



APPLIED ASSET MANAGEMENT

Blog Posts

Opportunities in Asset Infrastructure

Organizational Resiliency during Unprecedented Times

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Are the activities and business processes you use to manage your assets in good order? Are they as efficient as possible? Are they effective at what they do?

While working for a municipality during the Great Recession, it took almost 4 years before we regained financial health and performance. It was “all hands-on deck” in figuring out ways to remove a \$33M gap in our general operating fund budget. And if that wasn’t bad enough, we had an historical flood event that continued to test our resiliency as a municipality and our mental toughness as professionals. Having trimmed our staffing levels to meet significantly reduced tax revenues, there was nowhere else to cut. What we did instead was to take a hard look at the business processes we performed as a department and organization. What better way to emphasize the definition of Asset Management, “the coordinated activity by an organization to realize value from its assets”.

During this period of unprecedented times, it is imperative to revisit the activities and business processes that directly apply to the resiliency of your organization and the infrastructure assets you manage.

Workflow is Cashflow

Workflows are the heart of the very activities that any firm does by its people. Workflow is cashflow if they are well coordinated, efficient, and effective at producing value. Value is in the form of service and realized from efficiently operated and well-maintained infrastructure assets. The first thing is understanding the current state of an activity or business processes, like inputs, outputs, and purpose, and determine the efficiencies or inefficiencies within the workflow. Next, determine the future state of the activity. The difference between the current and future state is the monetary savings and/or increase in infrastructure value. The fun part of this exercise is the brainstorming and creative ideas from stakeholders while evaluating the activities. Traditionally, these types of activities are reserved to senior leadership or management team levels, however, many creative ideas are garnered when diverse stakeholders are engaged, like superintendents, supervisors and lead assistants.

Benefits Gained from Efficiency

Finding available funding space within an asset’s infrastructure portfolio is so easy to overlook. A huge benefit of transforming workflow into efficient activities is the compounding effect of its effectiveness when economic times improve with additional revenues. More than in previous years, revenues may be extended further for preventative maintenance activities and capital projects. This is a bonus when matching grant funds as well! Imagine the reinvestment opportunities with a 2%-10% savings on your annual operations just from making activities more efficient. From another perspective, savings may be

quantified from avoiding risk occurrences within asset infrastructure, or claims made from simple instances like sewer backups or trip and fall incidents.

Opportunities in Diversity

Evaluating organizational or departmental activity is transformational and opportunistic. Consider the difficulties that organizations face in managing change associated with conducting new ways of doing a former activity. Creating an environment that involves diverse stakeholders at the table when designing future outcomes of an activity and subsequently a new standard operating procedure is priceless. Activities are transformational since all become instant owners for its success.

“Never let a serious crisis go to waste.”

~ Rahm Emanuel

Opportunities begin to surface from engagement. In some cases, this can open doors to another business activity that may not have been realized in the former ‘current state’ of the activity. The new ‘future state’ activity is translated into a workflow that is configured on a technological platform. Technology enables users to input resources based upon a pre-determined strategy, track process outputs, and measure its efficiency. Information on the workflow also provides informed decisions to make the activity more effective, particularly when attaining tactical or strategic objectives.

The resiliency of an organization is measured by the efficiency and effectiveness of its coordinated activity.

Be efficient!
Be effective!
Be resilient!



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