BACKGROUND & CONTEXT

The Michigan Infrastructure Council (MIC) Asset Management Readiness Scale is intended to help infrastructure owners understand, measure, and advance their asset management proficiency. The Scale provides a common methodology that can be applied across transportation, water, utilities, and communications assets to produce quantifiable outcomes, allowing for the creation of improvement goals and systematic re-evaluation.

The Asset Management Readiness Scale is designed to give your organization the resources to self-assess and self-improve your overall asset management practices. The Scale is not intended to replace existing regulatory documents, current maintenance schedules, or Asset Management Plans. Any results shared with regional or state government are considered confidential under the Freedom of Information Act (FOIA) (visit www.michigan.gov/mic for more info). De-identified, aggregated results may be used to develop regional and state-wide policy to further infrastructure asset management.

The MIC Asset Management Readiness Scale is based on the Federation of Canadian Municipalities' (FCM) Asset Management Readiness Assessment, which forms the base of their Municipal Asset Management Program and was funded by the Government of Canada. The MIC Asset Management Readiness Scale was developed for the Michigan Infrastructure Council, within the Michigan Department of Treasury to assist local governments and stakeholders with asset management, and is not intended for commercial use, in whole or in part.

Additional Information can be found on the MIC website: http://www.michigan.gov/mic

Strategic Asset Management Topics

MIC's Asset Management Readiness Scale helps organizations measure progress on asset management in five topic areas. Each of these topics is a building block. These five topics are key for sustainable service delivery. Asset management is not just about doing one thing — it is about building a robust understanding of asset needs and implementing good practices for caring for those assets. For an organization to do this successfully, it must build skills and practices in each of the topic areas.

People and Leadership: By developing this competency, your organization is setting up cross-functional teams with clear accountability and ensuring adequate resourcing and commitment from senior management and/or elected officials to advance asset management. Asset management requires integration of multiple perspectives. At a minimum, your asset management team should be a representation of people who understand finance, decision-making, and the planning and operations of each relevant service area. This competency helps you create and sustain connections across teams and build leadership in asset management.

Data and Information: By developing this competency, your organization is collecting and using asset data, performance data and financial information to support effective asset management planning and decision-making. This competency helps you improve your data management practices so that you have the information you need about your assets when you need it.

Planning and Decision-Making: By developing this competency, your organization is documenting and standardizing how the organization sets asset management priorities, conducts capital and operations and maintenance (O&M) planning, and decides on budgets. This competency helps you implement asset management, by ensuring that asset management policies, objectives and information are consistently informing organizational plans.

Policy and Governance: By developing this competency, your organization is putting in place policies and objectives related to asset management, bringing those policies to life through a strategy and Asset Management Roadmap, and then measuring progress and monitoring implementation over time. This competency helps you create the policy structure in your organization that lays out your asset management goals and how they will be achieved, leading to organizational alignment and commitment.

External Communication and Knowledge Sharing: By developing this competency, your organization is supporting staff in asset management training, sharing knowledge internally to communicate the benefits of asset management, and participating in external knowledge sharing. This competency helps you build your organization's overall asset management practice by ensuring that stakeholders are well informed and that your organization stays current with, and contributes to, leading practices, training and education.

This assessment focuses on strategic asset management elements, infrastructure management and lifecycle delivery. Activities such as operations and maintenance of assets, and the delivery of capital projects is an important part of managing your assets however we are considering these activities out of scope for this assessment scale.

Levels and Outcomes

Each of the five topics is organized on a progressive scale of five levels. Each level is further broken down into **three outcome areas**. The outcomes describe milestones in asset management from initial investigation of practices, to adoption, and, eventually, to full integration of asset management practices into daily routines. **Each of these three outcome areas need to be achieved before a level has been achieved**. Referring to the outcomes described at each level can help you set goals and objectives, and design initiatives.

The Asset Management Readiness Scale helps organizations assess where they are and identify the areas they need to work on. Asset management is a journey and every service area will be at a different stage in terms of which topics they have developed, and which they have not yet focused on.

Feel like you're brand new to Asset Management?

If your organization is just getting started on asset management, and you're not sure how to get to Level 1 on the Asset Management Readiness Scale, we recommend

you check out CNAM's **Asset Management 101** and FCM's **The Building Blocks of Asset Management: A How-to Guide for Reaching Level 1 of the Asset Management Readiness Scale, which can be found here: https://www.michigan.gov/mic/0,9260,7-380-92950---,00.html**

While these resources are community focused, they provide valuable information for all infrastructure owners.

Just remember, this takes time and your asset management efforts are a long-term journey for you and your organization, and this is just one tool to help you.

Visit the MIC website for more support for completing the Asset Management Readiness Scale for your organization.

