

Strategic Business Asset Management: The Vehicle for Successful Implementation of the Asset Management Process

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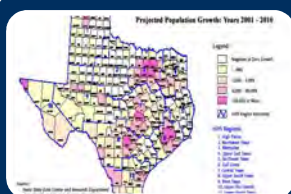


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Strategic Business Asset Management - SBAM



Asset Management Drivers



Asset Management Pitfalls



SBAM Process

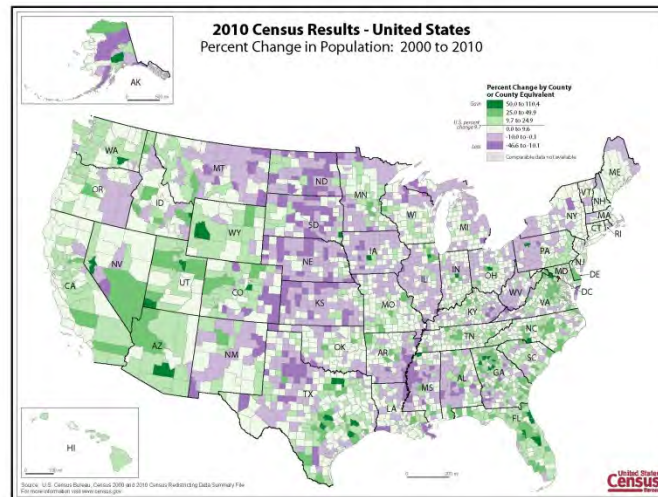


Case Study

Water Industry Issues Drive the Need for Strategic Management of Assets



Aging
Infrastructure

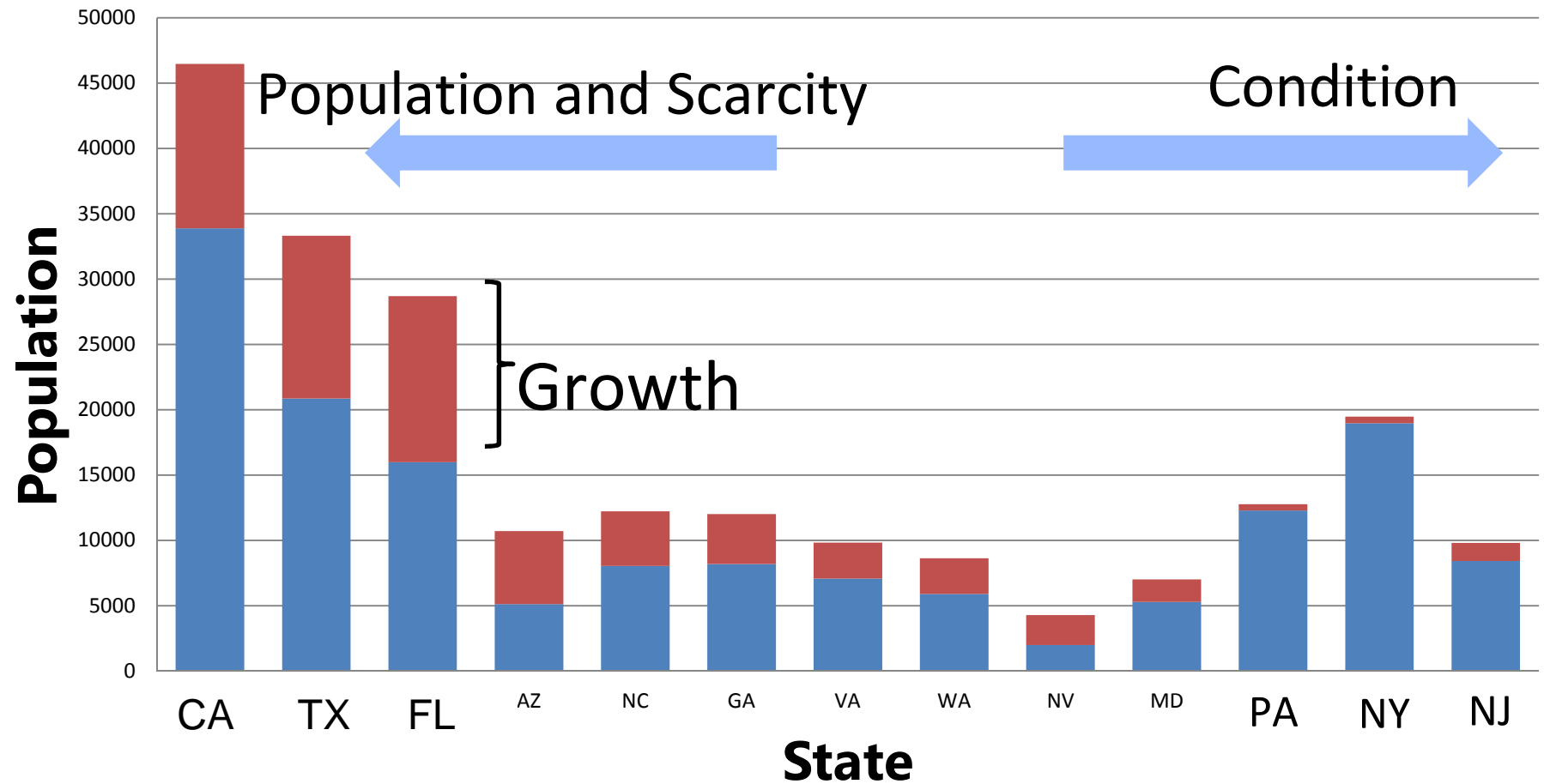


Increasing Population



Scarcity of Resources

Drivers Dictate Needs and Priorities



Utility-Specific Constraints Further the Need for Strategic Management of Assets



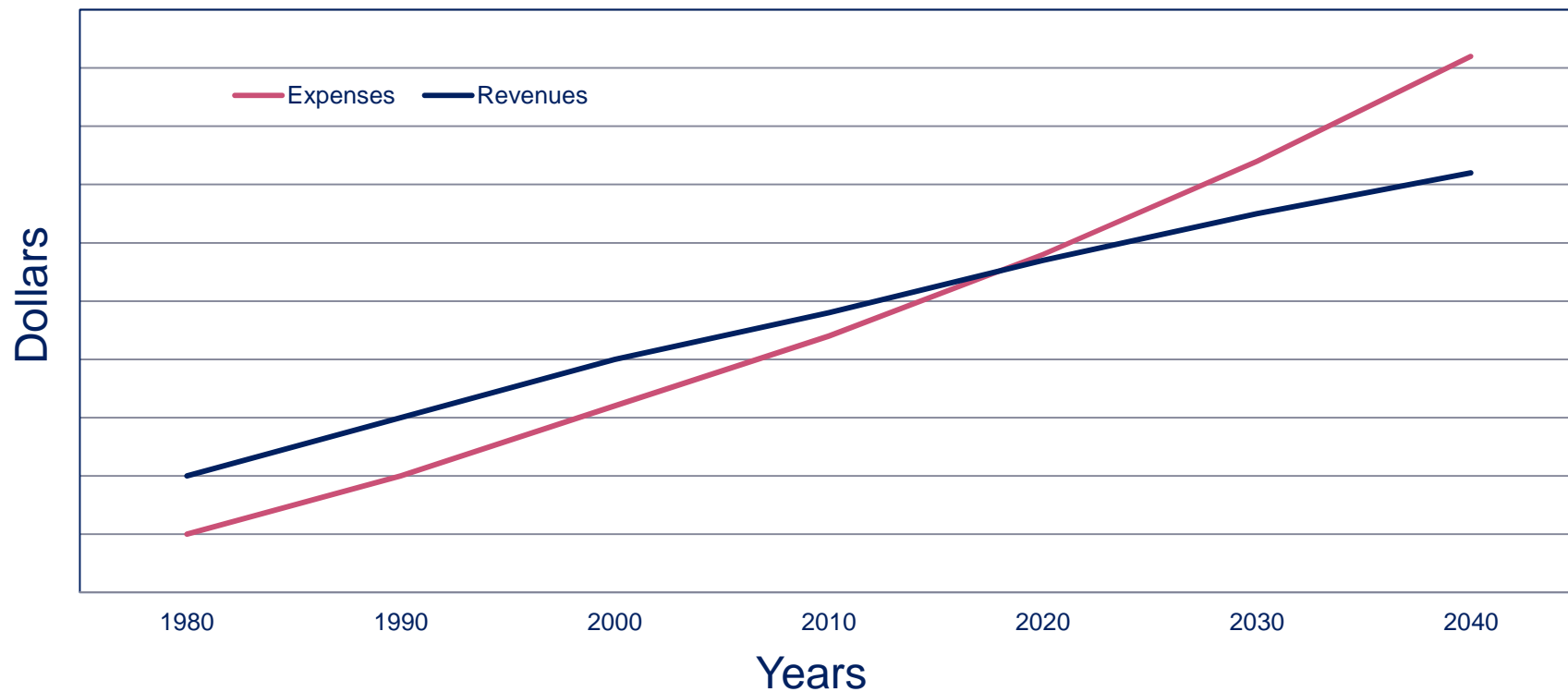
- Expenses
- Debt
- Customer Expectations
- Regulatory Mandates

