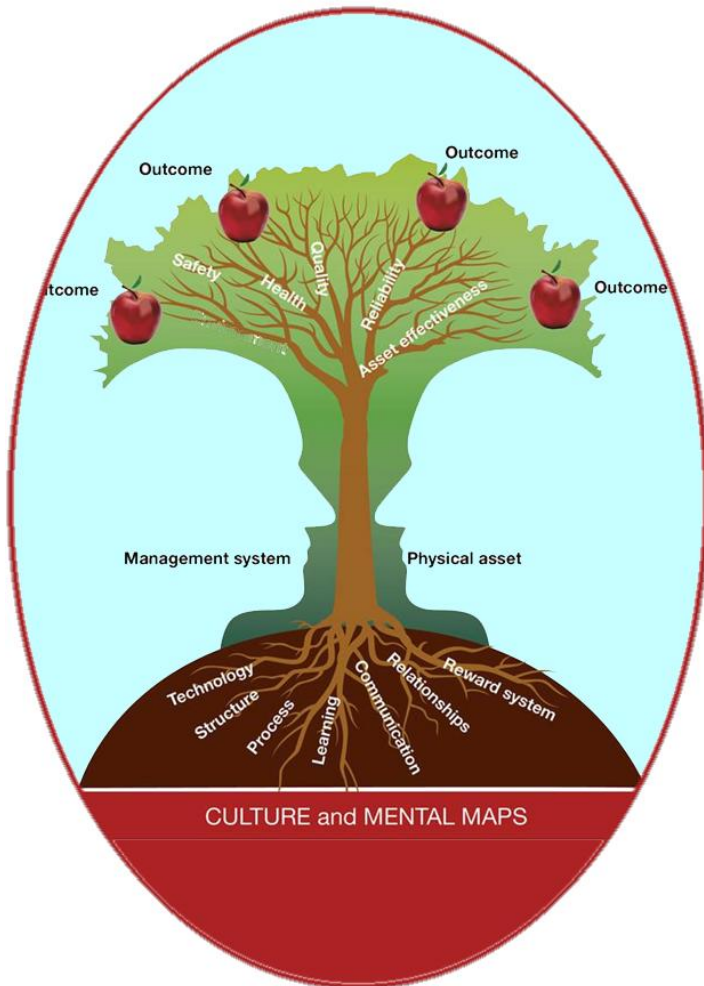




ASSET MANAGEMENT COUNCIL

# Leadership and Culture



## Living Asset Management

John Hardwick

Ausgrid –

Asset Management Council

2013



ASSET MANAGEMENT COUNCIL

 **abraman**  
associação brasileira  
de manutenção e gestão de ativos

 **abraman**  
associação brasileira  
de manutenção e gestão de ativos



ASSET MANAGEMENT COUNCIL





# Agenda

1. Asset Management
2. Principles of AM
3. Capability delivery model
4. Why Focus on Culture
5. Understanding Culture & Behaviour
6. Leadership
7. Asset Management Culture
8. Operational Excellence



# Asset Management

- A new paradigm now framed by ISO 55000
- Focused on delivering the organizations objectives
- Make informed decisions based on risk
- Integrated and interrelated effort of the various functions of the organization
- Managing the functions of assets considering life cycle implications
- Assists maintenance and operations to communicate with accountants and senior leaders
- Enabling stakeholders to understand options available

