

ANNUAL REPORT | 2019



BUILDING PROFESSIONALISM

Who are we?

Our Vision

To be recognised as the leading, international, professional body for asset management.

The Institute of Asset Management (the IAM) is a not-for-profit, professional body. We are owned and controlled by our members and committed to remaining independent from commercial and trade associations. We exist to advance the discipline of asset management, not only for people and organizations involved in the acquisition, operation and care of physical assets but also for the benefit of the general public.

You can find the IAM's Policy, Strategy and Strategic Plan at theIAM.org/Strategy.

Our Enduring Objectives are to

- Collect / collate / disseminate existing knowledge and good practice
- Generate and extend knowledge and good practice
- Influence public policy and stakeholder expectations
- Promote capability and excellence in asset owning organizations or their suppliers, and develop structured schemes for recognising these achievements
- Promote knowledge and competence of individuals and develop structured schemes for recognising these achievements
- Deliver Member publications, engagement and networking opportunities and other valuable Member Services
- Raise profile and respect for the IAM and the profession
- Collaborate with and support other bodies having similar objectives
- Develop and maintain an appropriate and sustainable organisation

We welcome the support of both organizations and individuals who want to join us in developing this exciting discipline. By becoming a member, you can demonstrate your support and show colleagues or clients and suppliers your commitment to the principles and practice of asset management for the benefit of business and society.

If you're not already a member, why not join? theIAM.org/Join





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An introduction by the President

Since I became President in June 2019, our whole world has changed. Across the world people are grappling with the massive, far-reaching impacts of COVID-19. My heartfelt sympathies go out to everyone who has lost family and friends during the pandemic. As the communities we serve address these tremendous challenges, and look to be creative, and innovate to turn those challenges into opportunities: as an international asset management community, our skills and knowledge have never been more needed.

As part of my Presidency, I set out key areas I would focus on and I want to reflect on the progress we have been making. You will find the progress on these areas throughout the annual report as well as the more traditional annual report information on pages 5 & 6.

I am delighted to say we will be launching the Register of Asset Management Professionals later in 2020. This was only possible owing to the generosity of our Lead Sponsors and we

are most grateful to ABB, Accenture, IBM and National Grid. Combined with the support of: AMCL, Anglian Water and Sweco this enabled us to undertake a Development Programme to provide a foundation for growth. Thank you to all our supporters, sponsors, members and partners who are helping us build for the future.

We have identified four big areas, or 'Hot Topics', that need our attention. Page 7 tells you how we want to develop them. Inclusion is key to our growth and we have very active volunteers positively challenging us on how we can be inclusive across the full breadth of society and disciplines.

Our Chapters and Branches are fully engaged in transforming the way we do things, bringing international perspectives and helping shape our direction. Nothing worthwhile comes without hard work and we have recently taken a good look at ourselves, our systems and support services. This is extremely healthy and we shall emerge stronger and more able to give value to our members, as well as support the wider population to grasp the benefits of asset management. Pages 8 & 9 give you an idea of what they are achieving.

COVID-19 has prompted big changes in the way everyone works and interacts. The IAM is no exception to this and we are actively looking at ways to: deliver more value and self-service to members; be more accessible across different time zones; make appropriate use of virtual / internet connections; but also to ensure there will be a person to talk to.

Above all else, to achieve our Values and Enduring Objectives we need to work together. Your help and support is absolutely essential and really appreciated.

Ursula Bryan
President



Financial Results

Now that our systems and IT projects have settled, we can focus on achieving our goals of encouraging the growth of asset management and the IAM.

During 2019 we replaced our systems for: events, exams, collaboration and knowledge, our website and CRM but the transition has been difficult and costly. The 'exceptional costs' for supporting the old systems have now been contained but this has led to a balance sheet deficit of £265k in 2019.

The Institute has several wholly-owned companies: to carry out our activities in the most effective and tax-efficient manner. The best way to review our accounts is holistically, so Saffery Champness has compiled a consolidated Balance Sheet and P&L. These exclude Chapter activities and their assets, because although Chapters are subject to governance regulations set out by the Institute, for accounting purposes they are not under the control of the Institute.