- Capital/Funding Sources
- Workforce

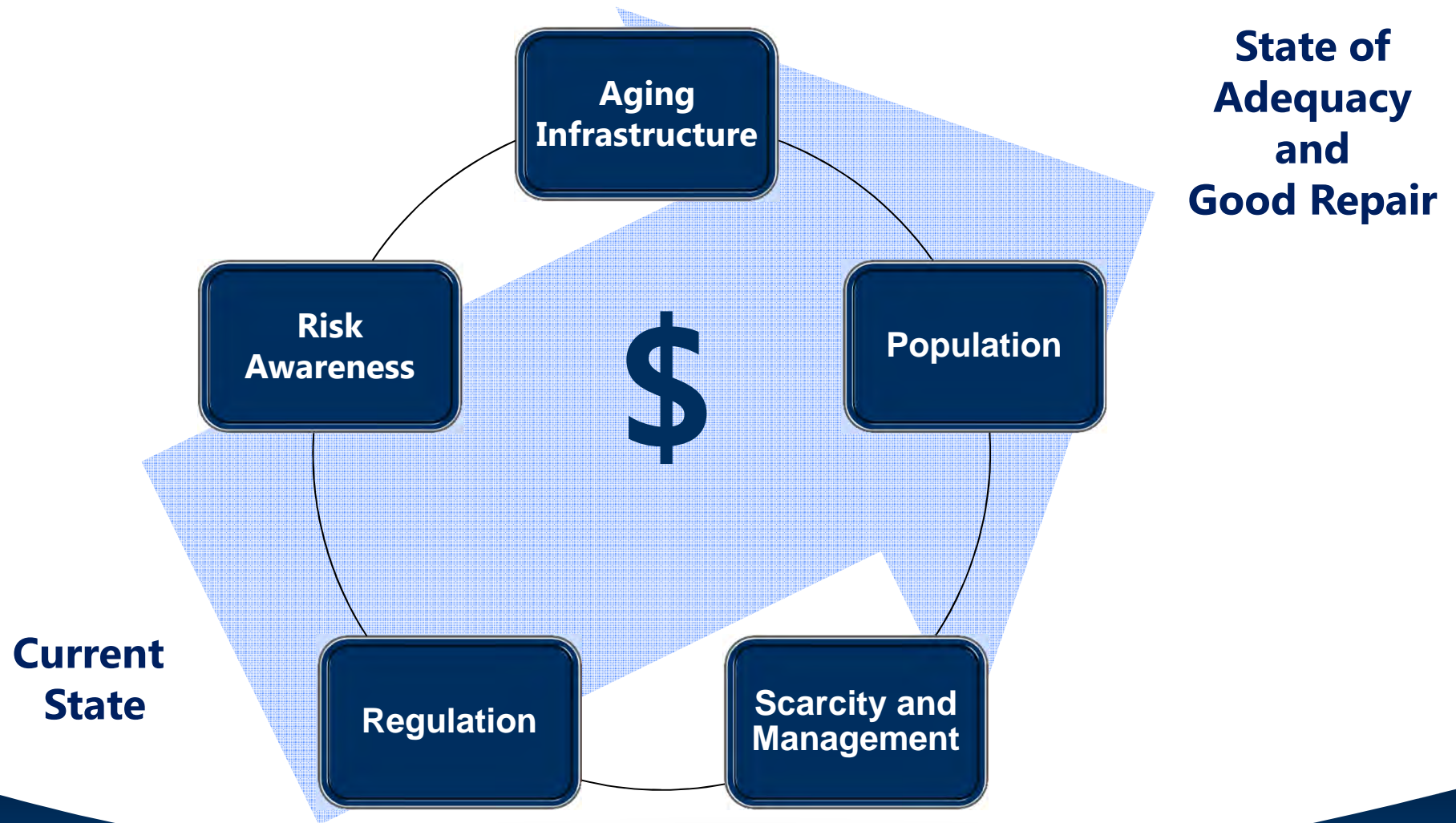


Utilities Must Do More, With Less.....