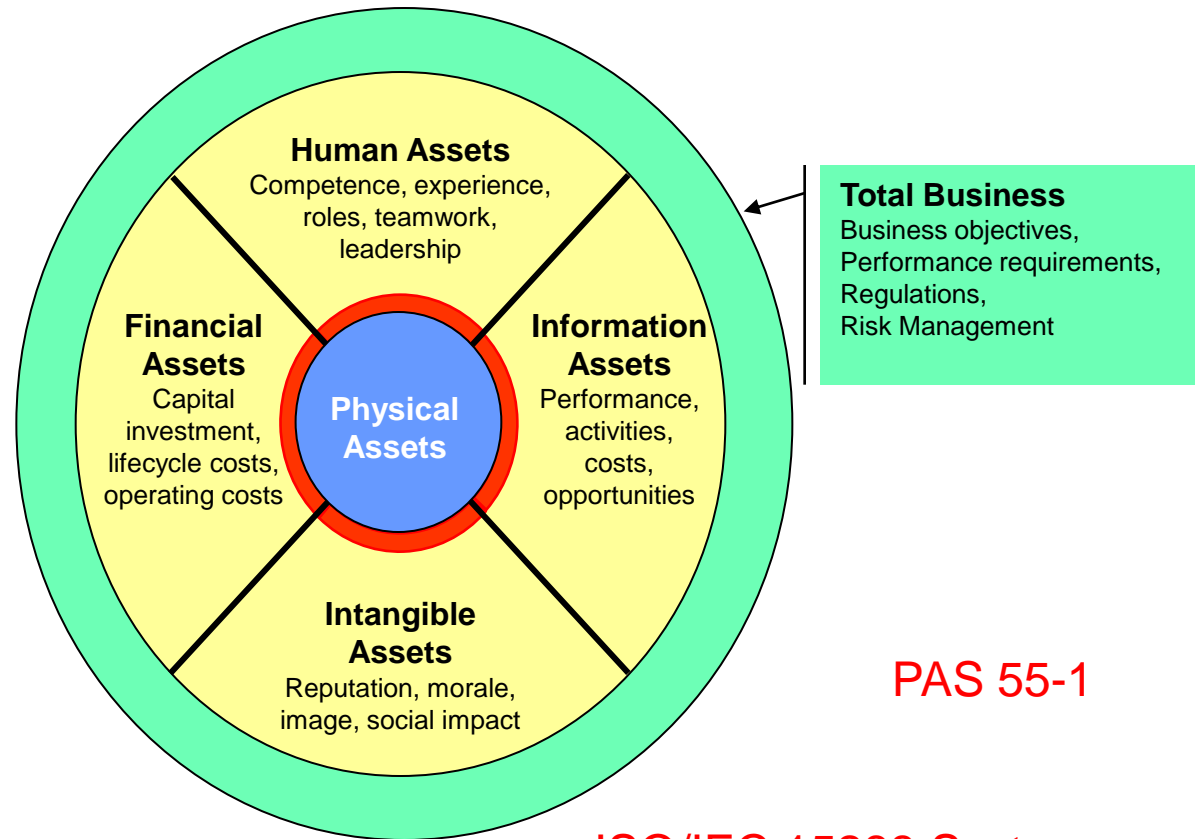


# Asset Management - Principles

- Value
- Alignment
- Leadership
- Assurance



# Asset Types

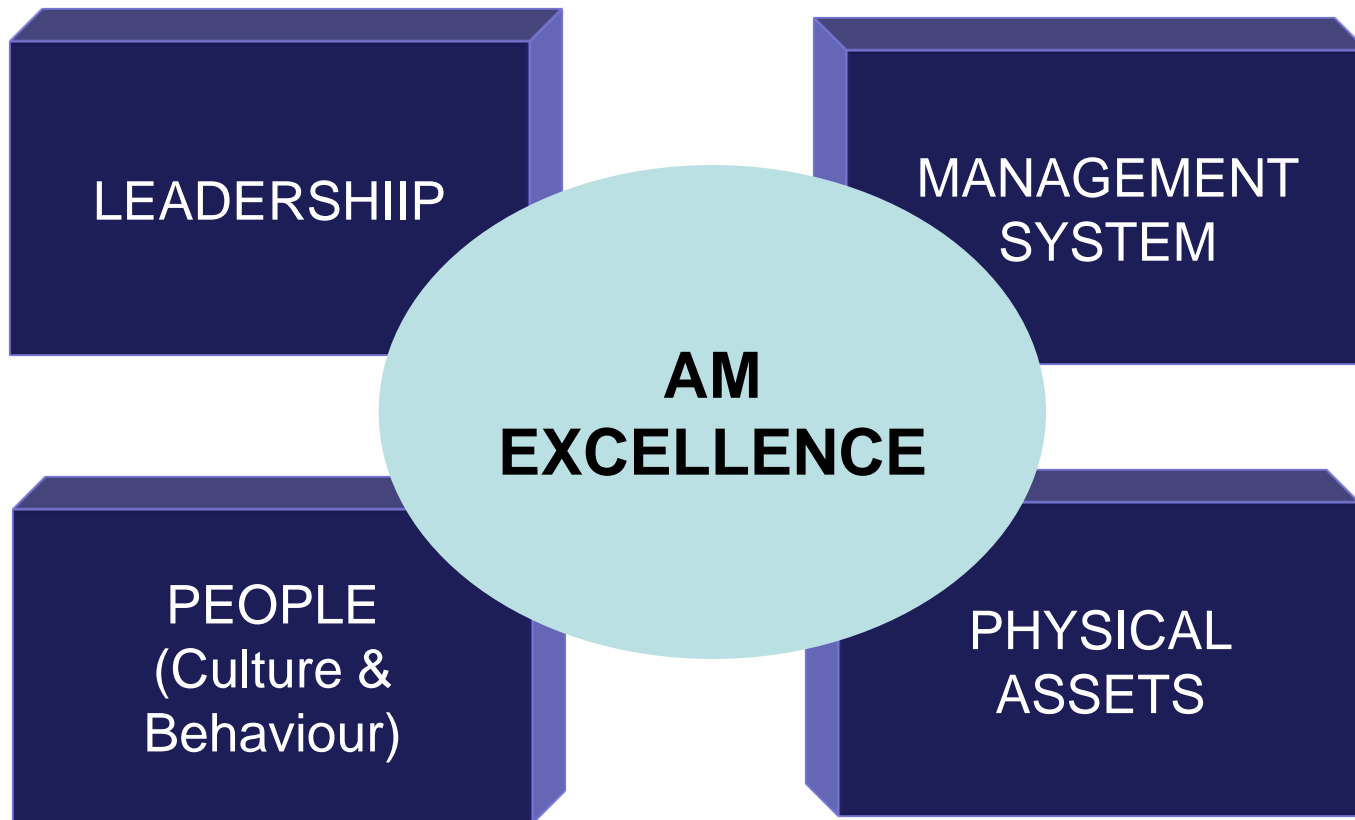


PAS 55-1

ISO/IEC 15288 Systems engineering –  
Systems life cycle processes



# AM Challenges:







# Four Key Principles

## 4. Learning Organisation:

*An organisation that actively seeks change in environment or domain knowledge & adapts to improve its products or services*

