory, in GIS or Excel
- Tangible Capital Assets inventory
- Capital plans
- Municipal development plan
- Sustainability or climate change related plans
- Asset management policy
- Asset management strategy
- Asset management plan
- Infrastructure master plans
- Community strategic plan
- Others?

Activity

Review your FCM AMRS assessment from the last workshop. What are the most important areas to improve in, and why? What do you want to achieve from that? Compare your answers to your community’s strategic plan (if you have one) – do your priorities support the strategic plan?



Develop asset management objectives

Your asset management strategy will include a set of objectives, the goals associated with each objective, and a list of actions required to achieve each goal.

Objectives are statements that articulate your vision and guide your approach to achieving your vision through strategy. Objectives need to be:

- Clear
- Broad
- Aligned with community priorities
- Relevant to staff throughout the organization
- Focussed on what matters most

At the same time, objectives need to be specific to your context and speak directly to the challenges and opportunities in your community.

Some examples of an objective and how that objective is supported by goals and activities are below:

Objective: Improve physical fitness

Goals:

- I can run 5km without stopping
- I can do three pull ups in succession

Activities:

- Research and select a training plan for completing a 5km run
- Identify a target 5km community run and sign up
- Implement selected training plan to be ready for the day of the event
- Install a pull up bar in my house and practice daily

Objective: Reduce lifecycle costs of major infrastructure

Goals:

- We have defined the current lifecycle costs of major asset classes.
- We have optimal proactive maintenance programs in place to extend the life of the assets.
- Design and procurement decisions consider lowest lifecycle cost options.

Activities:

- Update replacement costs for asset types in major asset classes.
- Use existing O&M cost data to estimate costs of current operations and maintenance activities by major asset type.
- Develop a proactive maintenance program for one pilot asset type
- Update capital project business case template to include assessment of lifecycle cost options
- Train staff on use of updated business case template

SOME QUESTIONS TO CONSIDER WHEN DEVELOPING OBJECTIVES:

- What is the vision for your community?
- What are the biggest opportunities or strategic risks to achieving the vision?
- How can asset management enable the achievement of the vision, or the management of risks?
- Why is it critically important for your community to advance in asset management?

Activity

Refer back to page 12 to 14 of this workbook and reflect on your past answers to the activity questions. Use the tools you brought with you, your past activity answers, and what you've learned since Workshop 1 to identify key areas for improvement in asset management.



Activity

With your asset management team, review the sample “menu” of asset management objectives included in the workbook appendices. Discuss which objectives are the most relevant and important for your community, edit them, and add your own if needed.





Activity

Partner up with another community and share your top asset management objectives. Why is each objective important for your community? Play devil's advocate and ask questions about why each objective is a priority and what it means.

LEARNING GOAL: Identify and prioritize goals that support your asset management objectives

Identify goals for each objective

In this course, asset management goals are specific and measurable outcomes that will help you achieve your defined objectives. Objectives are typically high-level and broad. Goals break the objectives down into the various things that need to be accomplished before you can achieve your objective. Each of the goals will be broken into several actions in our next step of developing the roadmap – but for now, we’re focusing on the goals.

For example:

Objective: Improve physical fitness

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Note that the goals are for the timeline of the overall Strategy (commonly five years) and so they may only get you on a path towards achieving your objectives rather than fully achieving them. This is by design – you will revisit your strategy regularly and update the goals and activities as needed.

Some areas to consider when thinking about goals to support your asset management objectives:

- Internal asset management awareness and education
- Understanding of lifecycle costs of assets
- Available ability and capacity to communicate about asset management to council and/or internal staff
- Asset inventory completeness, accuracy, and trustworthiness
- Organizational definition of risk, and organizational understanding of risk
- Climate change considerations
- Documented risk assessment approach and completed assessments
- Definition and documentation of levels of service, in consultation with relevant stakeholders
- Discussion and documentation of trade-offs in decision-making processes
- Integration of asset management into capital planning process
- Communication with the public
- Integration of asset management progress measurement with existing annual processes

It is common to go back and refine your objectives as you define your goals – the process can be iterative.

A strategy defines not just what you will do, but also considers what you will say ‘no’ to. You can’t improve in everything all at once, though it is very tempting to try! It’s a very important step to think of all the things you could possibly do, identify your priorities, and practice articulating why you chose your priorities.

Not sure where to start? Here’s a suggestion for common first goals for a first asset management strategy:

1. We have a consolidated asset inventory.
2. We have an asset replacement forecast to help us understand our infrastructure deficit and future risks.
3. Staff and council are aware of our infrastructure deficit, future risks to service delivery, and the need for asset management.

Activity

As a group, brainstorm all the goals your community could set to improve in asset management. Evaluate each on a scale of 1-10 for amount of effort required, and on a scale of 1-10 for level of impact. Hint: look back at your answers to the activities we completed in Workshop 1 for inspiration.



Which goals need to be achieved first (what's the critical path)?

Goal	Effort (1= low, 10 =high)	Impact (1=low, 10=high)



Reflection

Which goals are standing out as high impact, low effort?



Try it out

Have one of your team members visit another community's table (your facilitators will be telling you who to visit!). The rest of the team will present their objectives and strategies, and AM champions will ask questions and provide comments or suggestions.



Reflection

Did you make any adjustments to your top priorities? Why or why not? Do you think Council/other staff may have some of the same questions?

Consider each of your top goals. What does success look like for each of these?

