

The Six Myths of Asset Management

THE REALITY *You don't have enough money to do all that you need for your infrastructure.*



THE TRUTH *Asset management can help. But you've got to avoid the pitfalls.*

Perhaps hard economic times and deteriorating infrastructure haven't reached the hallowed streets and drainage systems of Jupiter Island, Florida (the most expensive zip code in America), but the rest of us across the U.S. of A. are trying to do more with less. Hence the lure of the promise of asset management. Whether you're ready to plunge into this infrastructure management methodology with heart and soul, or you've already dismissed it as just another consultant-created appropriation of good old fashioned common sense, there are a few bits of wisdom you need to heed.

Asset management does mean different things to different people, but the fundamental element is prolonging the useful life of our infrastructure, as cost effectively as possible.

We believe in asset management. Not as an overblown, high dollar solution, but as a practical, real world system for making decisions that stretch dollars and keep constituents happy.

This is not a primer on how to create an asset management program. It's a collection of our observations of the myths about asset management. We hope to save you from these pernicious lies, fallacies and half truths, so that you can reap the real and quantifiable rewards from asset management.



Myth #1: I don't need an asset management program.

Sure, we understand. You don't need an asset management program because you already know everything that you need to know. You know exactly what to do to maintain your assets, where to do it, when to do it, how much to spend and how it will affect your entire infrastructure. And you have ample funding. You should probably stop reading now.



Myth #2: Asset management requires an inventory of my entire infrastructure.

Perpetuated by technology geeks and data freaks, this myth assumes that every single, solitary speck of infrastructure is equal in importance. Why is it just as important to know where every inch of pipe is located as it is to know the location of the 60-year old, 48-inch transmission main that services one of your critical business districts? According to some estimates, approximately 80% of the total development cost of an asset management application consists of data collection and digitization. Effective (and cost effective) asset management programs start with an inventory of the critical assets of a system.



Myth #3: You must have a GIS to build an asset management program.

A GIS (geographic information system for the neophytes) is a wonderful thing. GIS is a powerful tool capable of storing, maintaining, organizing, and analyzing voluminous data with spatial references.

However, at their foundation, GIS applications are tools for improving data management. They don't make decisions for you. The first step in an effective asset management system is to create a clear goal and to tie that goal to metrics that measure progress toward the goal. Then you can search for the best tools and approach to accomplish your goal.



MR. SMARTY UNDER PANTS
ALREADY KNOWS EVERYTHING
DON'TCHA... NOT

Myth #4: It takes years to realize the benefits of an asset management program.

Not acceptable. An asset management program can (and should) start with the data and institutional knowledge that you have now to immediately improve decision making (aahhh instant gratification) and results.



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Myth #5: Someone else will build the perfect asset management system for us.

Purveyors of asset management systems often tout the benefits of a “turnkey solution”. You may be told that it’s more cost effective to turn the entire project over to consultants, who will develop the program, gather the data and implement the necessary tools. There are two reasons that this assumption is not only false but also dangerous:



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1. Based on human nature, you value most what you’ve helped to create. Key staff must participate in developing the asset management program, determining the goals, the process and the tools. For your asset management system to be successful, you’ve got to get some skin in the game.
2. You, with your wealth of institutional knowledge know how your system operates, how you wish it to operate and what tools would make the most sense for your organizational culture. Even if you team with consultants, you must participate in determining the goals of the system and its process implementation.

Myth #6: Once built, an asset management program is self sustaining.

This myth arises from the assumption that an asset management program is a product to be developed rather than a business process to be implemented. As a business process, your asset management program should evolve as the condition of the system and expectations for service delivery changes. The dynamic nature of an asset management program is all the more reason that you and your staff should be involved in all aspects: the creation, implementation and operation.



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Asset management promises to improve cost controls and service delivery. By avoiding the most common myths, you can invest your time and dollars in a program that actually delivers on those promises.

OHM has helped dozens of organizations save millions of dollars by applying an asset management approach to infrastructure management.

ASSET MANAGEMENT... YEAH IT'S LEGAL, BUT THEY SHOULD LOCK YOU UP FOR THE HUGE COST SAVINGS ANYWAY MR. MONEY BAGS.

OHM CAN HELP YOUR QUEST FOR AN ASSET MANAGEMENT PROGRAM



IF ASSET MANAGEMENT WAS SELF SUSTAINING, YOU WOULDN'T LOSE YOUR KEYS TOMORROW... HEE HEE HEE!



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