## 1. Output Focus:

*A commitment to measurable outputs*

Output  
Focus

Capabilities

Learning  
Organisation

## 2. Capabilities:

*Inherent functions of an organisation or physical asset*

Level of  
Assurance

## 3. Level of Assurance:

*Quantifiable level of confidence of a capability*

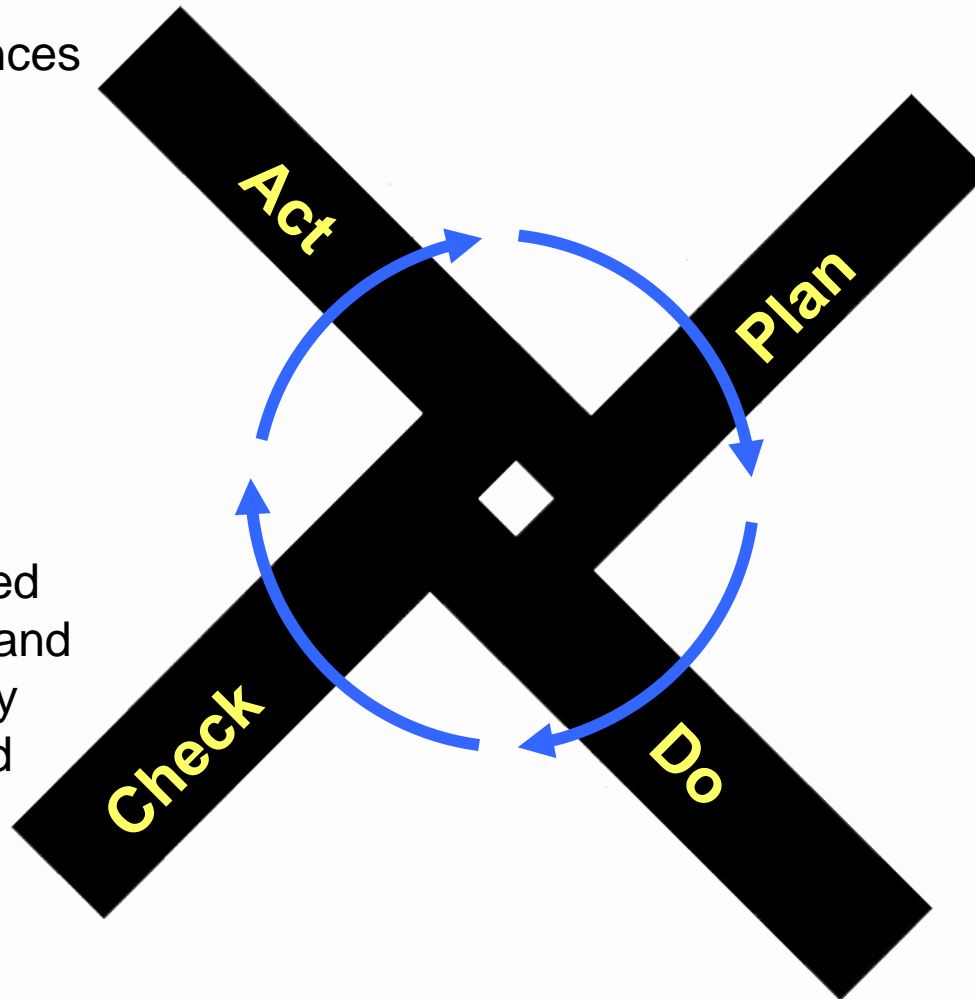




# Plan Do Check Act - Process

**Act** on any variances discovered while checking

**Check** that we achieved the stated intent of the plan and that we did exactly what was required by the plan

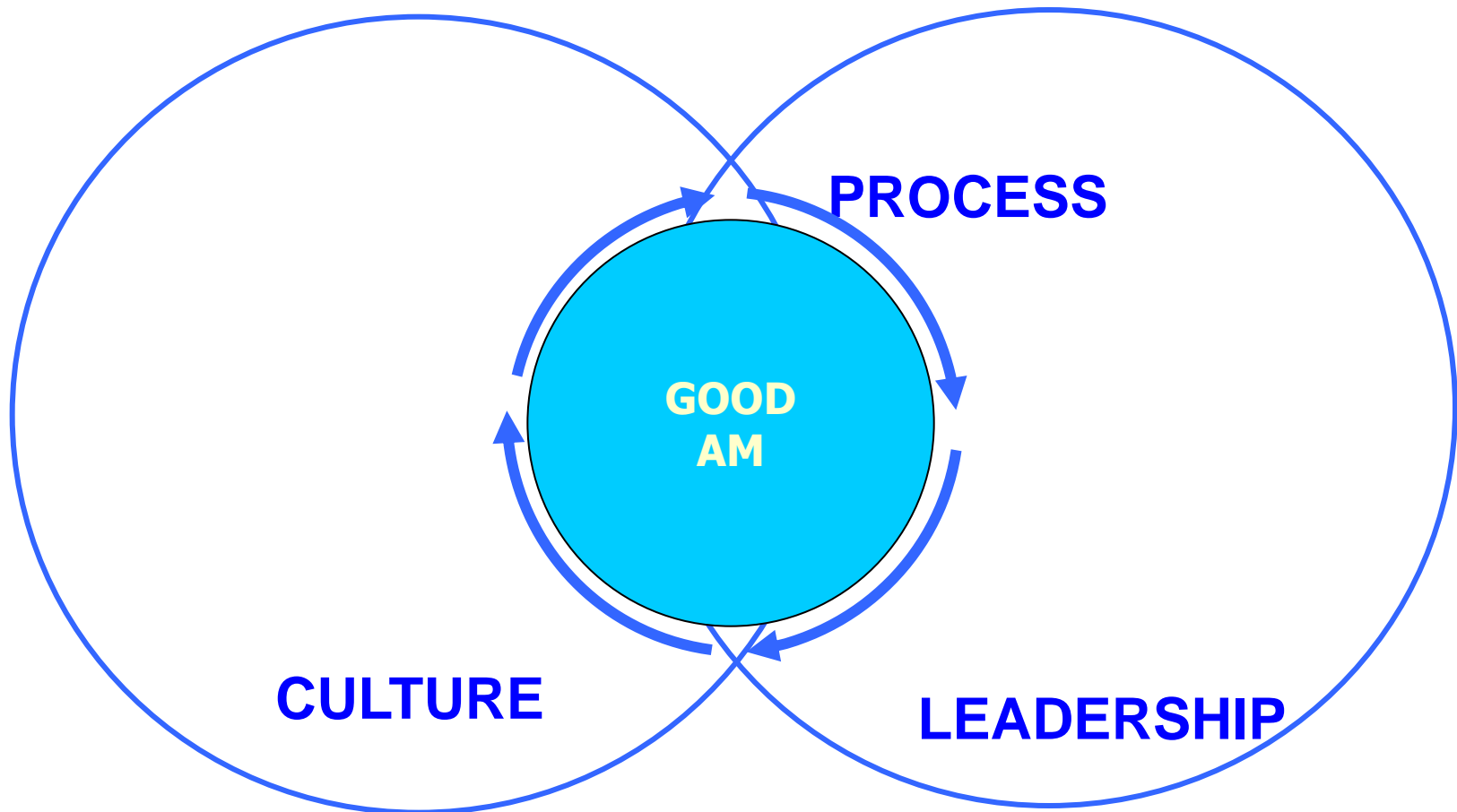


**Plan** and identify a suite of actions necessary to create and sustain a physical system to achieve a defined need

**Do** the planned actions in accordance with the plan

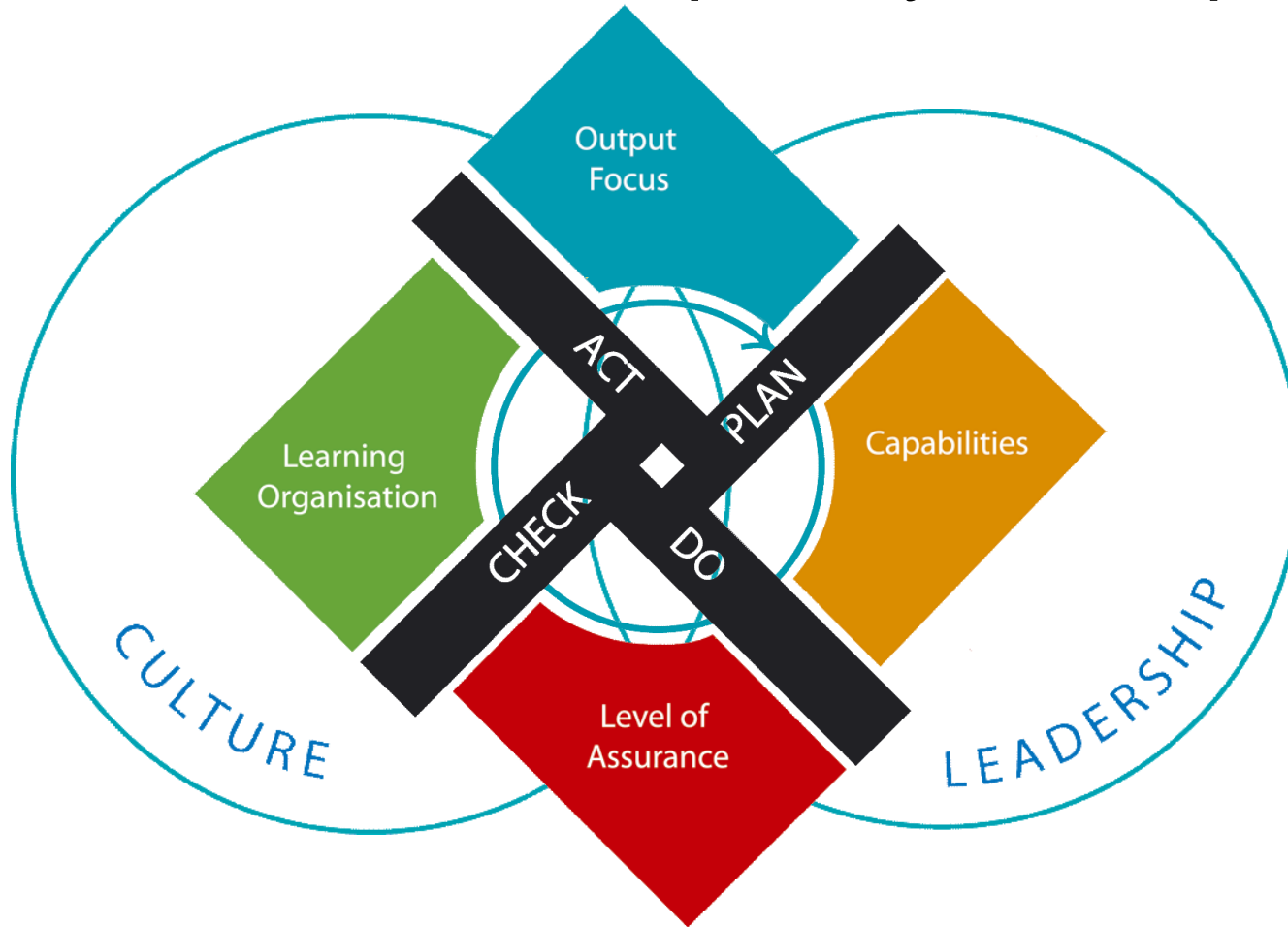


# Assuring Capability





# Asset Capability Concept Model



**Four Principles**

**PDCA**

**Processes**

**Culture &  
Leadership**



# Leadership

- **Leadership** = leader + led. The leadership does not belong only to the leader. Leadership does not exist if adherence to the leader does not exist.
- The **leadership** is a **function/process**.
- Leadership = to get results + through **relationships**.
- The leader is a person.
- A person cannot be responsible for the success of the whole organization.
- Leadership requires to give up the notion of the heroic leader - the person who has all the answers.



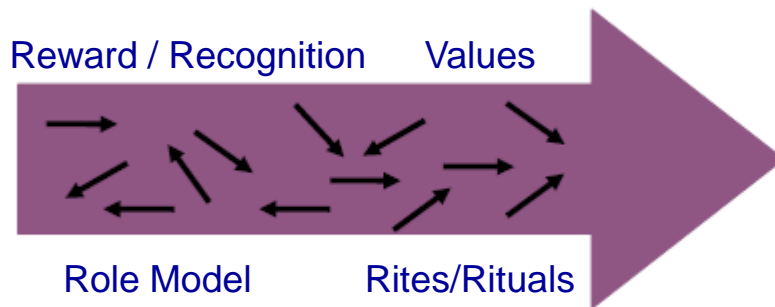
# AM – Leadership Accountability

## Is the single largest factor for success

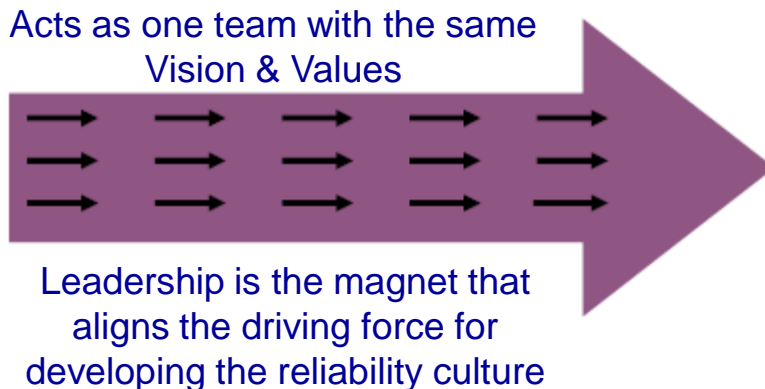
- Accountable for running AMMS
- Enabling and delivering AM performance
- Through personal example and actions, leaders cascade, manage and drive execution
- Reinforce the AM Culture
- Instill Operational Discipline
- Ensure that the workforce comply with AM
- Demonstrate that 100% performance is attainable