Module 5: Develop Asset Management Team Terms of Reference

After completing this module, participants will achieve the following learning goals:

- Review the importance of an asset management team
- Develop asset management team terms of reference

LEARNING GOAL: Review importance of an asset management team

Asset Management is a team sport and requires representation from all parts of the organization.

Considerations when building a team:

- Your approach is scalable to community size and capacity – there is no one size fits all!
- Identify a champion and a cross-departmental team
- Identify roles and responsibilities
- Identify gaps

Why should our asset management team have a terms of reference?

A terms of reference serves as written documentation of what your asset management team is structured to do and how it will operate. Having this document can make it easier to communicate with others what your intent is, align expectations, onboard new staff members, and maintain consistency of purpose within your team over the long term. It is much simpler to remind yourself what you're aiming for when you can go back and physically look at it! This will also help you with knowing where or how to adapt your team's purpose and approach as you advance in asset management.

Reflection

What will you need to do to secure support from management and council, if you don't already have it?



On your USB drive you will find a sample template for an asset management team terms of reference. We will work through this together, like we did for the asset management Strategy.

Develop asset management team terms of reference

A team terms of reference identifies the following:

1. Purpose of the asset management team
2. Membership and structure
3. Accountability and reporting
4. Roles and responsibilities
5. Communication and meetings (lines of communication, form and frequency of communication)
6. Succession planning approach

Some guiding questions to answer for each part of the team terms of reference:

Team purpose:

- What is this team's function? What are you trying to accomplish?

Membership and Structure:

- Who should be on the team (what perspectives and roles)? Who is the AM champion, and who is supporting them? Are there any gaps?

Accountability and Reporting

- Where does approval authority lie?
- How will the team report on progress? To whom?

Roles and Responsibilities:

- What is each role responsible for?

Communication and Meetings:

- Lines of communication (if necessary or applicable)
- Team meetings (frequency, preparation and leadership responsibilities)
- Communications to the rest of the organization (purpose, frequency, responsibilities)
- Communications to Council (purpose, frequency, responsibilities)

Succession Planning Approach

- How often will your team revisit your terms of reference, and update if necessary?
- Identify any gaps in current membership, articulate risks of not having that perspective present



Activity

As a team, develop your mandate. Facilitators will be available to provide thinking partner support and to answer any questions along the way.

Module 6: Communicate asset management strategy to others

After completing this module, participants will achieve the following learning goals:

- Articulate why it is important to communicate about asset management, and to which groups
- Identify a target audience
- Prepare and deliver a short presentation about your asset management strategy designed for your selected target audience

LEARNING GOAL: Why do we need to communicate about asset management, and to which groups?

Remember, these are the benefits of AM:

Asset management helps municipalities

- evaluate and communicate trade-offs
- make evidence-based decisions
- defensibly prioritize projects and resources
- align organization with things that matter most
- decide what infrastructure needs to be replaced or renewed
- determine how much should be saved for future infrastructure renewal
- demonstrate accountability to community

A good AM system is not the most sophisticated, most expensive, or even most comprehensive. A good AM system is one that is understood and supported by staff, council, and the community and is ultimately implemented. Implementation will require a certain amount of change management and may require different approaches for different perspectives. Your challenge is to help stakeholders with perspectives other than yours make the connections between the benefits of asset management and how it will help them do their jobs.

Consider the following groups and their interests:

Council:

- offer citizens a level of service and added value
- respect the strategic plan
- adopt and follow the sustainable development plan
- maintain a balanced budget
- minimize risks
- preserve community identity
- leave a positive legacy
- Others?

Management:

- implement council's vision by respecting the strategic plan
- oversee administration of municipality
- implement policies and maintain regulatory compliance
- leave a positive legacy
- retain internal expertise and develop staff
- Others?

Finance:

- prepare financial reports and capital asset accounting
- design revenue collection plans and pricing rates
- balance and manage debt
- respect standards and complete audits
- understand cash flow needs
- avoid spending spikes
- Others?

Staff:

- Work in accordance with regulations, standards, and policies
- Operate as per departmental budget allocations
- Conduct projects on time and on budget
- Showcase the community by developing built environment and bylaws
- Maintain business licenses, assets and project tracking
- Provide service and resolve any service delivery issues despite constraints
- Communicate relevant field information to management
- Comply with operating permit requirements and preserve them
- Ensure management of natural assets, including any legislative requirements
- Consultation and awareness internally and externally about service delivery and sustainable development issues

Activity

Reflect on your community, your organization, and the work you've put in to advancing asset management over the last two workshops. Which is the most important stakeholder group for you to communicate with next (and in the short term) to build support for your asset management approach?



Activity

Working with your team, prepare a 5-7-minute presentation about asset management to your identified target audience. You can use the presentation outline provided, or parts of the FCM sample presentation, or you can use neither of those things and choose to go your own way.



Looking forward to Workshop 3

You have accomplished a lot in the last two days. The discussions you had may have been challenging but developing a thoughtful asset management strategy and team terms of reference are important steps in advancing in asset management.

We have one more workshop left in this series, where we will tackle your asset management policy. Between now and then, consider the following actions:

- Share your asset management strategy with other staff that were not a part of its creation but have roles to play in implementation. Describe the process you went through in creating the strategy and ask for their input.
- Deliver your strategy presentation to your target audience. The sooner you do this the better – a presentation is always better the second time around, take advantage of this while it's still fresh!
- Share your asset management strategy with council (if they were not your target audience). Remember, council does not need to approve this strategy, but they can show their support for it by endorsing it.
- Take a moment to reflect on where you started at the beginning of this workshop series, and celebrate how far you've come!