Hometown Utility Financial Projections



Asset Management - The Business Process Between the Current and Future State

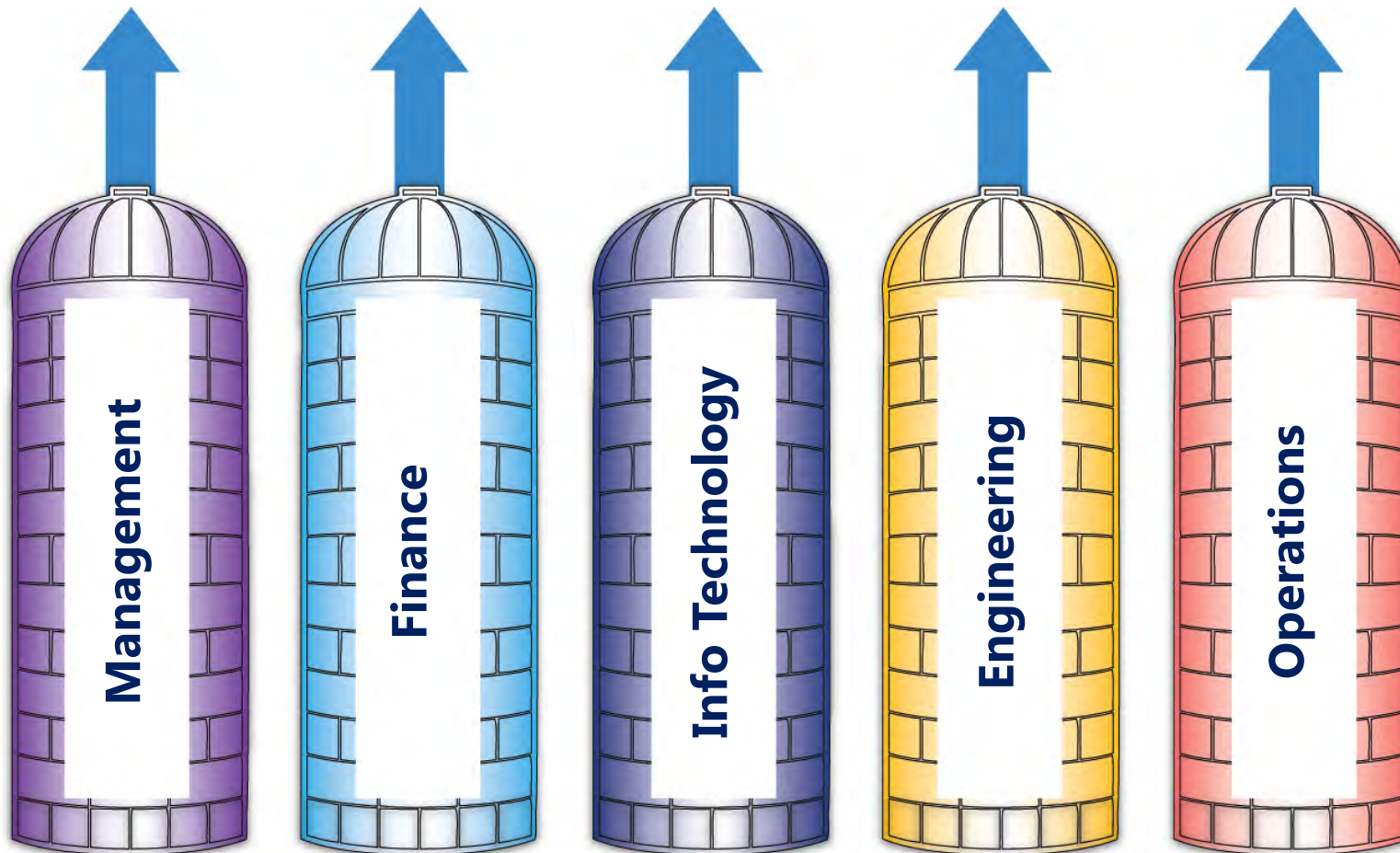


Holistic Approach to Asset Management to Avoid Pitfalls

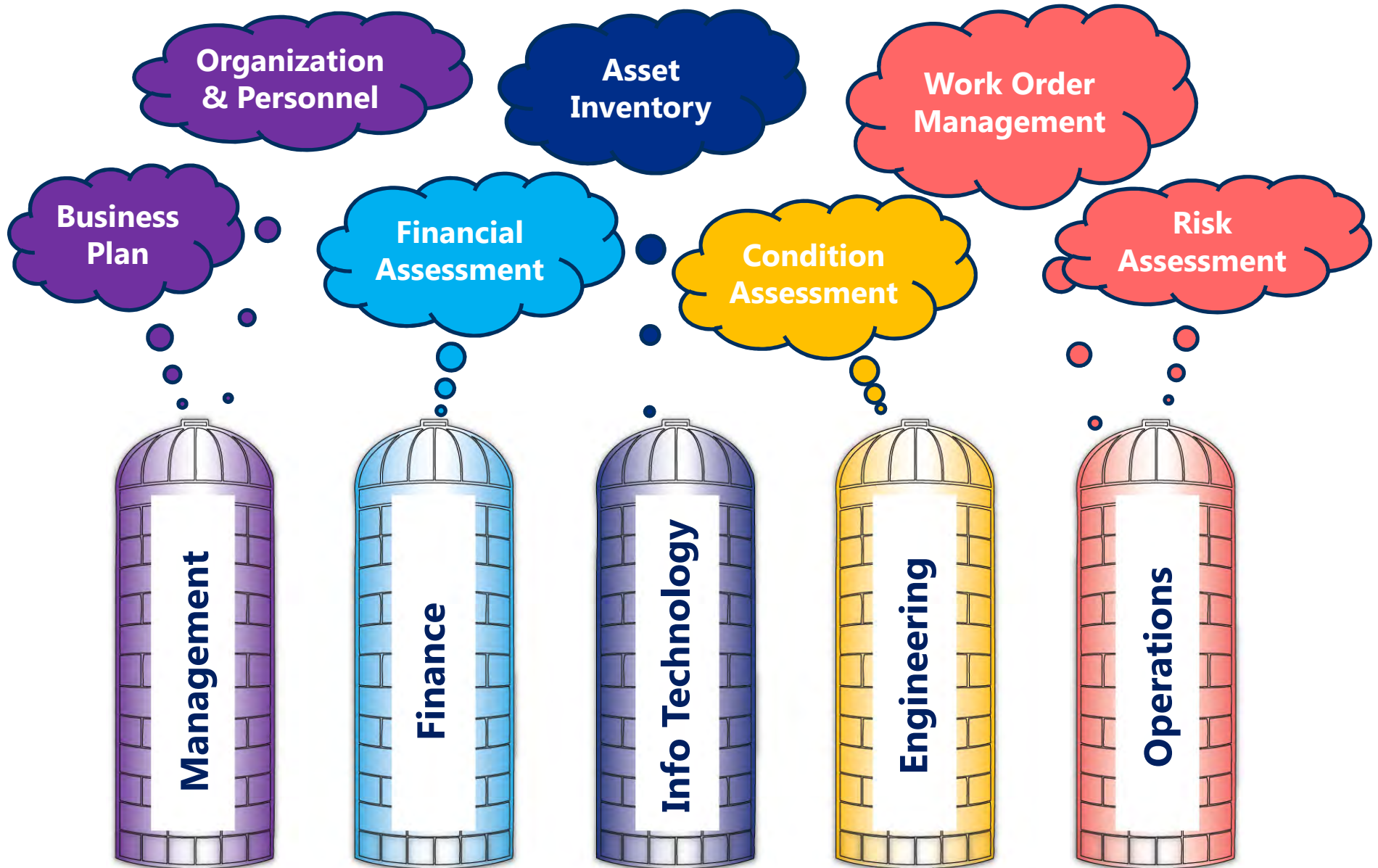


Is Everyone Working for the Same Strategic Objective?

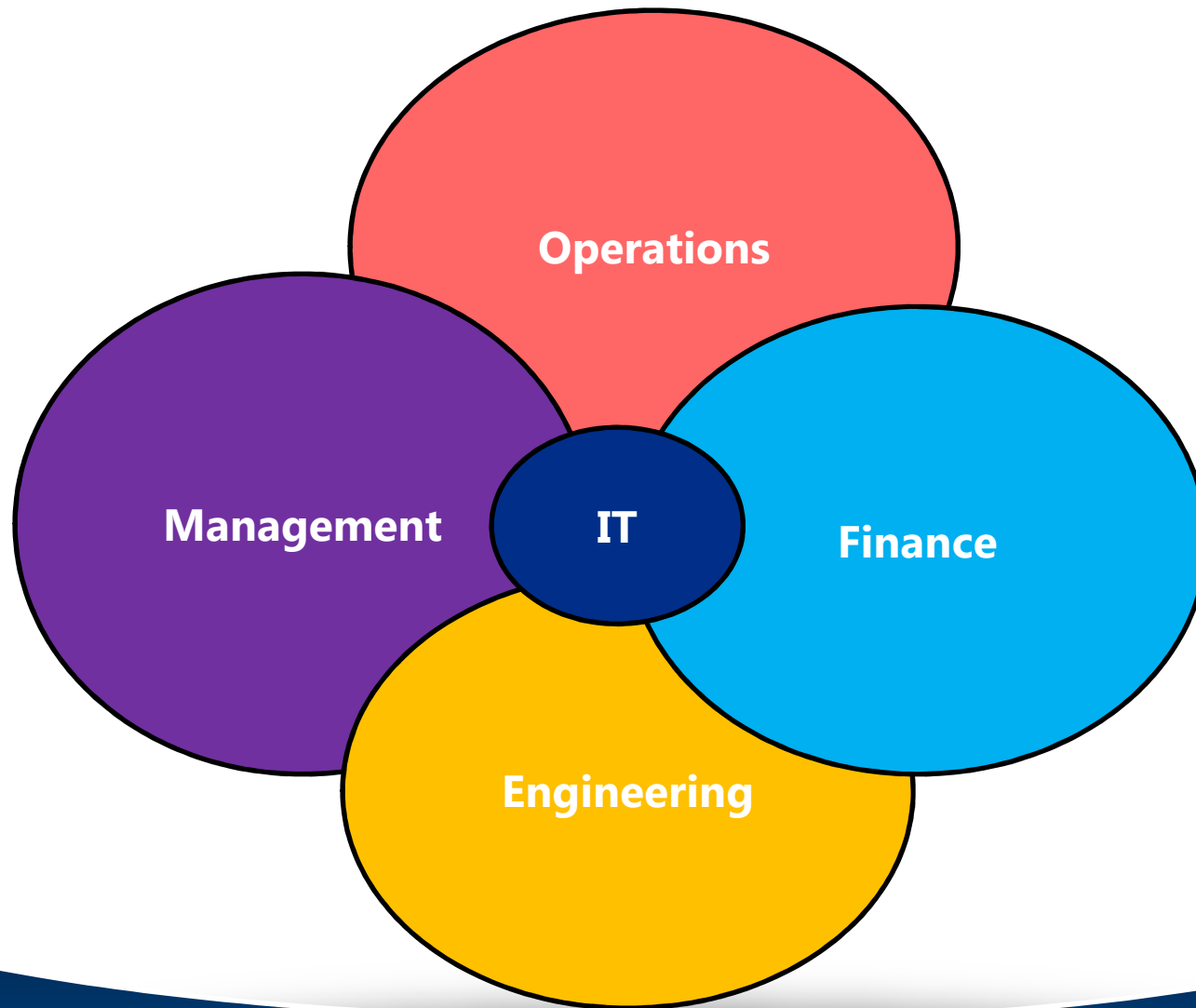
CIP??