# The Leadership Model



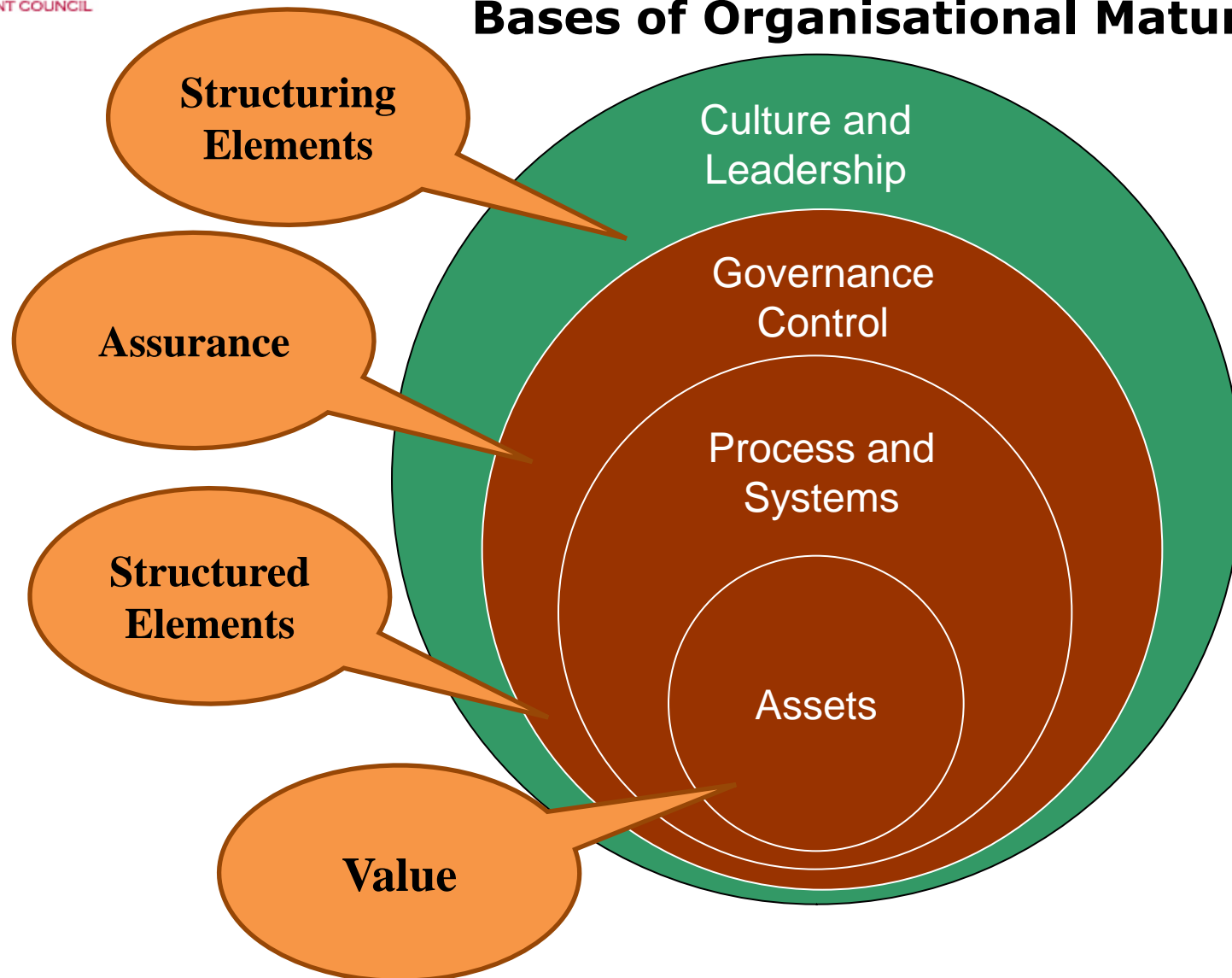
Lack of visible leadership  
 Mixed & unclear messages  
 Short Term vs Long Term  
 Poor support for the line  
No continuous improvement