Steps to run the assessment with your organization…

Follow these steps to undertake the Asset Management Readiness Scale assessment for your organization or service area:

Setup

1. **Agree to the scope of assessmen**t – Is it for the whole organization and all your services and assets, or is it for one asset owning department or function within your organization? For larger or more complex organizations you may want to run
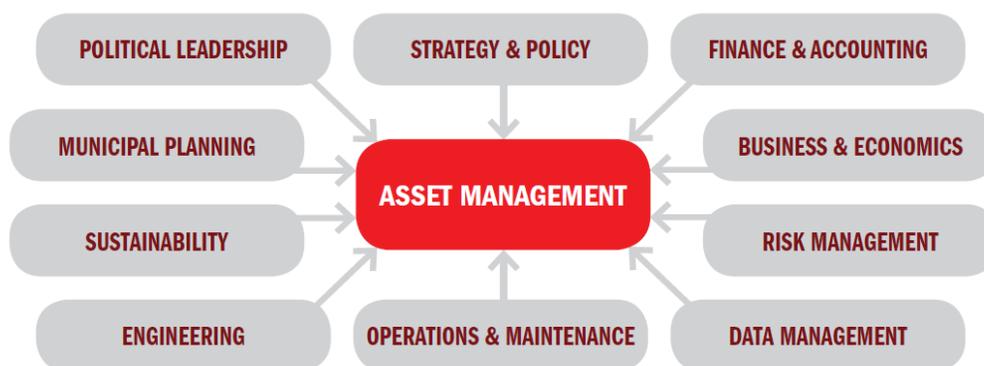
multiple assessments – one for each service area. Please review the instructions below.

2. **Bring together a cross-functional team** of staff from the departments that are relevant to your asset management practices and run as two interactive workshops – one for understanding your current state, and a second for exploring your future state goals. It is important that a cross-functional team complete the Asset

Management Readiness Scale, not just an individual person sitting at their desk in isolation.

Good asset management connects the organization together, so as part of your current state assessment be sure to discuss things collectively with representation from the different departments. You also want to include a mix of senior staff, and those doing the actual work – providing an understanding of what is actually happening at different levels in the organization as it can often vary. We suggest having representation from;

• Senior Management • Engineering • Operations & Maintenance • Finance	• Geographic Information Systems (GIS) • Planning (if part of your organization) • Asset Management Practitioners • And any other key stakeholders involved in infrastructure!

3. **Familiarize yourself with the Assessment Scale** – prior to your workshops, explore the questions and levels so you as the facilitator understand the breadth of topics being discussed. Also practice recording scores within the Excel scale so you can see the functionality. It is up to you if you want to record results 'live' into the excel tool at the time of your workshop, or manually note down the scores (the tool question sheets are printable) and enter them into the scale after your session to generate the summary.

4. **Complete the Organization Information sheet –** in advance of your workshops, you can complete the organization information sheet ahead of time. This information will automatically appear in the other scoring sheets in the tool.

Running multiple assessments for larger or more complex organizations

For larger or more complex organization, we suggest conducting multiple assessments – with one assessment per service area. Simply open new versions of the assessment scale and save a separate copy for each asset/service area you wish to address. Following these same process steps for each asset/service area. It is still important to have the cross-function team together with the span of the organization even when just focusing on one asset type.

It is <u>not recommended to average results across service areas to find overall results for the organization</u> but instead present the full assessment scoring summary, highlighting high and low scoring areas which often provide organizations with opportunities for 'quick wins' in transplanting process and practices from one area to another. An organization which scores high in one service area and low in another does not average out to a medium score.

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Top Tip: You will get the most out of the Asset Management Readiness Scale by taking the time to work through it as a team and by thinking critically about where your organization is today. Assessing yourself at a lower level does not mean you are not managing your assets, only that you have work to do in formalizing your asset management program. Remember that this is a work in progress!

Over-assessing your organization's achievement will make it more difficult to understand where you should focus your efforts, resources and funding. It may also make it more difficult to identify areas of progress or communicate to staff and senior management and/or elected officials the need for continued improvement in asset

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Current State Workshop

1. Develop your workshop agenda and schedule your session in an appropriate room with your agreed stakeholders. These working sessions typically take 1-4 hours depending on the complexity of your organization. Also consider using the session as an opportunity to provide basic AM training and awareness building to the stakeholders, supporting the organization's cultural change.

2. For each topic area, read through the descriptions of outcomes for each level. Make sure that everyone is on the same page about what they mean. We suggest going through the topics in order, but if you have a strong preference to reorder these during your session go ahead!

3. Discuss your organization's current state in relation to each outcome and identify what has already been achieved. Having a facilitator ask open-ended questions and encourage discussion related to each Outcome Area and the corresponding levels is very beneficial to reaching a true and fair score for your organization.

4. Select the outcomes that describe where your organization is today. Use your outcome selections to determine your organization's level for the overall competency. You have completed a level once all outcomes for that level have been achieved. If you are still working on one or more of the outcomes for a level, select the previous

level to indicate that you have fully achieved all outcomes in that level. Within the Excel scale, select the check boxes that you meet.