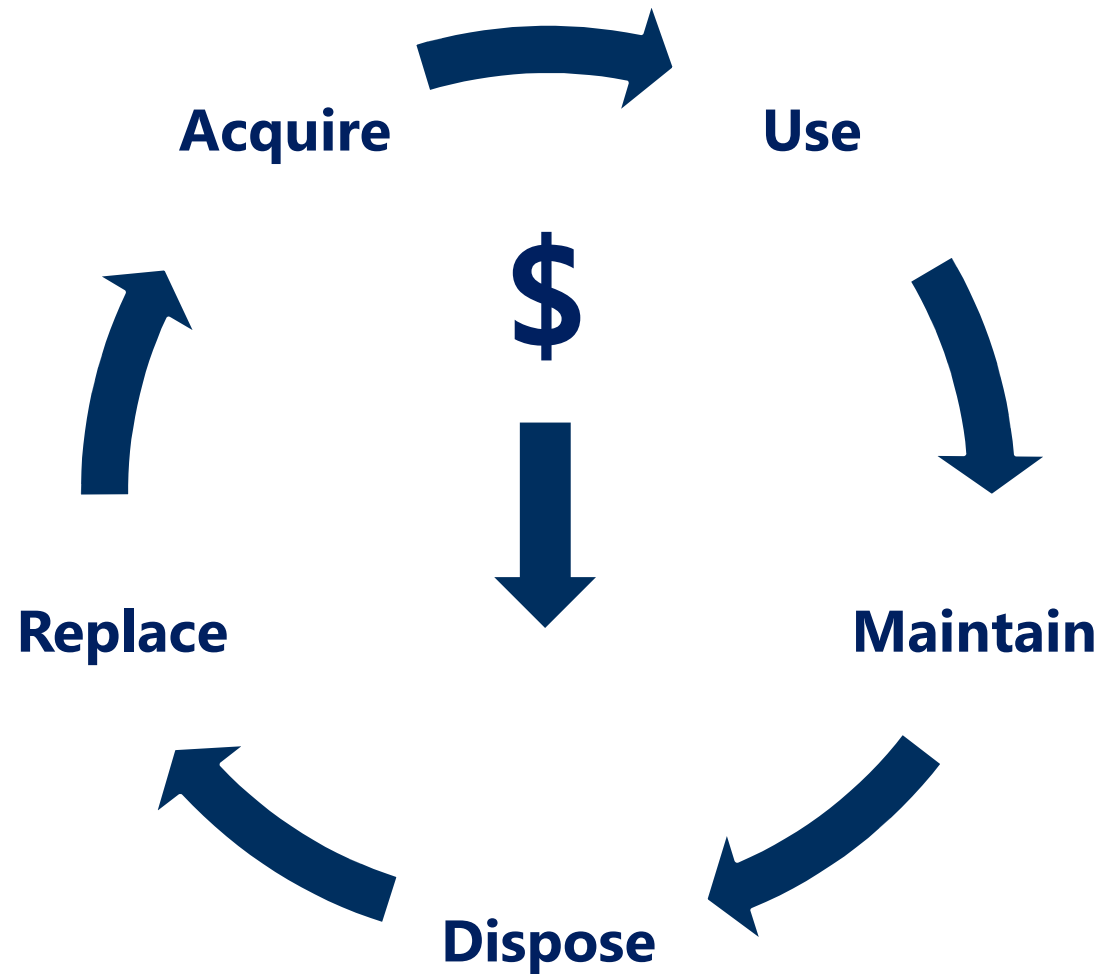
Asset Management Means Different Things to Different People



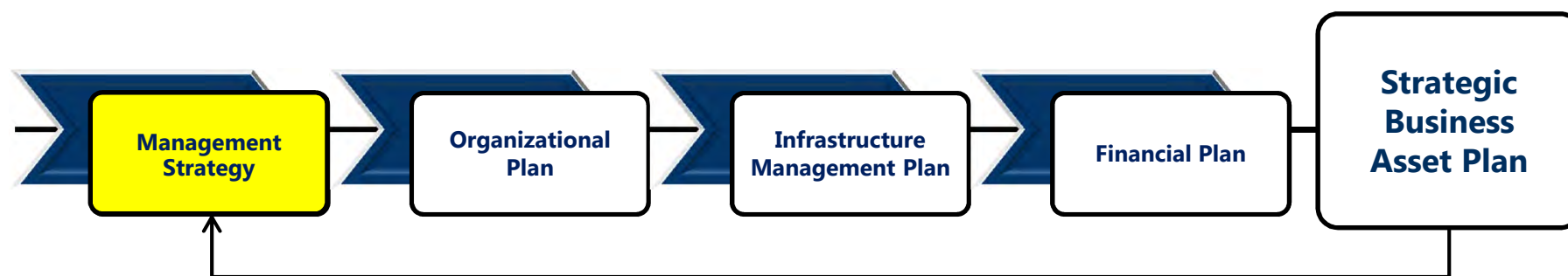
Effective Asset Management Requires A Collaborative Approach



Effective Asset Management is a Process, not a Project...



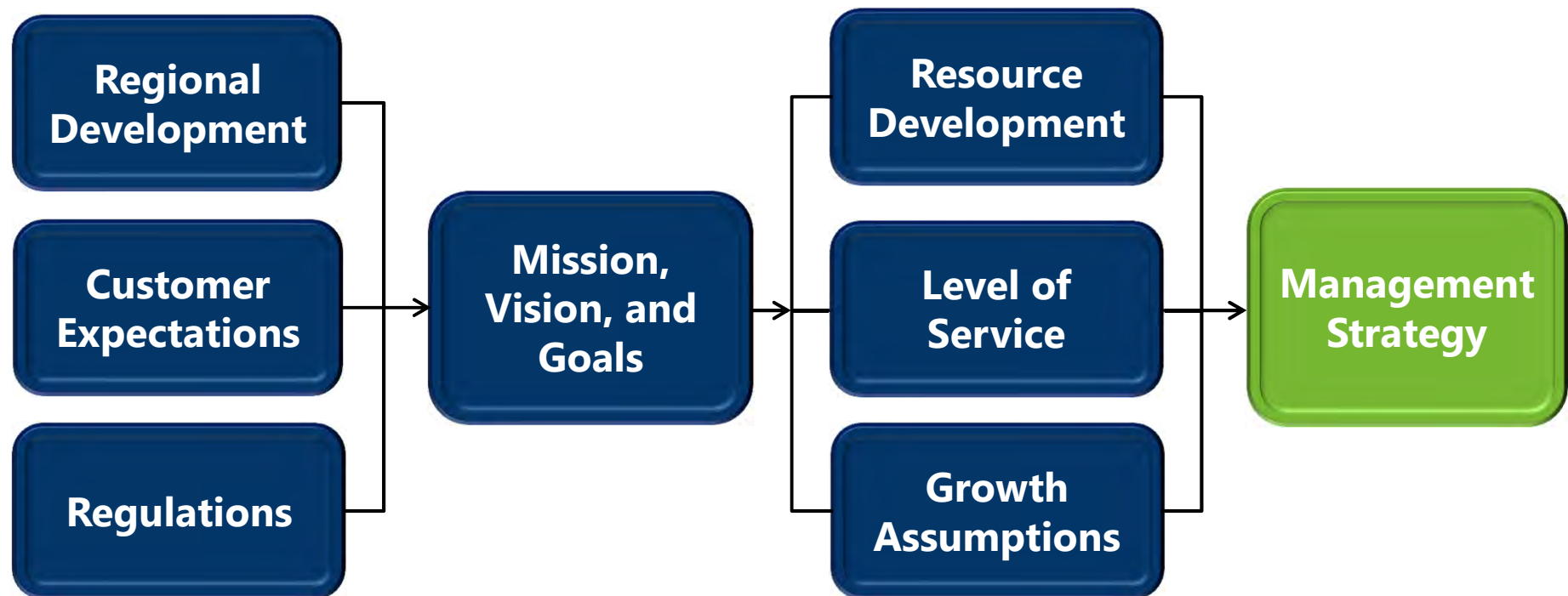
SBAM for Successful Implementation of Asset Management Process



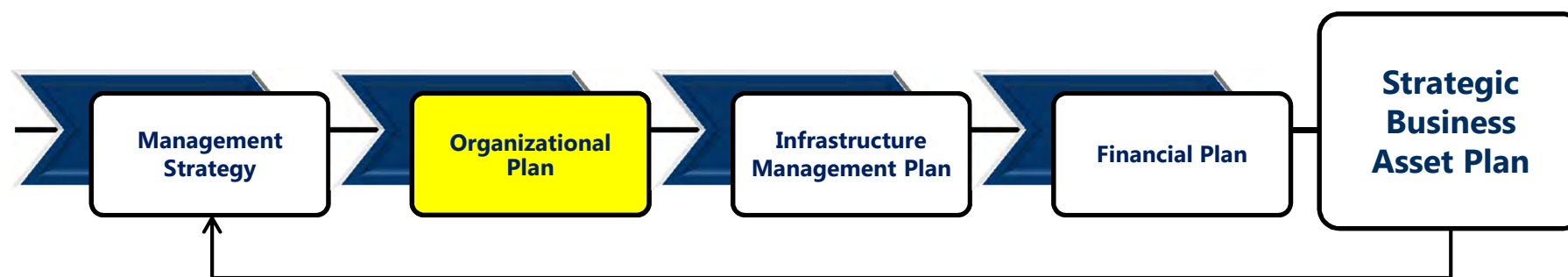
Management Strategy for Effective Business Decisions

- 1. Where are we now?**
- 2. Where are we going?**
- 3. How do we get there?**
- 4. How will we know we are there?**