↑  
 Increased profitability  
 ↓  
 Decreased risk taking



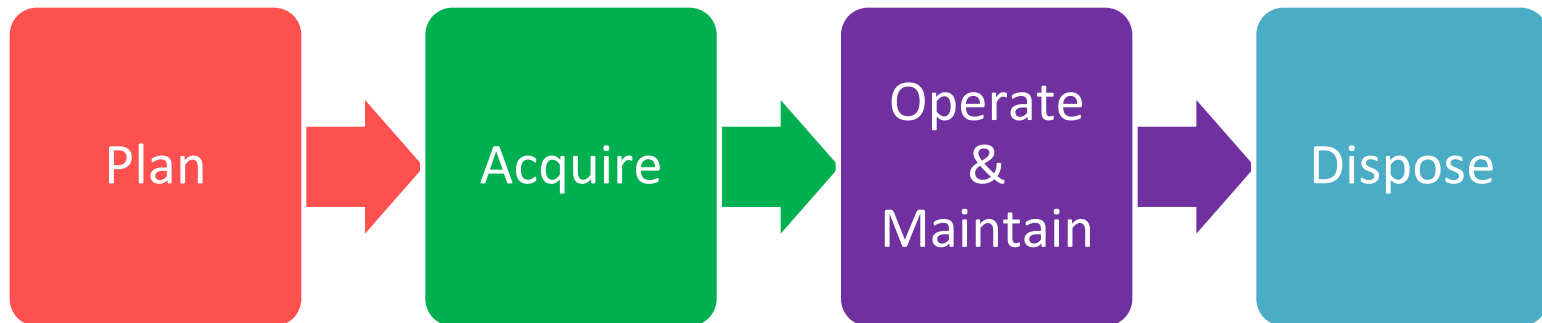
## Bases of Organisational Maturity





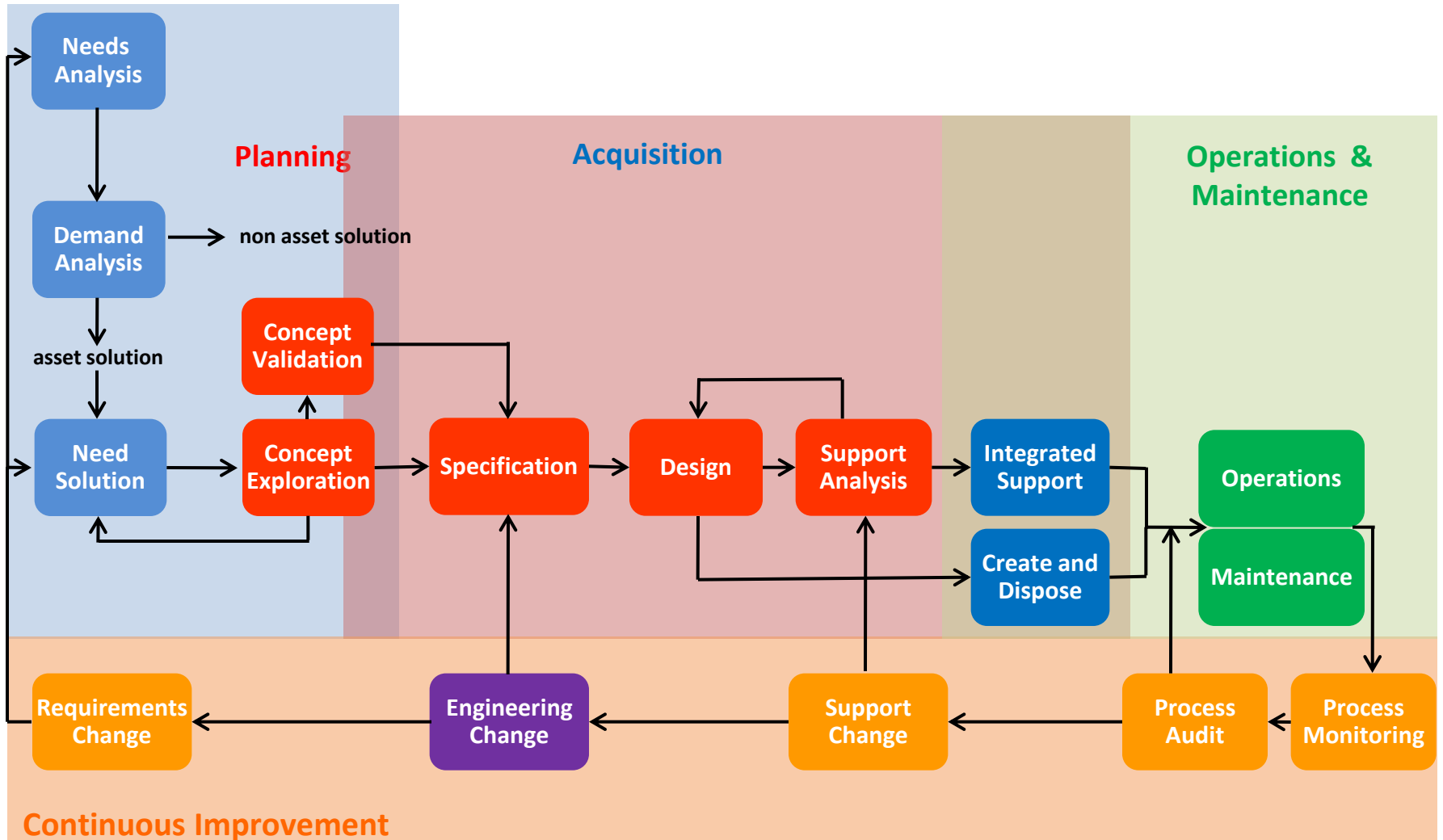


# Basic Asset Life Cycle



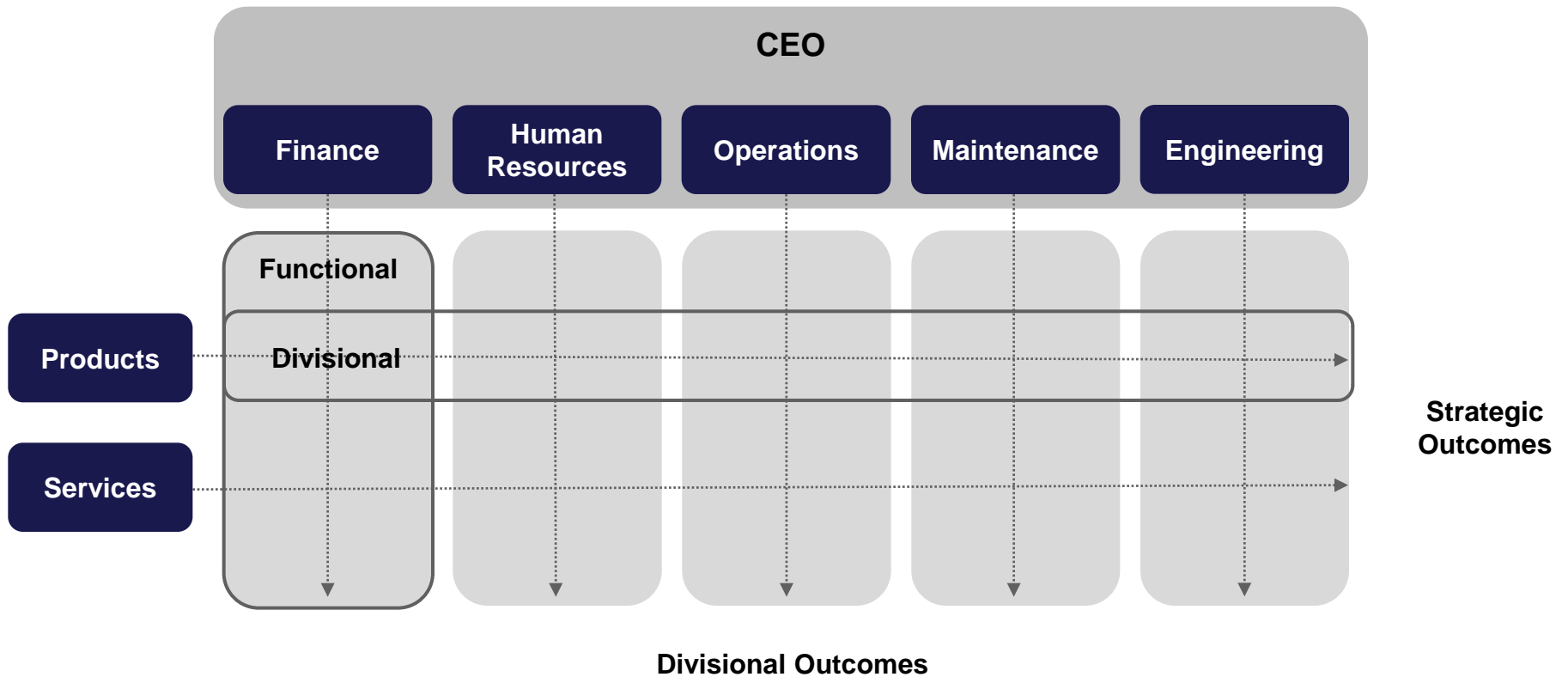


# AM Council Delivery Model





# Organisational Design



..... but do the outcomes meet the customers needs?



# What is culture?

Culture is an extremely complex phenomena, which can be understood from several different angles.

In general, it's everything that separates human beings from animals in terms of our capacity to understand the world and transform it.

You do not  
manage culture!



You manage  
through culture!