If you are just getting started in a certain competency, select "Working on Level 1." If you are not sure how to start working on that competency, check out FCM's **The Building Blocks of Asset Management: A How-to Guide for Reaching Level 1 of the Asset Management Readiness Scale.**

5. For each Outcome Area, you have the option to record some high-level notes on the rational and discussion related to the specific score. We encourage you to record these notes for future reference. These notes are for your reference only and are not included in the results export.

Future State and Goal Planning Workshop

As mentioned, this assessment scale is useful as a planning tool – better understanding where you are as an organization, and where you want to get to. The scale can be used to facilitate discussions on your future state, what level of asset management practice do you want to reach what are the priorities for your organization, and how quickly do you want to make progress?
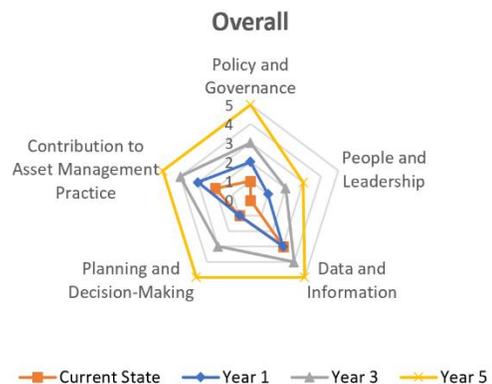
Facilitate a second workshop with the same group of staff from the current state review that focuses on where the organization is going. What is the vision and mission of the organization, what is the organization's strategic plan including short term (1 year) – medium term (3 year) and long term (5 year) goals, and what elements of asset management can best support the organization? The scale will automatically generate new graphs in the reporting Scoring Summary tab.

Planning for Improvement

Each organization's progress in the topics will depend on a unique group of factors. There is no need to progress through each competency to the same level or at the same pace. You may currently be much further along in some topics than in others.

Additionally, your service area may choose to aim for higher levels in some topics than in others. For example, your organization may aspire to reach Level 3 in data and information, Level 4 in planning and decision-making and Level 2 in policy and governance. Keep in mind that Level 4 of the Asset Management Readiness Scale is

roughly aligned with the requirements of the ISO 55000 standard — which is a significant accomplishment.[1] It may not be necessary for your service area to achieve the higher levels in the scale to meet the needs of your organization.

[1] Note that ISO 55000 has specific content, documentation, and review requirements that are not always explicitly included in this scale. For example, ISO 55000 has specific requirements on what information needs to be included in a policy, strategy and asset management plan. It also includes specific requirements around continuous improvement. If you are pursuing the ISO 55000 standard, you should refer directly to the ISO 55000 requirements.

You may want to issue your results and notes to your workshops attendees in draft for them to review and approve before finalizing and submitting your scale scores.

Next Steps

Developing your 5-year Asset Management Roadmap

Following the development of your Future State, we recommend you develop an Asset Management Roadmap – working out what initiatives you need to put in place to implement your short, medium, and long-term goals. As noted above, these changes take time and your asset management efforts are a continual journey for you and your organization. Consider establishing an Asset Management Steering Committee and Senior Sponsor within your organization to manage and encourage progress inline with your Asset Management Roadmap. We suggest having a dedicated session with your Steering Committee annually to review your 5-year Asset Management Roadmap and revisit your progress inline with this Scale to check you are going in the right direction, and make adjustments to your plans and targets as appropriate.

Sharing your results

The Asset Management Readiness Assessment Scale is first and foremost a tool to help your organization understand, measure, and advance your asset management proficiency. Establishing these results and sharing these objectives across your organization will help you collaboratively plan your asset management activities to achieve your future state goals.

In addition to your internal distribution, we encourage you to share your results with the Michigan Infrastructure Council (MIC) to help establish statewide metrics and asset management goals. The MIC has partnered with the Michigan Association of Regions (MAR) to collect and aggregate asset management readiness assessment

scale results regionally and statewide. These data are submitted by asset owners voluntarily and considered confidential – they will be used only in aggregate to assist with statewide policy related to infrastructure asset management. The confidentiality agreement can be found here: https://www.michigan.gov/mic/0,9260,7-380-92950---,00.html

ISO 55000

As asset management globally has grown in recent decades, it was inevitable that a standard would emerge. ISO 55000 was published by the International Organization for Standardization (ISO) in 2014 and defines what the management system for asset management is, and by management system, they mean your formalized approach to asset management. What business processes, people, IT systems and other resources do you use to manage your infrastructure asset management efforts?

It's important to note, the standard does not tell you HOW to do asset management, it just tells you WHAT you need to cover. And this WHAT is a checklist that an auditor would use to validate your organization's performance. For the public sector, ISO 55000 certification is not crucial, but it does articulate good asset management practice and is a very useful tool and checklist to align our efforts with.

Learn more

Additional resources can be found at the MIC website: https://www.michigan.gov/mic/

Citation

The Michigan Infrastructure Council requests that any user of the MIC Asset Management Readiness Scale and the related training materials give proper credit to the Federation of Canadian Municipalities, the Canadian Network of Asset Managers, the Government of Canada and the Michigan Department of Treasury, Michigan Infrastructure Council.