Management Strategy for Defined Asset Management Process

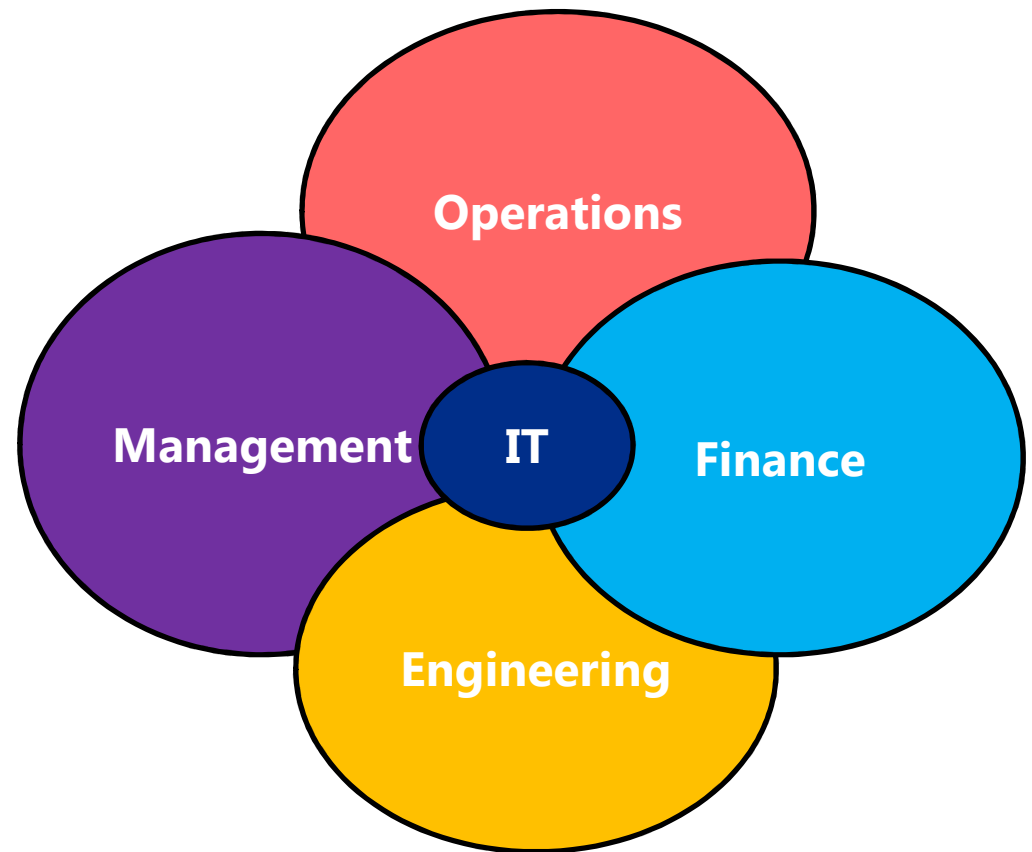


SBAM for Successful Implementation of Asset Management Process

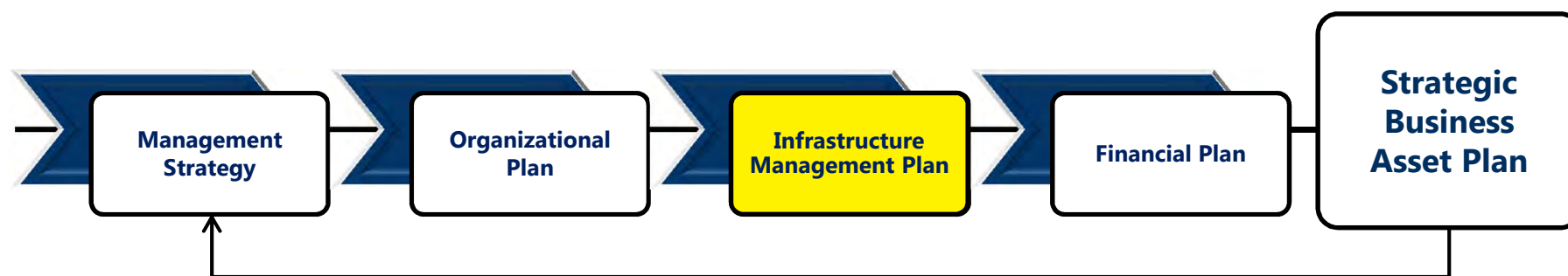


Establish Organizational Plan for Coordinated Decisions

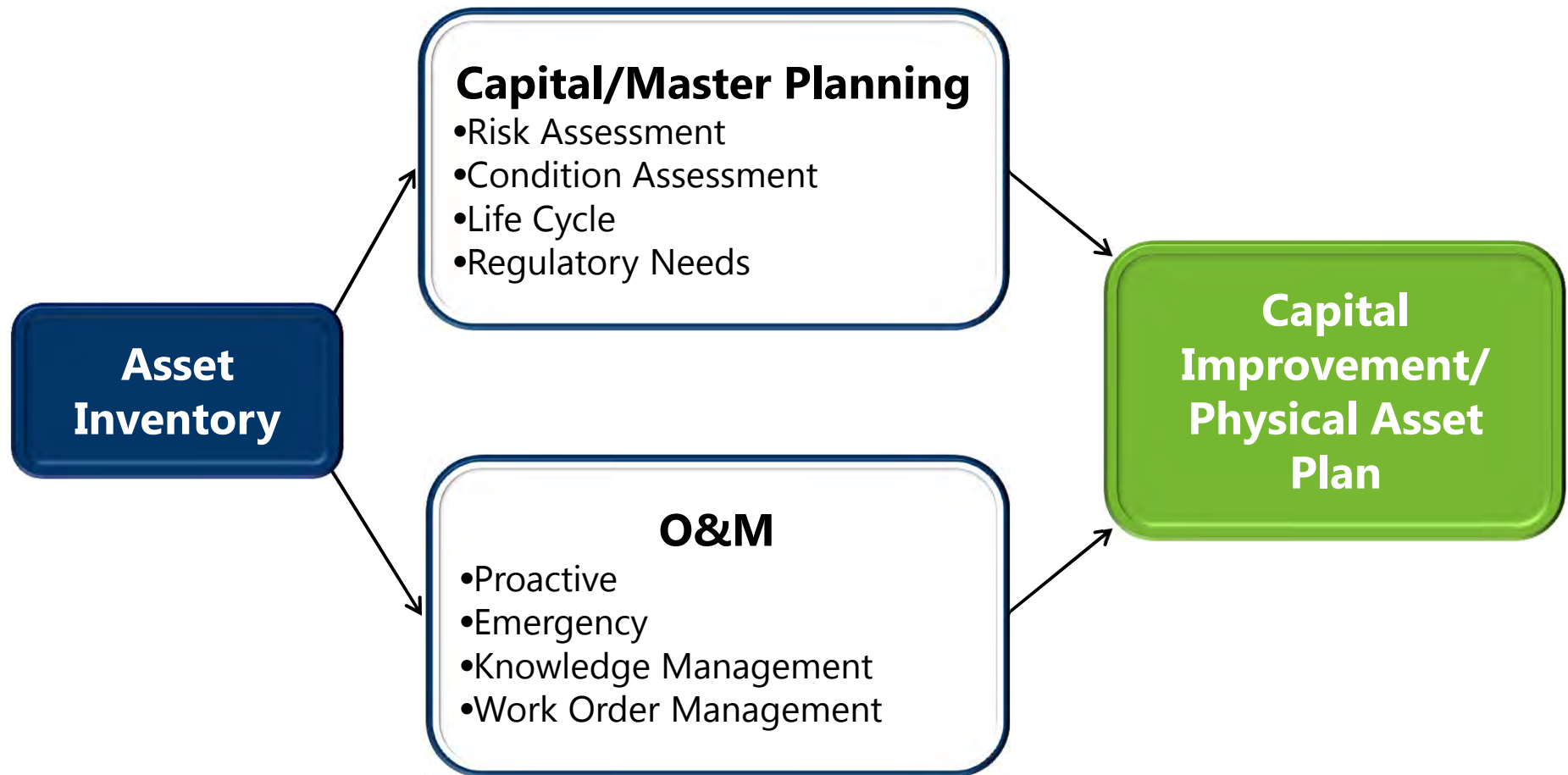
- **Organizational Structure**
- **Job Descriptions: Defined Roles and Responsibilities**
- **Workflow**
- **SOPs**
- **Knowledge Management**