# The Mental Model



Hardware



Brain



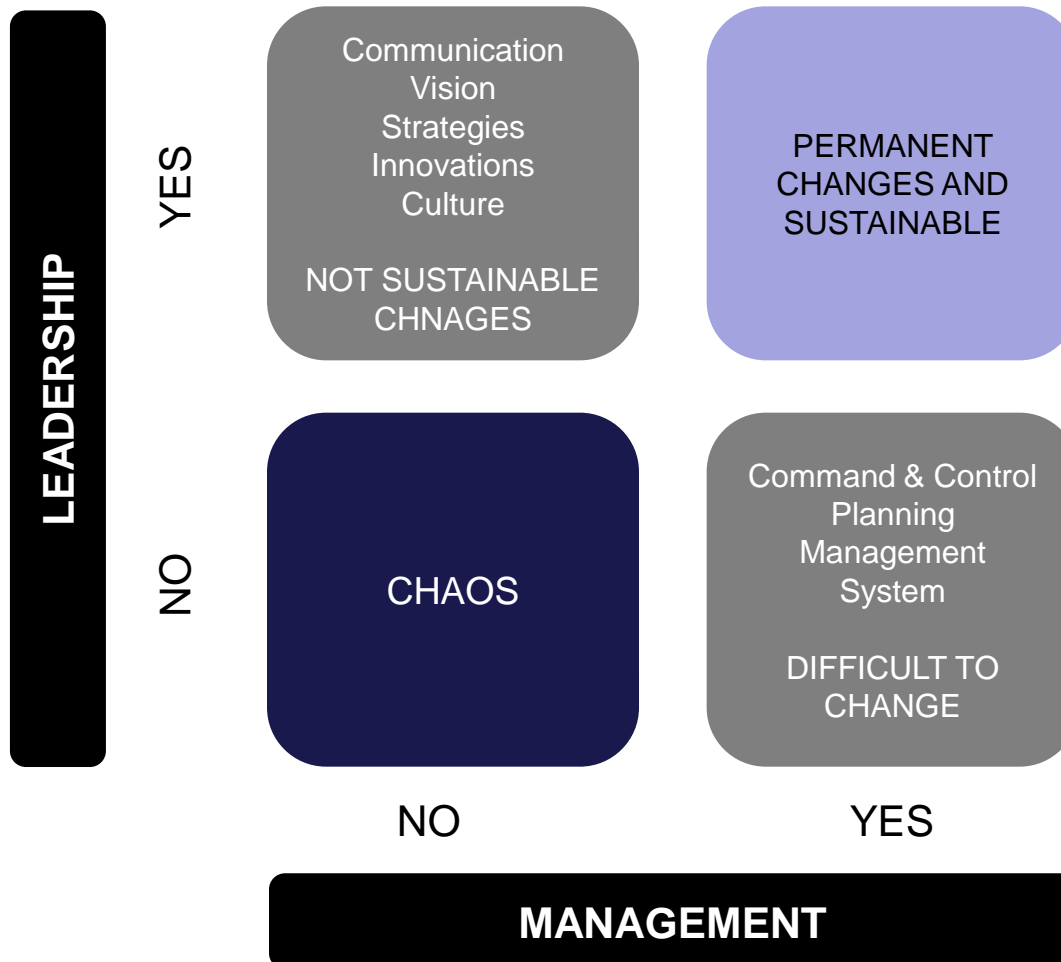
Software



Culture and Mind

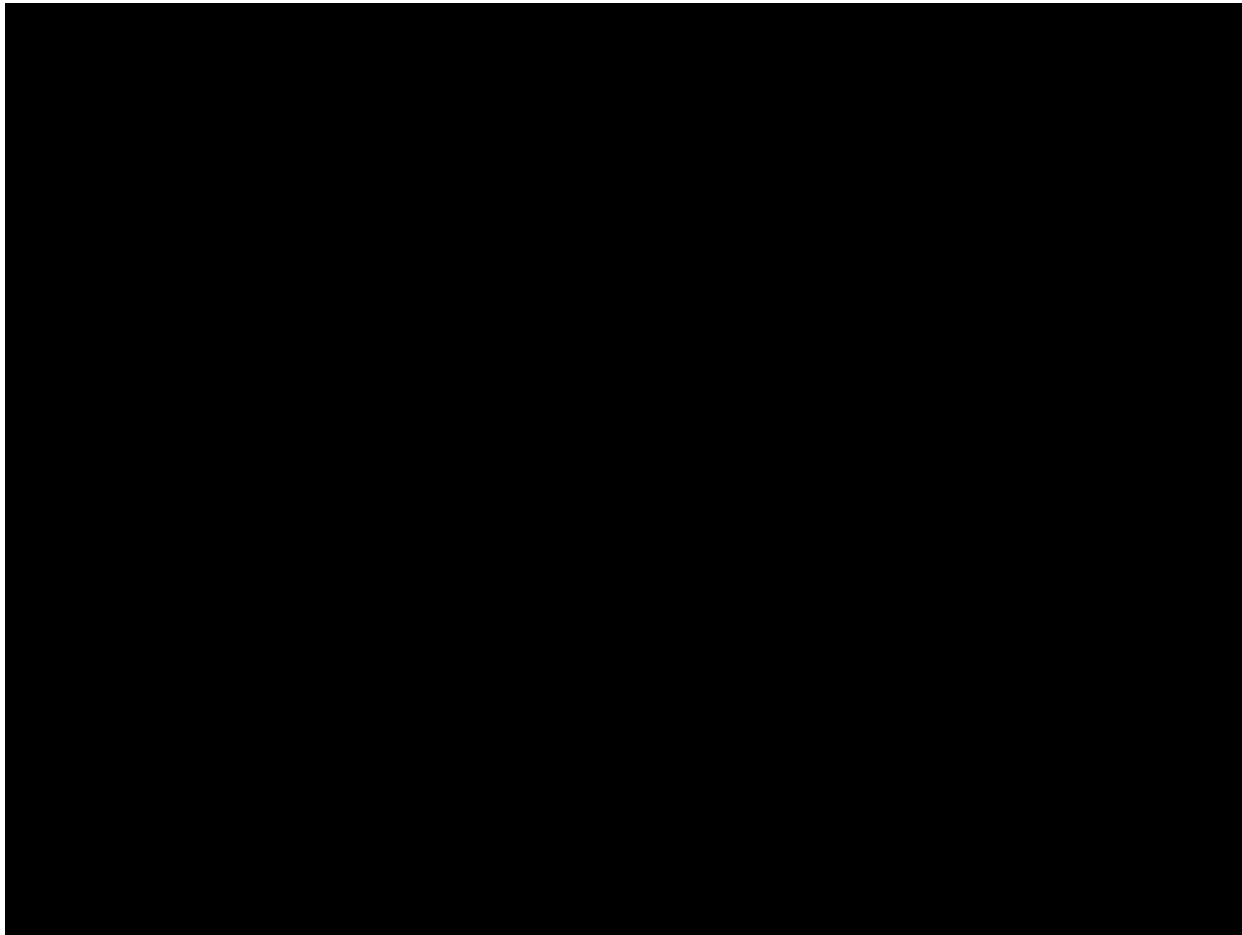


# The Dual Role of Leadership





# Case study Gladstone Power Station

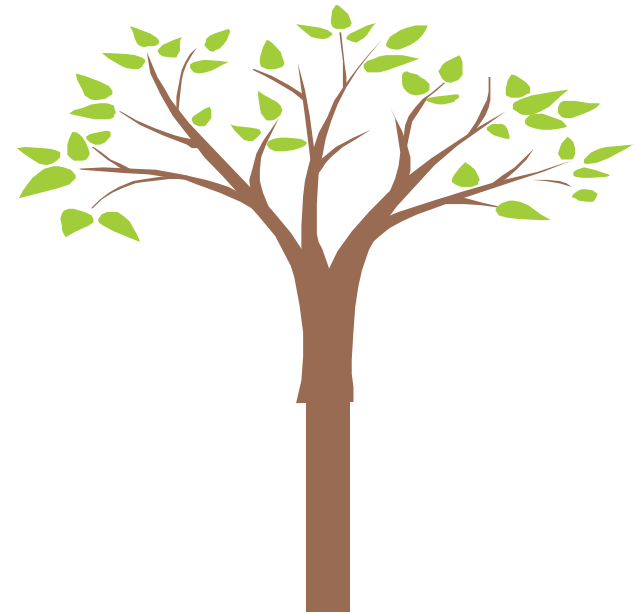






# “Hard Side” AM

AM  
“Hard Side” Tools



**Hard Side** – Tangible initiatives we implement to improve our performance...

Planning & scheduling, operator care, preventive maintenance, predictive maintenance, and others



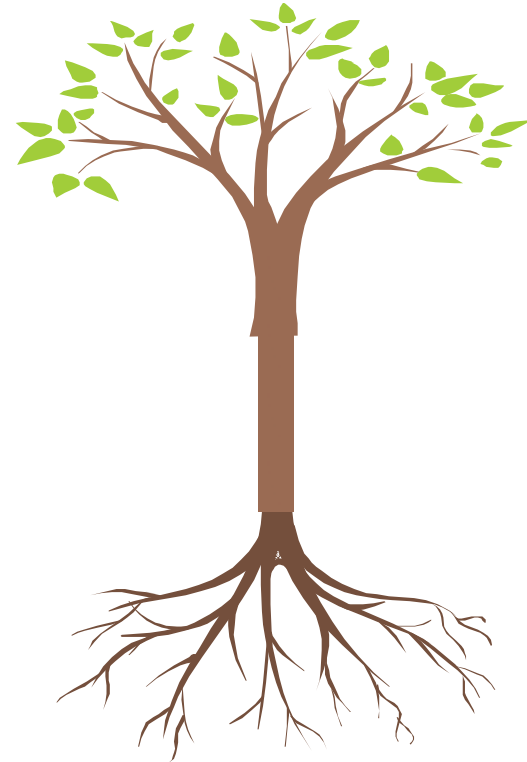
# “Soft Side” AM

AM  
“Hard Side” Tools

“Soft Side” Foundations

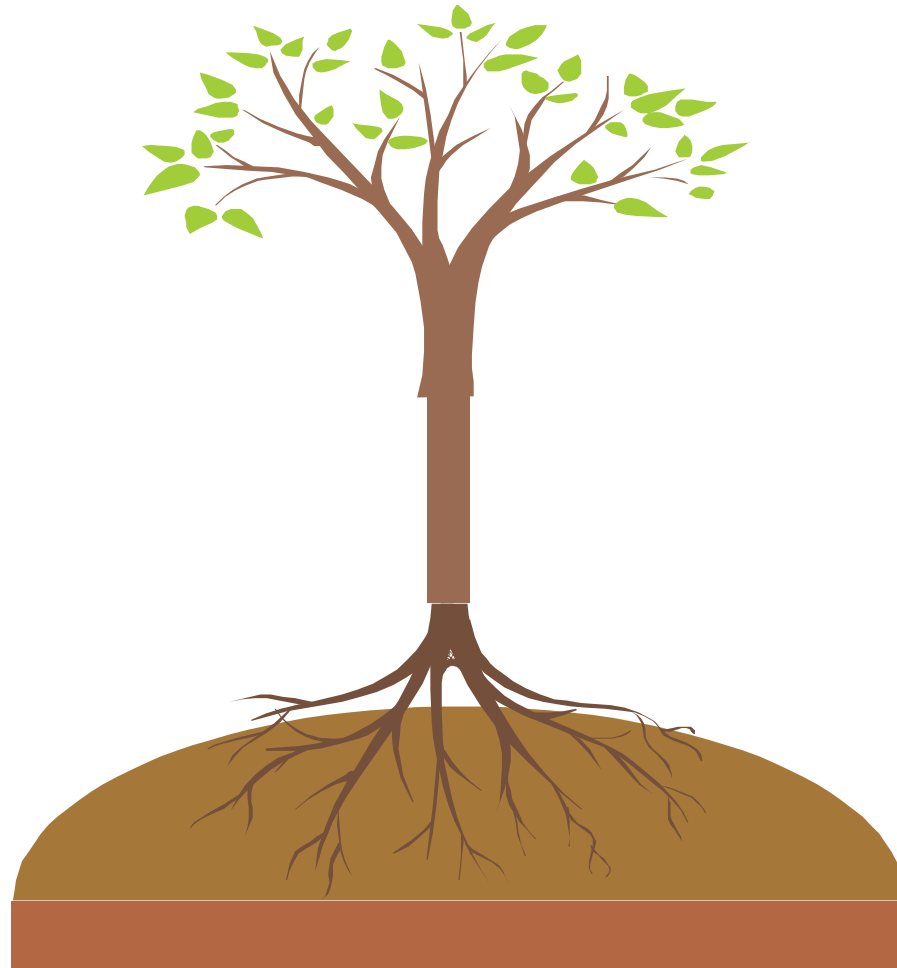
**Soft Side** – Intangible behaviours and practices that support hard side change...