The Directors are pleased to report that in the opinion of the auditor, Saffery Champness, the statutory financial statements give a true and fair view of the company's affairs at 31 December 2019, in accordance with United Kingdom Accepted Accounting Practice and the Companies Act 2006. The full financial statements, inclusive of the audit report, are available from our office. The financial information contained in this Annual Report

CONSOLIDATED BALANCE SHEET restated for final accounts					
		Year ending 31 Dec 2019		Year ending 31 Dec 2018	
	Notes	£	£	£	£
Fixed Assets			230,619		106,080
CURRENT ASSETS					
Stocks		22,882		28,902	
Debtors		350,764		396,638	
Cash at bank	a	- 0		155,170	
			373,646		580,710
CREDITORS					
Amounts falling due within 1 year	b		739,478		620,363
Amounts falling due after 1 year	c		129,598		
TOTAL ASSETS LESS CURRENT LIABILITIES			(264,811)		66,427
RESERVES					
Opening balance			53,546		391,251
Net surplus for year			(318,357)		(337,707)
Closing Balance			(264,811)		53,544

Notes to the Balance Sheet:

a) Debtors include:- £308,586 of trade debtors, £52,175 of prepayments and accrued income.

b) Creditors include:- £275k of trade creditors, £152k of other creditors, accruals and £312k of deferred income reflecting membership income and sponsorship income for future periods.

c) Creditors due after one year include:- £129,598 of trade creditors.

does not constitute statutory financial statements and no opinion is given by Saffery Champness on this Annual Report.

We are not required to undergo external audit but choose to do so in the interests of transparency and good practice. The accounts are prepared under the going concern concept and the Board is satisfied that the Institute has sufficient resources to continue from the date the accounts were signed. The detail belongs in the 2020 Report, but we have taken prudent measures to reduce costs, defer liabilities by agreement and stress test our forecasts in the light of the challenges presented by COVID-19.

DEVELOPMENT PROGRAMME					
		Year ending 31 Dec 2019		Year ending 31 Dec 2018	
	Notes	£	£		
PROFIT AND LOSS ACCOUNT					
Sponsorship income		406,194		401,239	
Costs	e	(408,354)		(262,512)	
BALANCE SHEET					
Debtors	f	10,000		112,109	
Cash at bank		81,660		120,438	
Creditors/ Provisions	g		93,820		93,820
Net asset position			(2,160)		138,727

Notes to the development programme balance sheet:

f) Debtors relate to accrued income in respect of sponsorship income

g) Creditors/ provisions are made up of deferred sponsorship income relating to 2020.

Membership

We're delighted to see growth in members during 2019, helped by the strong attendance at the North American conference.

On behalf of our members, the Chapters and Council heavily influenced the direction of our strategic plan which has three themes: Knowledge & Influencing; Professionalizing Asset Management and Thriving Institute. This plan strengthens our Value Proposition through expanding Chapter and Branch activity, the launch of the Register of Asset Management Professionals and development of our knowledge, products and services.

Paying Members

Our Monthly Newsletter goes to over 34,000 people



Paying Members include: Fellows, Members, Associates, Students.

There are a number of highlights to report.

Our membership continued to grow; and we delivered successful Global and Dutch, German and North American (USA and Canada) Chapter led conferences, collectively enjoyed by over 1,000 delegates. We also saw growth in the number of submissions for our Annual Excellence Awards and celebrated the finalists and winners' success at the Asset Management Conference in London, UK.

Our qualifications' revenue grew as our exams become more widely recognised as the default for asset management practitioners (over 1,500 candidates, despite them being unavailable for two months, as we transferred exams over to our new delivery platform).

The Endorsed Training Provider and Assessor Schemes continue to grow in popularity, partly driven by increasing use of this recognition, as a requirement, in tenders for the supply of asset management training or assessment. We are delighted to see organizations require suppliers to hold our marks of competence.

The IT issues, now resolved with the October 2019 go-live of the new systems, heavily affected the overall financial performance of the Institute. To remain capable of supporting our members and stakeholders, the legacy systems needed a high level of complex and expensive support up to the point of transfer and for far longer than planned. The changeover also required more additional effort than anticipated to prepare and transfer the data to the new systems.