SBAM for Successful Implementation of Asset Management Process



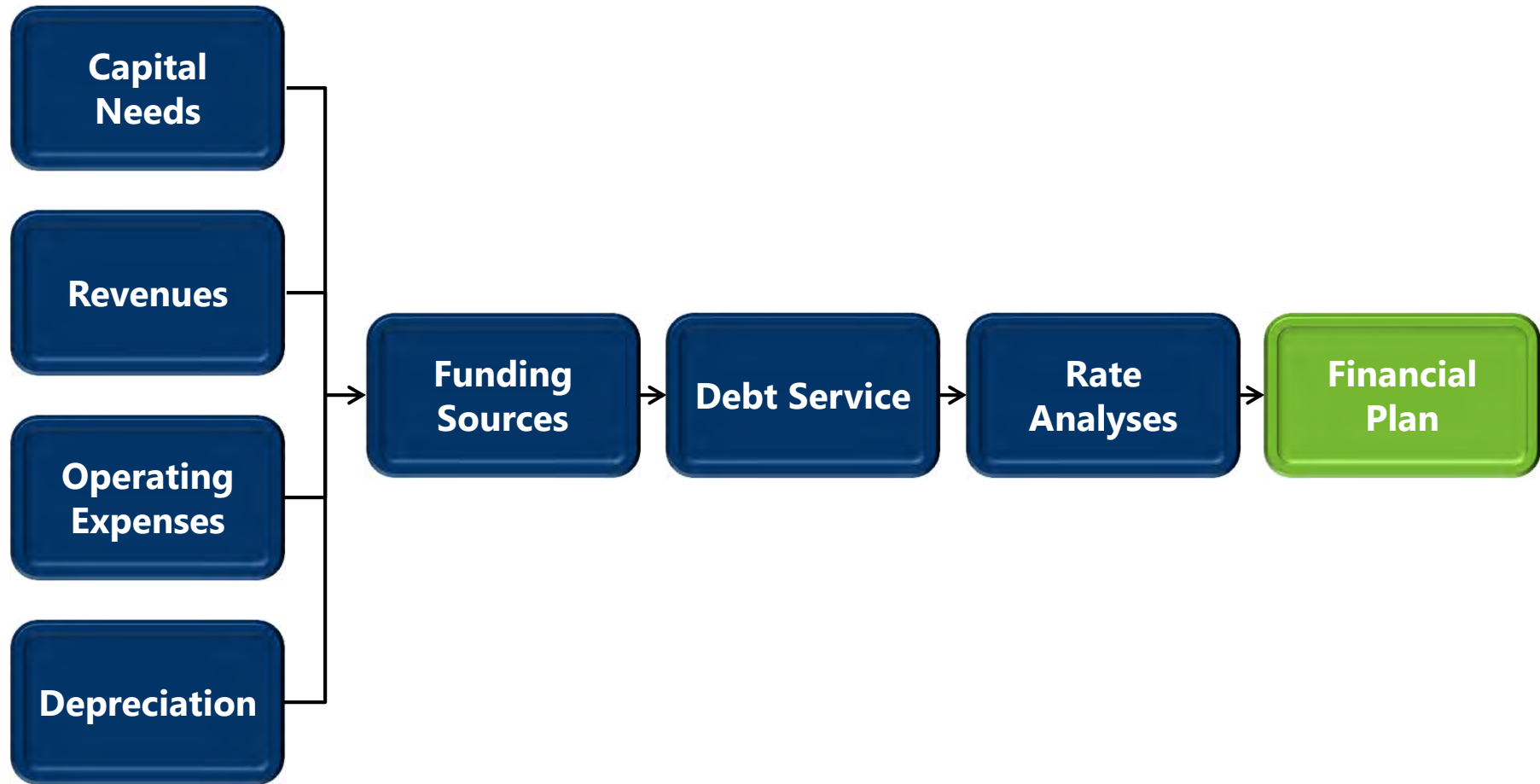
Infrastructure Management Plan for Optimization of Physical Assets



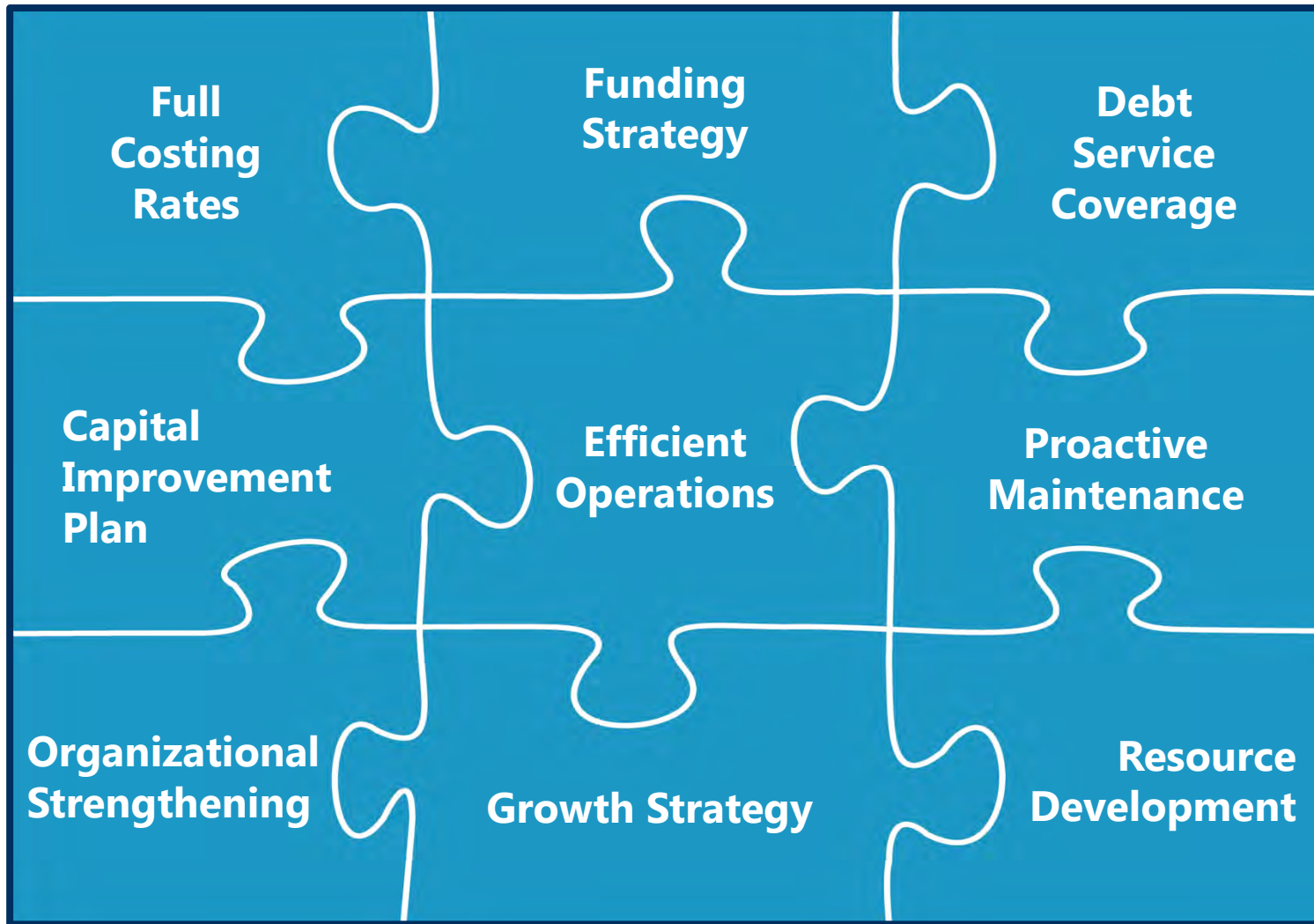
SBAM for Successful Implementation of Asset Management Process



Financial Plan for Fiscally-Sound Long Term Operation



Coordinated Effort Leads to Effective, Multi-Faceted Strategic Business Plan



Strategic Business Plan

SBAM Case Study: Hazleton, PA

Current State:

- Regional Treatment Authority
- BOD & 2 Management Tracks
- Serve 80,000, with flat Growth
- Recently Upgraded 11 mgd WWTP
- Deficient Financial Plan