Leadership, Work Process, Structure, Group Learning, Technology, Communication, Interrelationships and Rewards





# Below the Foundation???

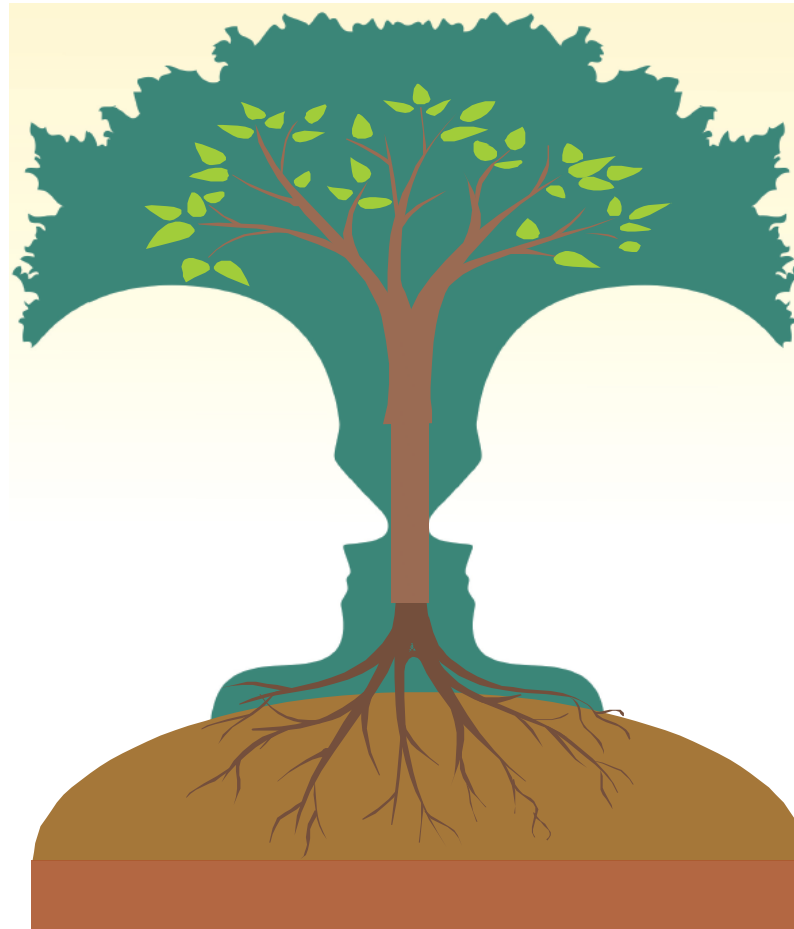


Invisible – “Culture”



ASSET MANAGEMENT COUNCIL

# Below the Foundation???

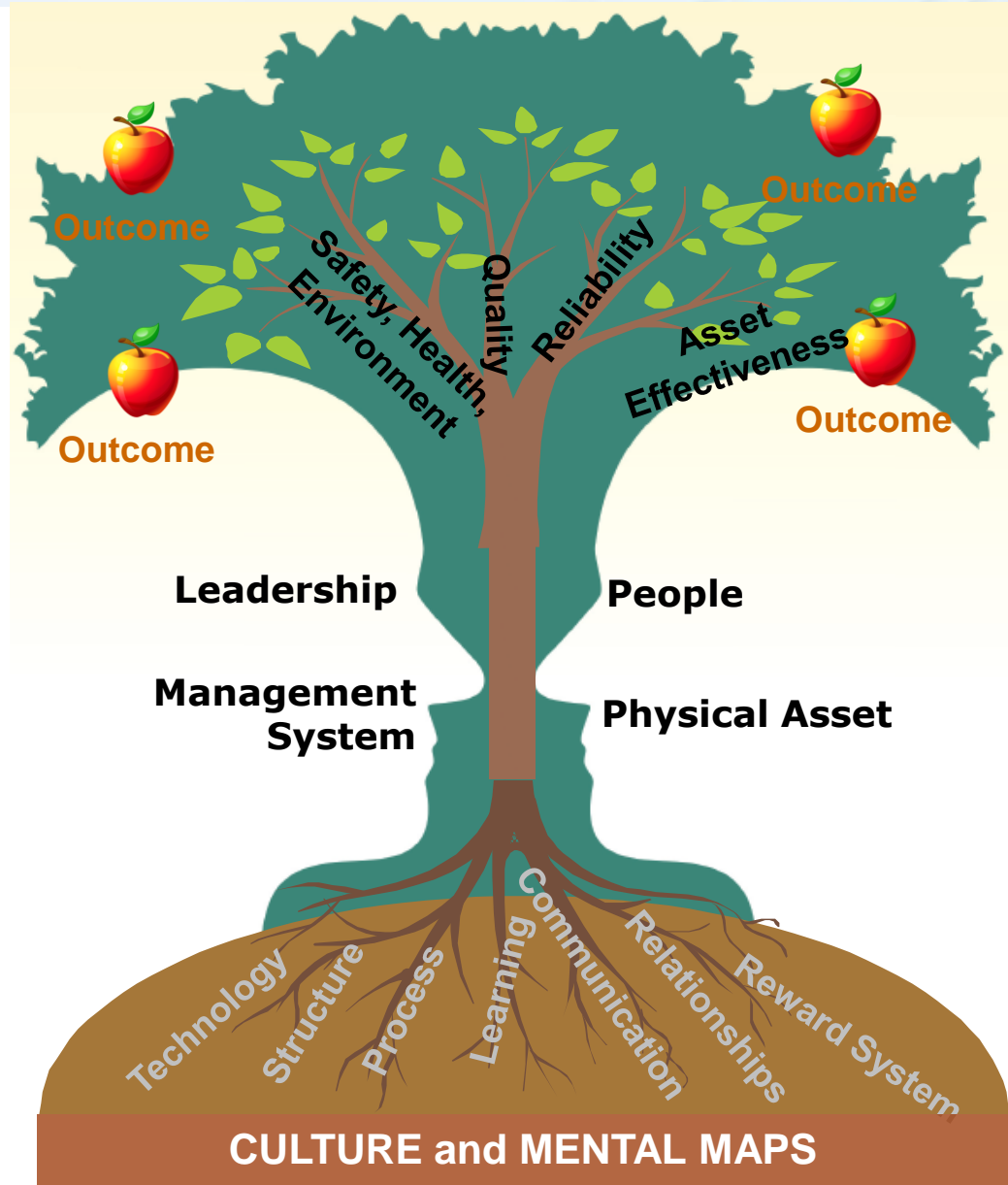


Invisible – “Leadership”



