



White Paper

Improve risk management, compliance and customer satisfaction in Asset Management with PAS 55

Kevin Price, Senior Product Manager, Infor EAM, looks at how the British Standards Institute's (BSI) PAS 55 is helping organizations across the world to improve risk management, compliance and customer satisfaction in asset management.

Asset Management strategy

The evolution of asset management is gathering pace. Once restricted primarily to maintenance management and the repair of faulty equipment, modern day asset management is proactive and focused on achieving cost savings, improved profitability, better service levels and customer satisfaction, improved health, safety and environmental performance; and adherence with corporate and social responsibility (CSR) initiatives.

With vast benefits there for the taking, effective asset management is a win-win. So with this in mind, why isn't everyone doing it?

First and foremost is that it is not straightforward. Described as "Systematic and coordinated activities through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their lifecycles for the purpose of achieving its organizational strategic plan" (BSI PAS 55:2008), it is a potentially complex discipline which requires buy-in from senior management, different stakeholders, departments and needs a variety of skillsets and expertise.

In fact many organizations struggle to establish a benchmark from which to build an asset management strategy on the basis that basic information, in asset management terms, is difficult to source. Such information might include:

- Do we have a register of assets down to a significant level?
- Do we know the physical location of these assets?
- Do we know how many?
- Do we know the condition of the assets?
- Do we know, or are we able to report in the future, the life cycle costs?
- Have we assessed and determined a risk profile for these assets?

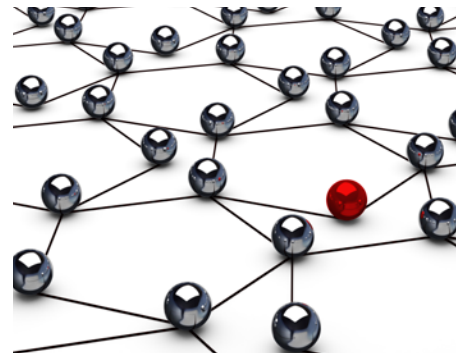


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One of the key reasons organizations fail to provide this basic information is that many of the people responsible for contributing information are not fully bought-in to the agenda and as a result, don't see the value in it.

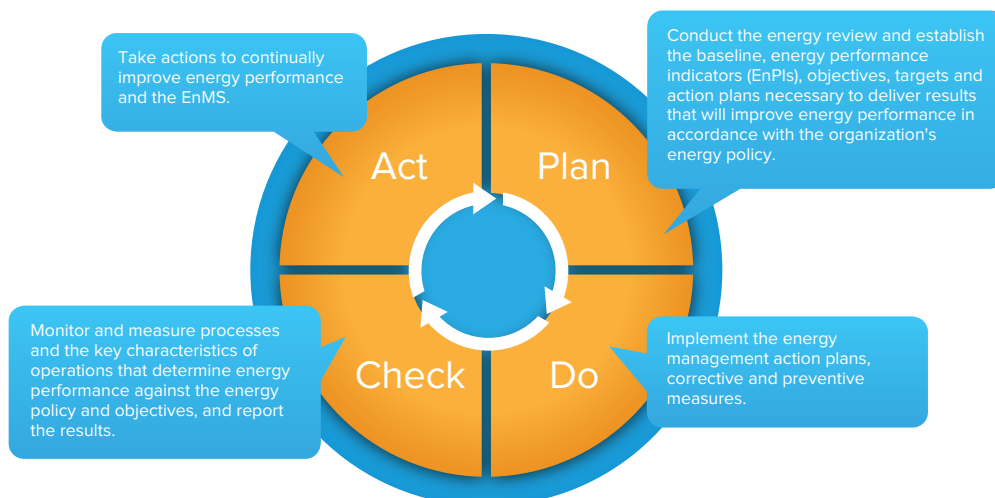
In order to overcome this, a number of standards and guidelines have been developed to help organizations establish a framework to achieve buy-in from all those who need to be involved, establish a business case and approach asset management in a structured, proven manner.