The IAM office team remained committed over 2019, even whilst we were in the throes of the challenging IT. They were complemented by expert contractors for the delivery of services where deep asset management knowledge was required.

As last year, we have treated the costs associated with this continued support for the old IT as an exceptional cost; and for 2019 this amounted to £321k, which has caused an operating loss of £318k.

CONSOLIDATED PROFIT AND LOSS ACCOUNT					
		Year ending 31 Dec 2019		Year ending 31 Dec 2018	
		£	£	£	£
MEMBERSHIP					
Membership fees received	d	453,272		424,060	
Membership services	e	(431,206)		(398,882)	
Chapters		(1,583)		(22,816)	
Assets (journal costs)		(61,407)		(56,502)	
Net Membership 'Business'			(40,924)		(54,140)
TECHNICAL & COMMERCIAL					
Patron contributions			179,246		122,417
Events					
Income		674,177		397,369	
Costs		(434,090)		(320,053)	
			62,223		32,816
Publications					
Income		83,322		61,699	
Costs		(21,099)		(28,883)	
			62,223		32,816
Projects					
Income		670		1,768	
Costs		(4,032)		(9,141)	
			-3,362		-7,373
Endorsed Provider Schemes					
Income		93,962		69,343	
Costs		(25,454)		(14,097)	
			68,508		55,246
Products & Services					
Income		293,184		231,482	
Costs		(148,599)		(30,493)	
			144,585		200,989
Cost of Technical and commercial activities	e		(647,491)		(553,688)
Net Technical & Commercial 'Business'			43,796		(72,277)
Overheads & Admin Analysis					
Rent office services and related costs		(728,334)		(653,573)	
Website and computer costs		(72,598)		(95,801)	
Legal and professional fees		(67,159)		(98,796)	
Net bank charges		(15,356)		(25,048)	
Depreciation of website development		(84,582)		(45,016)	
Other costs		(82,303)		(34,334)	
Total Overheads & Admin		(1,050,332)		(952,568)	
Exceptional IT costs			(321,229)		(298,904)
SURPLUS /(DEFICIT) FOR YEAR (excl Development Programme)			(318,357)		(425,321)

Notes to the profit and loss account:

d) The patron contributions have been separated from Membership subscriptions and are shown in the Technical & Commercial 'business', which is consistent with the previous year.

e) Total 'Overheads & Admin' has been attributed (as in previous years) between the two notional 'businesses' plus the development programme.

Hot Topics

Climate Change

Many governments are sincerely addressing climate change and we want to help them, and organisations. We can do this by identifying good practice and innovation and helping them ensure climate change is embedded in their asset management thinking and operations.



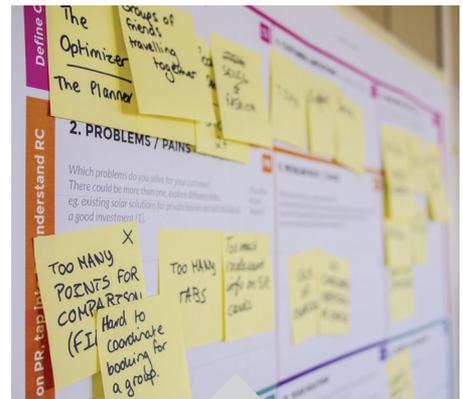
These 'Hot Topics' are so-called because they are, and will continue to be, the focus of significant challenge.

These are not short term initiatives and will remain relevant into the future. The IAM does not seek to define and dictate what needs doing, but rather to identify where the context and philosophy of Asset Management can help – not least a structured approach to long-term issues.

We will identify specific projects where this is appropriate; managed with defined deliverables, dates and resources. But some of the initiatives need a different approach and a constant input in everything we do to facilitate the right culture and mindset.

Inclusion

Our aim is to establish core policies and an approach to inclusion which encourages and enables a wide audience to feel included and engaged in IAM activities. The IAM must be an inclusive Institute with a working environment that values participation from the full breadth of work, society and disciplines. We will assess progress by promoting and observing engagement across all parts of our membership and encouraging volunteering opportunities for all our members, whatever their backgrounds, experience, sectors and professions.