# In the end.....

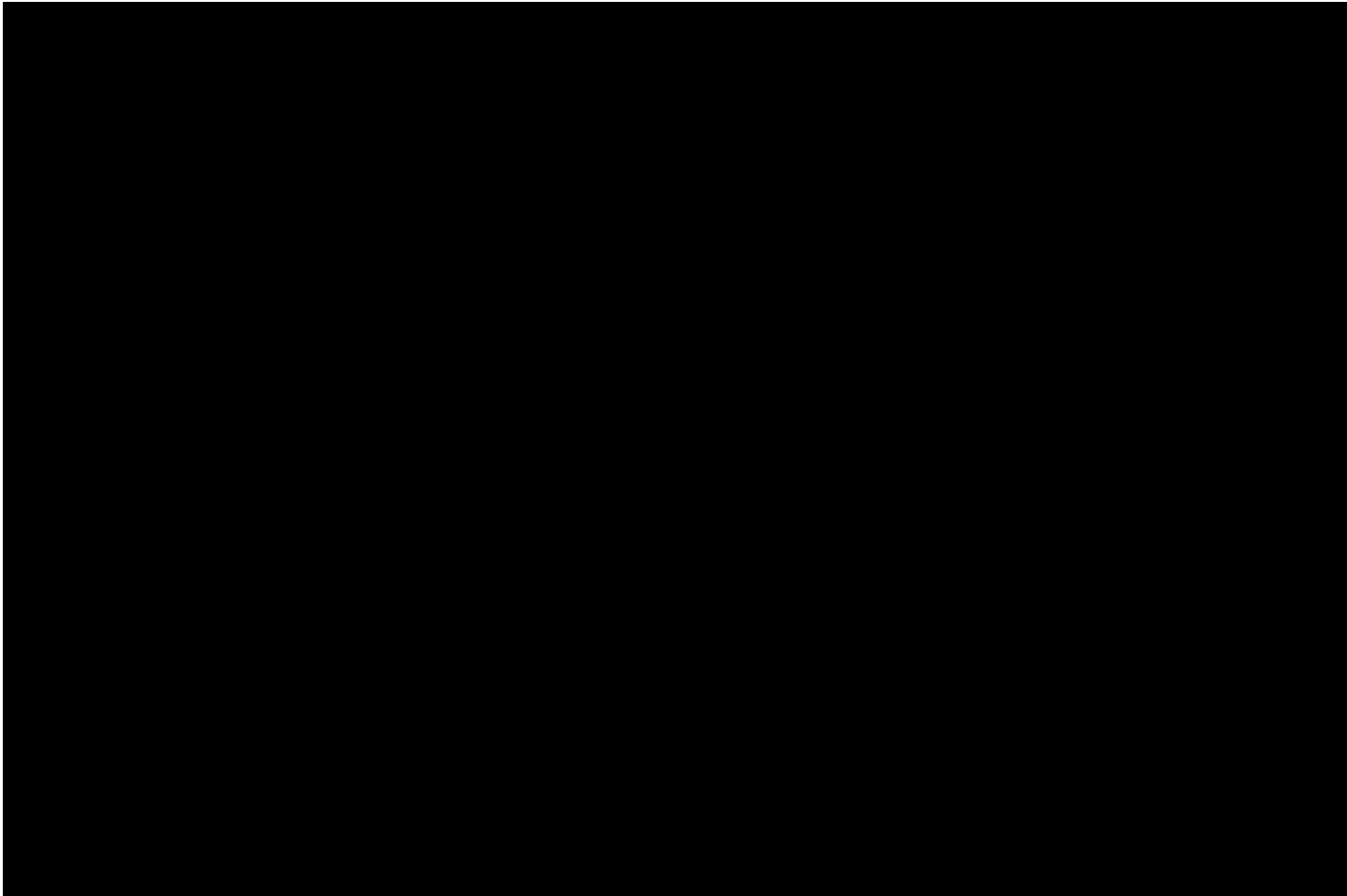
“Outcomes”





ASSET MANAGEMENT COUNCIL

# Vivendo Gestão de Ativos Living Asset Management

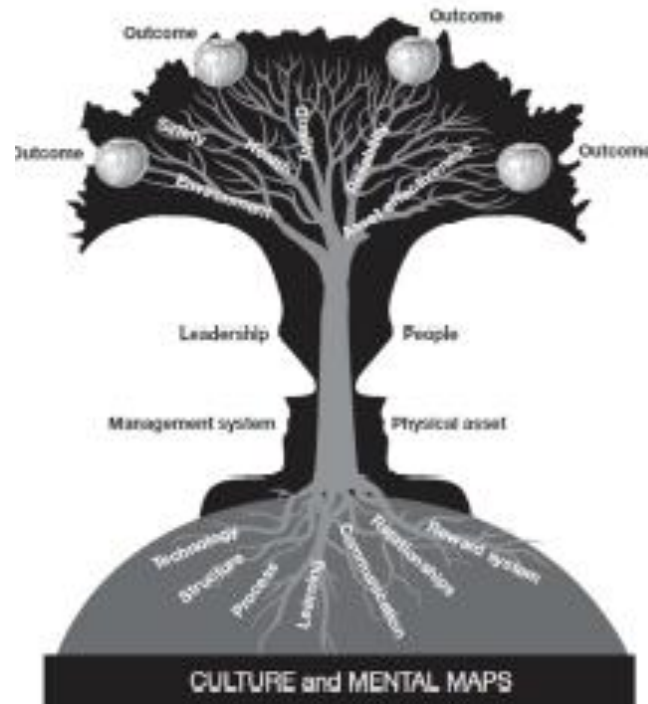




ASSET MANAGEMENT COUNCIL

# Reference

## Living Asset Management

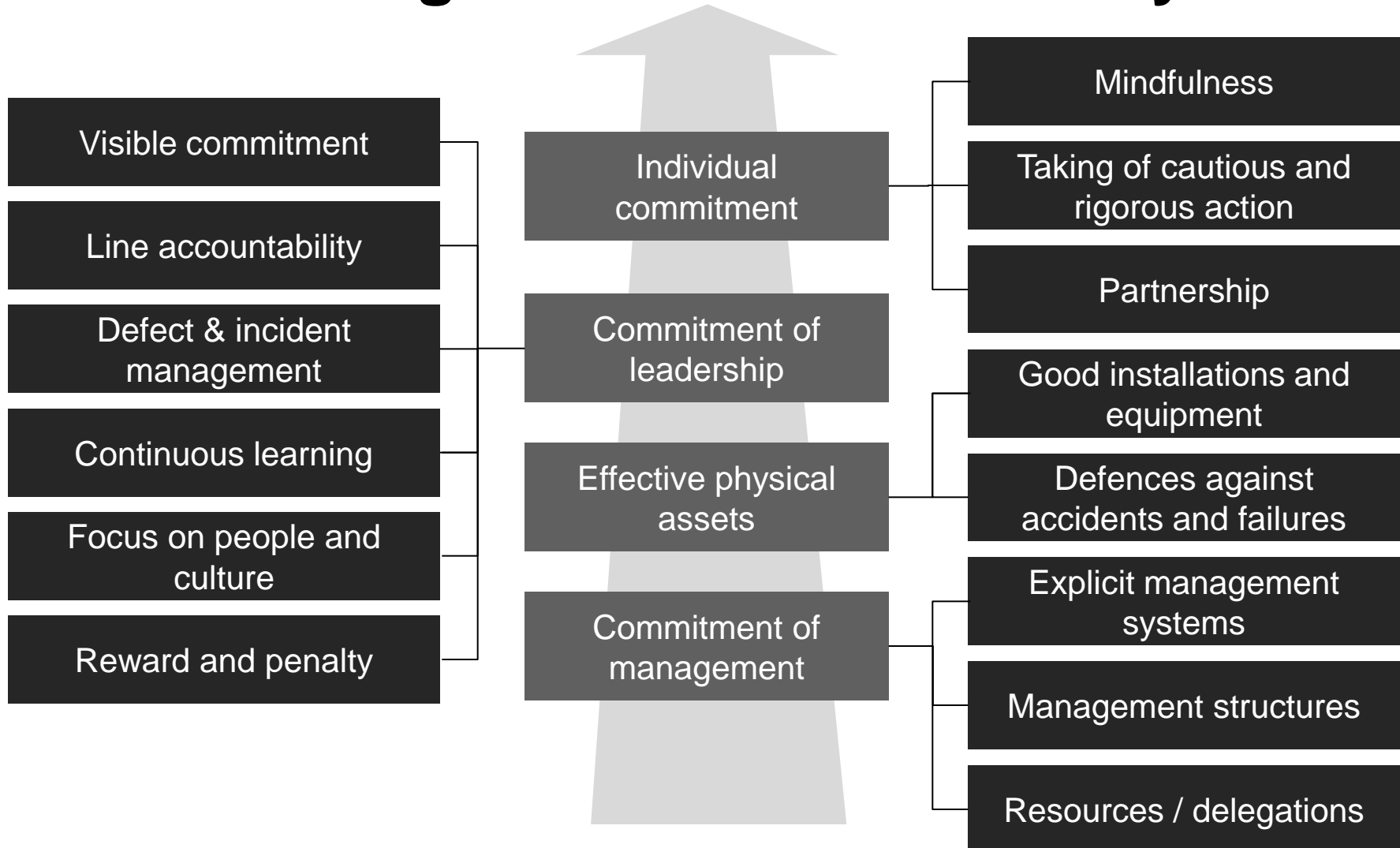


[www.livingassetmanagement.com](http://www.livingassetmanagement.com)





# Asset Management Culture Journey





ASSET MANAGEMENT COUNCIL

Questions ?