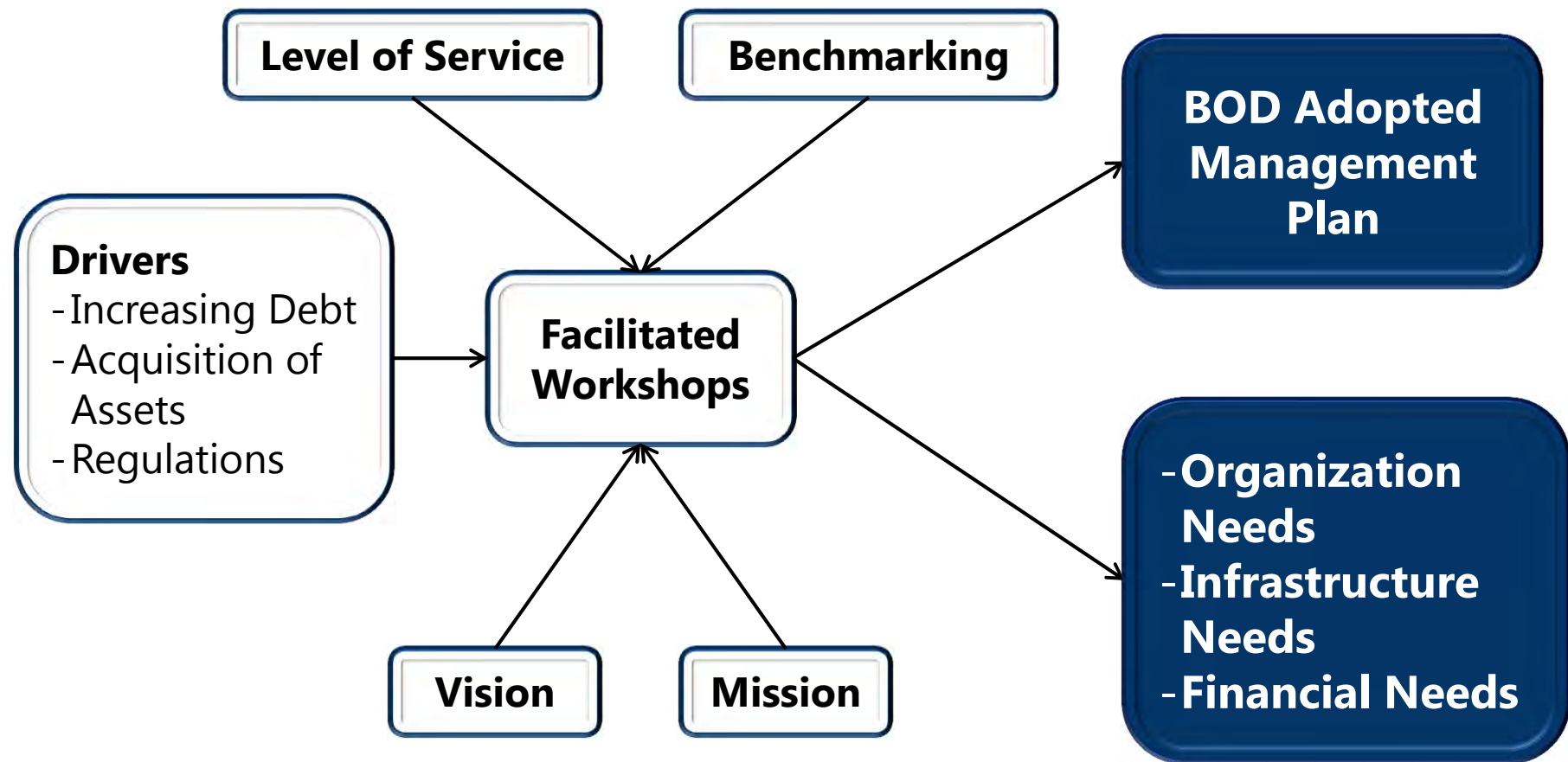
Future Significant Changes Reinforce Need for Strategic Business Plan

- **Future State:**

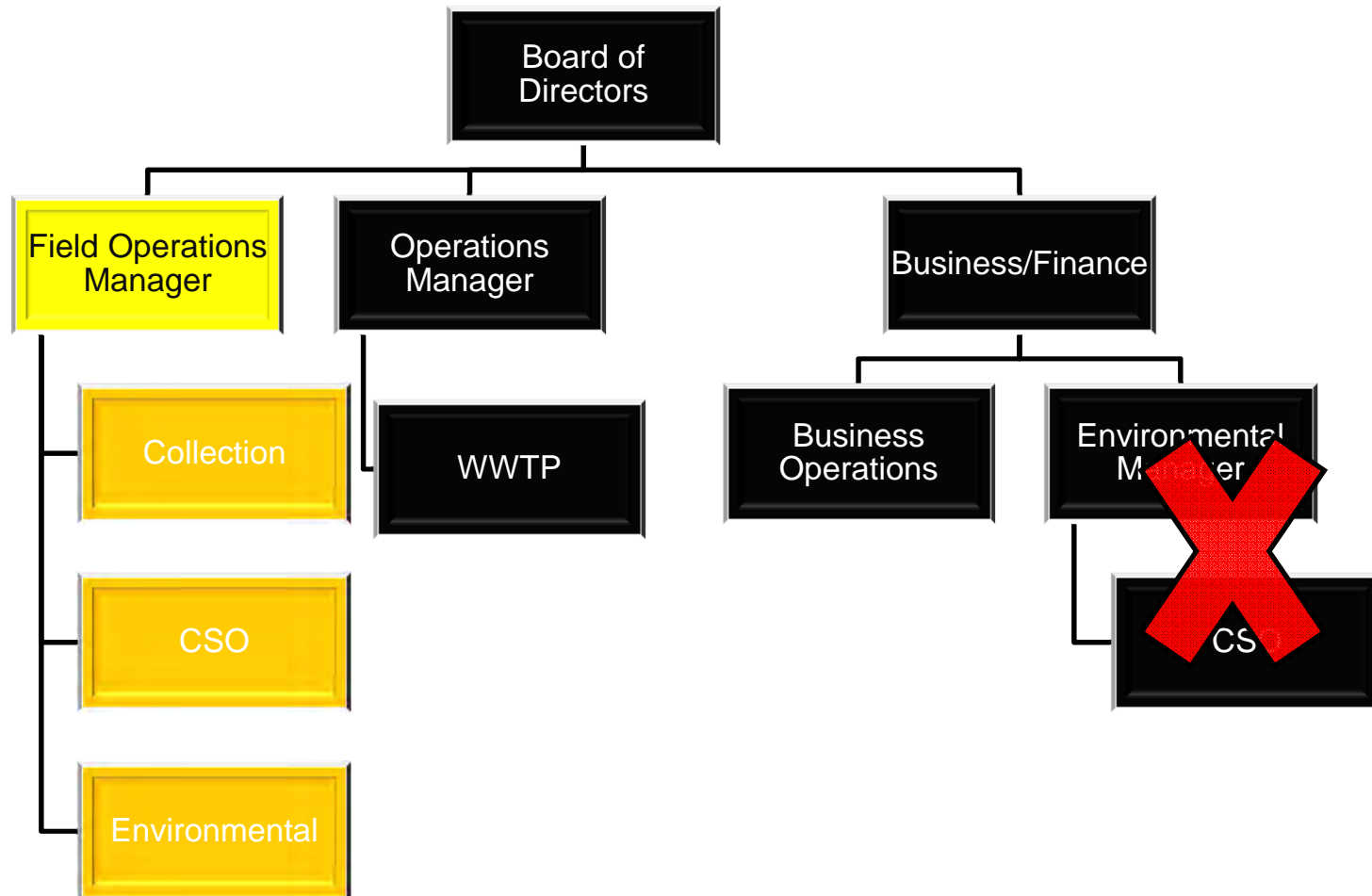
- Addressing Regulatory Orders
- Acquiring Collection System with Unknown Condition
- Organizational Strengthening
- State of Condition Adequacy
- Sound Financial Plan