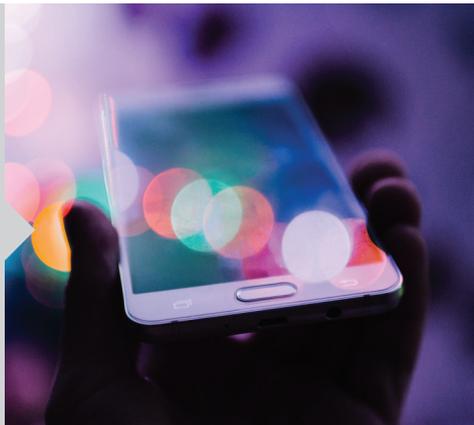
Resilience

Resilience is a topic that people intuitively understand, yet many different perspectives exist. We will explore topics like business continuity and contingency planning. For example, is it better to prepare for rapid recovery or to spend enough to prevent failures? These and other questions will be reviewed in order to develop ways to further enhance the asset management discipline.

The group will focus on developing guidance and tools for businesses and operators; collecting case studies and identifying good practice.

Digital

We want to develop guidance for asset intensive organisations to exploit digital technologies within an asset management context. This will include the value, selection and implementation of approaches such as Digital Twin and associated digital technologies to enhance the asset management not as an end in itself. We are approaching the supplier community and governments to seek synergies from this convergence.



Chapters & Branches

At the heart of the IAM

The energy, commitment and active leadership demonstrated by our Chapters is critical to delivering our strategic plan. We really appreciate the significant time and effort our volunteers give, and it is especially encouraging to see how the Chapters are collaborating. Sharing good practice on both events and processes to organise and support Branches and Chapters is producing real value. The Chapter Leaders, as a group, are also a powerful contributor to steering the IAM and how it develops and that is vital to move us forward.



IAM Belgium



IAM Canada

Despite its large size, Canadians are known to be resourceful people and manage to link and network. Branches have been established across the country, typically running three or four events each. Around 150 people support the annual Quebec Conference delivered in French. CERIU (Québec's municipal infrastructure association) and AQTr (transportation operators association) also participate in that Conference.

The Chapter has made great progress with establishing links to other Societies in the country, e.g. the Real Property Institute.

The Canadian Network of Asset Managers focuses on municipalities and there have been friendly relations from the start. Now there is a formal MoFU giving our members access to CNAM publications and services, and vice-versa. Excitingly, IAM Canada is forming very useful links with the Federal Government and Ontario is notably far-sighted in their application of asset management to public sector activities.

Volunteers translated, in collaboration with our French sister Institute IFRAMI with whom IAM has collaborated for many years: the Big Picture video, SAMP and Maturity guides – and now the Anatomy. The IAM is collaborating on a project in Canada to produce a Competency Framework for municipal asset managers. This is being managed through IAM Canada and the IAM has allowed them to use the IAM's well-established Competency Framework. The growth in IAM Exams is notable in Canada and this should be an indicator of future interest and growth.



IAM Germany

The year began with the final entry in the Register of Associations on 29 January 2019, to formally create the German Chapter.

The first achievement of the year was the preparation, organization and delivery of the Chapter's weekend workshop in February.



"The 2019 Chapter Asset Management Conference was held in Hamburg, in September, and attracted nearly 70 delegates and speakers from 6 nations, showcasing 20 presentations over two days."

This was held in Hildesheim and focused on the strategic direction, target setting and allocation of tasks to all the Chapter's officers. We thank the Chapter members who all attended and travelled at their own expense.

The mid-term objectives of the Chapter were set out and include: establishing a Centre-Chapter integrated membership process, providing virtual platforms for the Chapter work by members, engaging with relevant industry associations on asset management, member expansion to include capital-intensive industries (e.g. chemicals, railways, roads, airports), the development of a Chapter advisory board and hosting annual, German-language, Asset Management Conferences.

The year saw successful branch meetings in the Hamburg and Cologne area for expertise sharing and delivery of two General Assemblies. The first one in January for the final amendment of the statutes in order to recognize the non-profit status (signed-off 17 May 2019) and the second in September, following the main conference.

The 2019 Chapter Asset Management Conference was held in Hamburg, in September, and attracted nearly 70 delegates and speakers from six nations, showcasing 20 presentations over two days.