PAS 55 covers the lifecycle management of assets, establishing a framework for trade-offs between performance, cost and risk. It provides objectivity across 28 aspects of asset management, from lifecycle strategy to everyday maintenance against the parameters of cost, risk and performance. It enables the integration of all aspects of the asset lifecycle: from the first recognition of a need to design, acquisition, construction, commissioning, utilization or operation, maintenance, renewal, modification and/or ultimate disposal. It also provides a common language for cross-functional discussion and provides the framework for understanding how individual parts fit together, and how the many mutual interdependencies can be handled and optimized.

Crucially, the PAS 55 specifications provide asset management practitioners with the tools to be able to explain their organization's asset management strategy to all levels, as well as providing asset owners and managers with an understandable framework for asset management – which in turn secures buy-in and the two-way communication necessary for the strategy to be successful. It also stipulates a continuous cycle of improvement based on the PDCA (Plan-Do-Check-Act) framework.

PDCA can be outlined as follows:

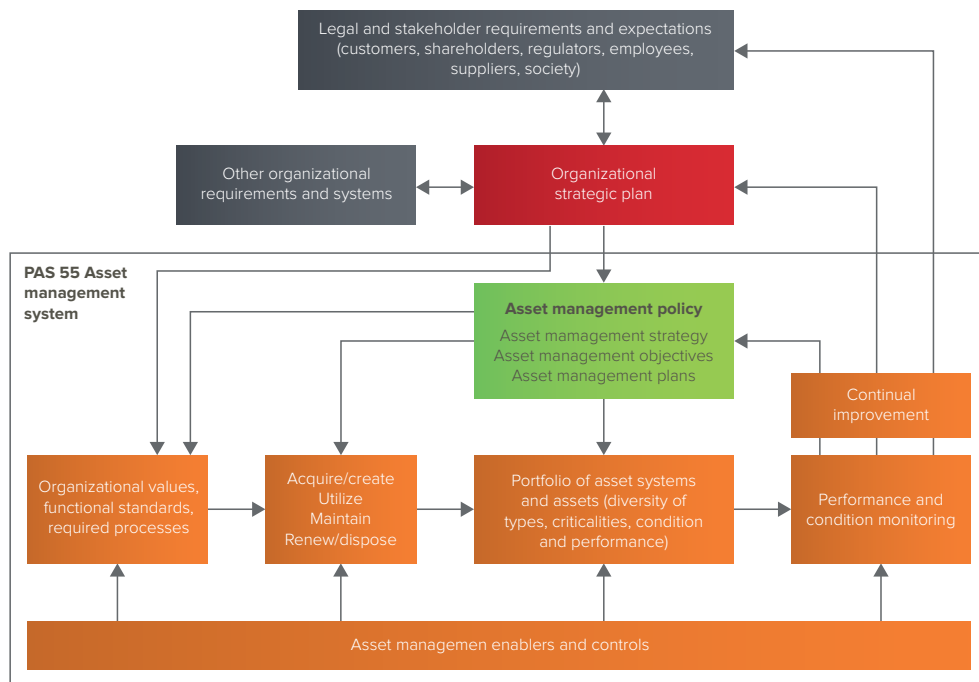
- **Plan** - establish the objectives and processes necessary to deliver results in accordance with the specifications
- **Do** - implement the processes
- **Check** - monitor and evaluate the processes and results against objectives and specifications and report the outcome
- **Act** - apply actions to the outcome for necessary improvement. This means reviewing all previous steps and modifying the process to improve it before its next implementation



Framework for success

PAS 55 provides an “out of the box” solution to a potentially complex discipline, helping to explain the business case and therefore expedite the business decision to implement. In turn this is moving organizations closer to realizing the benefits of effective asset management and raising standards across to the industry.

Of course standards only represent part of the picture – they do not contain the right knowledge, skills and solutions for world class asset reliability and availability. Systems which process information and help to keep an operation available, reliable and safe are crucial. They can cut costs, improve decisions and boost productivity. There is no substitute for dedication and hard work.



However standards are a fundamental piece of the jigsaw puzzle in that they provide a framework to help strategize, plan, create documents and manage information – and it is this part that is most significant in achieving the culture necessary to underpin asset management change and performance improvement.

The power of Infor EAM

Infor® EAM is the most configurable enterprise-grade asset management solution on the market.

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At Infor™, we've been helping customers understand the connection between asset performance and top-line growth for years. We deliver the capabilities our customers need to put this understanding into action and make their enterprise asset management (EAM) a source of greater business efficiency.

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