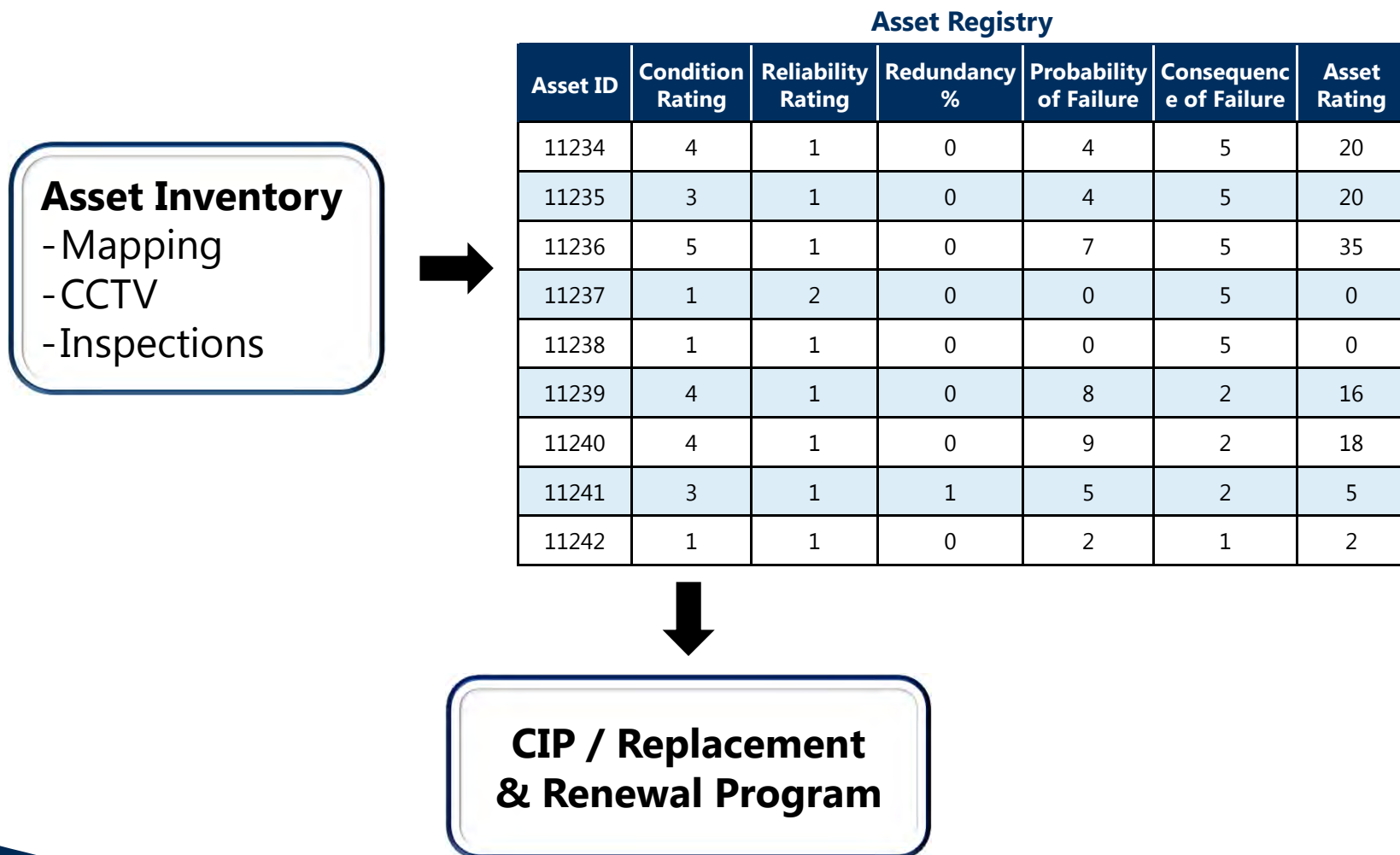
Stage 1: Facilitated Workshops to Establish Management Strategy



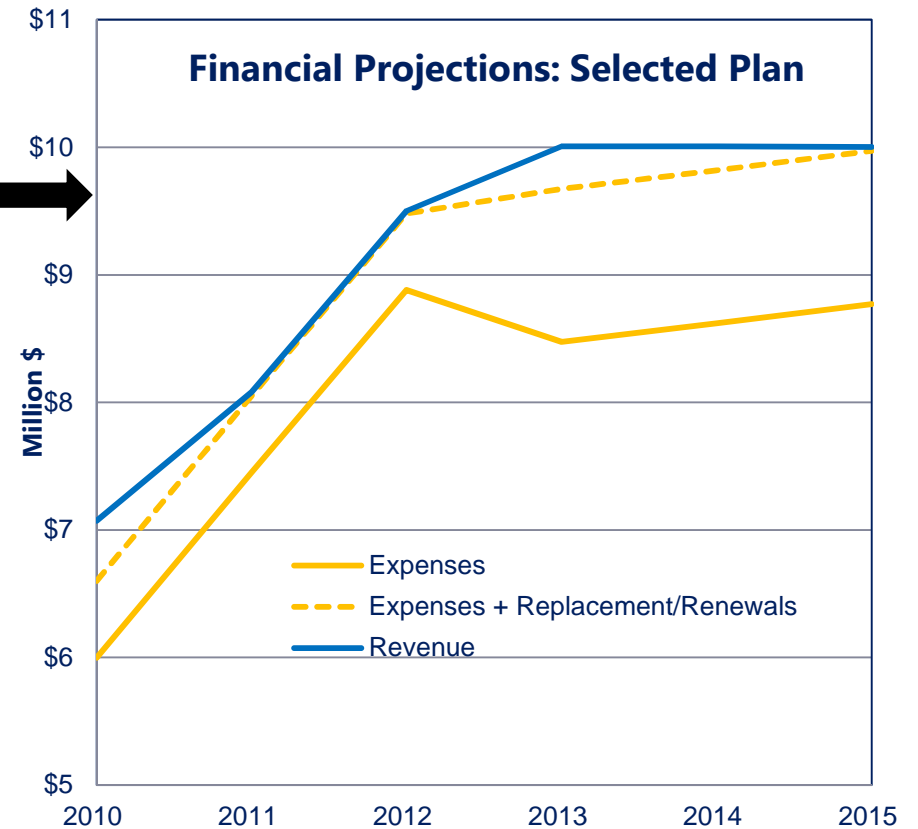
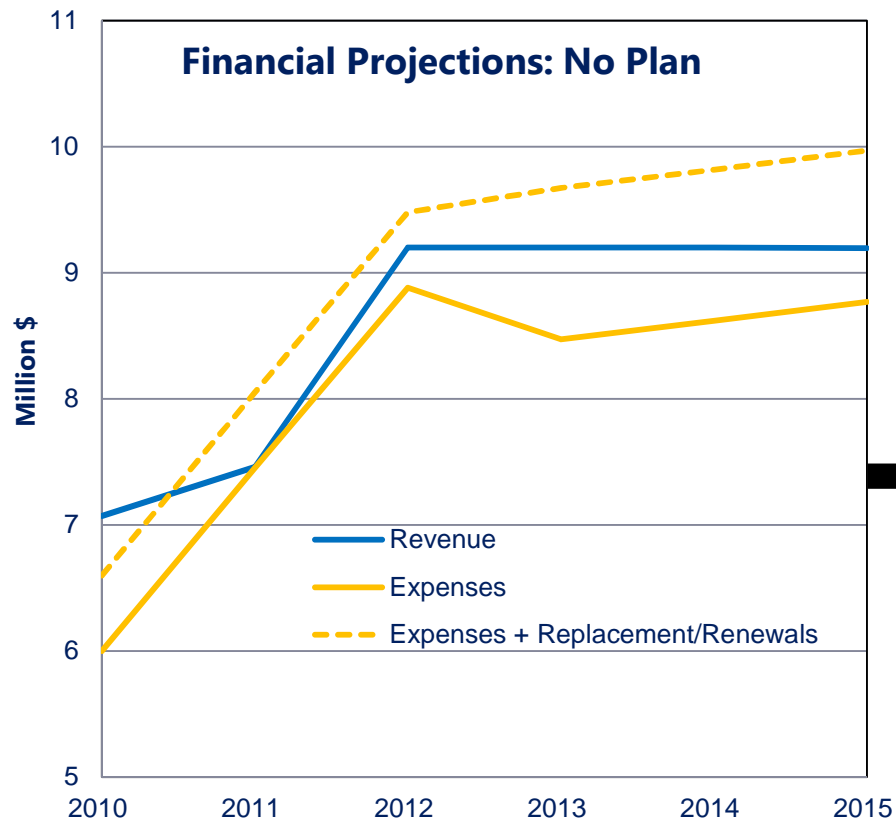
Stage 2: Organizational Strengthening to Address Acquisition Needs



Stage 3: EPA Spreadsheet Tool for Initiation of Infrastructure Management Plan



Stage 4: Plan for Rate Increases to Establish Sound Financial Plan

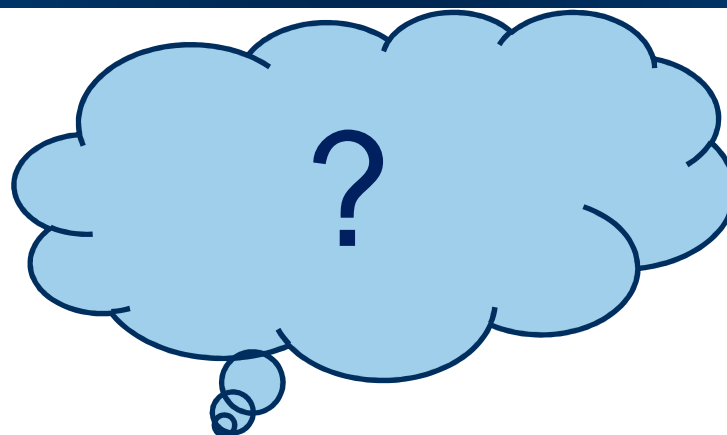


Hazleton Benefits from SBAM

- 1. Establishes “Buy-in” of Asset Management Process**
- 2. Establishes Common Strategic Plan Across Tracks**
- 3. Allows Bite-size Implementation for Sustainable Solution**
- 4. Improved Financial Health**
- 5. Planning for Routine Replacements & Renewals**

Strategic Business Asset Management for Successful Implementation of the Asset Management Process

- 1. Industry Drivers Require Strategic Business Planning Approach to Managing Assets.**
- 2. Asset Management is a Process, not a task or tool...**
- 3. SBAM overcomes Asset Management Pitfalls for Successful Process Implementation.**



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