IAM Ireland

The Irish Chapter launched officially on 2 May 2019 in Dublin, having started under the wing of IAM UK. This was a well-attended event with many senior people from Irish organizations. It includes and welcomes IAM members from Northern Ireland and has already organized successful (and oversubscribed) events all over the island of Ireland. There are several Branches, with others forming, and the Chapter is hoping to hold a commercial conference in 2021.

IAM Ireland has already consulted on its local priorities and a workshop has agreed ten Key Themes on which to start their programme of work and events. Chapter events have focused on: Implementing ISO 55000 and Investment Planning and Delivery. The IAM has a history in Ireland of enlightened corporations and the Chapter is working towards delivering even more value for the Patrons and Corporates there as well as growing.



IAM Malaysia



IAM Netherlands

IAM Netherlands came from a successful organization, Asset Management Netherlands, and they have a clear plan with aspirations of how they want to grow activities in the country and collaborate with neighbours such as IAM Germany. They have helped organize NxtGen activities for many years and they have active links with universities and business schools. Utrecht University delivers the first (and currently only) IAM-recognised, asset management, bachelor degree.

Chapter events have a loyal following. Many delegates are knowledgeable and have high

expectations. Some events are purely for member benefit whilst some are commercial. They have chosen to vary the themes and industrial sectors. Volunteers have been very productive in translating all kinds of IAM and asset management material generally, e.g. ISO55000 – recruiting sponsors and volunteers for this work, notably for the Anatomy of Asset Management. They have also successfully piloted Excellence Awards at Chapter level in the IAM and we hope this will be taken up by other Chapters, eventually supporting Best of the Best Awards globally.



IAM UK



IAM USA

The sheer size of the USA, both geography and population, is a challenge. But the Chapter is now established in many of the key centres from East to West Coast including the Mid-West. In 2019 the Chapter held its first elections for the Executive Board, appointing four new Directors.

There are now a dozen Branches holding events on a quarterly basis and IAM USA also has an active NxtGen group. The first North American Conference in 2019 was a collaboration with IAM Canada. It took place in Chicago and was a sellout success – turning away potential attendees with a maximum venue capacity of 300.

“The first North American Conference in 2019 was a collaboration with IAM Canada in Chicago and was a sellout success.”

Chicago Conference

The inaugural North American conference was a resounding success – sold out at 300 attendees! – this clearly filled a gap in the market. Both American and Canadian Chapters organized and supported it, but we must recognize the Canadian co-Chair David Bowcott, who drove the team hard. This may well spawn successful and bigger conferences in both Canada and USA in due course, responding to many requests to repeat this event from delegates, sponsors and exhibitors.



The USA pioneered webinars in Chapters and there has been cooperation throughout the IAM, which we see as a major value-producing activity. There is an emerging appetite to contribute to knowledge work, which should be interesting as there is good representation from manufacturing / process and high-tech industries, which complements the dominance of infrastructure elsewhere.

The Year Ahead

Our focus for the year ahead will be directed by our latest Strategic Plan, which has been developed by taking inputs and priorities from our Chapter leads and our Council around three themes: Knowledge & Influencing; Professionalizing and Thriving Institute.

With an expanding international perspective, we have a greater opportunity to understand, collaborate and celebrate asset management successes. We continue to support ISO/TC251, especially as we approach the first revision of ISO55000. Unsurprisingly, there is a huge range of achievement and understanding around the world (and within our Chapters) and it will be interesting to see how the Standards evolve. The IAM actively supports TC251 and we promote the spread of helpful articles and other accessible publications. For example, *"Managing Assets in the context of Asset Management"* is a key message and we are beginning to see this phrase used quite widely.

"For asset management to become fully mainstream, we must get our message out clearly and help our members, sister bodies and other knowledgeable people, become more influential in organizations."

We are broadening our Knowledge work, and this will encompass documents in depth that have been fully peer-reviewed but also more IAM articles and a mix of much more accessible discussion. Obviously, this will be useful at Branch and Chapter level but also for the general public and partner societies on our website. Some of this will be curated and indexed for ease of use rather than simple free-form – but that has its place, too. We are considering how to make it easier for those new to asset management to engage; as well as providing space for more seasoned experts to find interesting debate.

The Global Forum¹ improved its project delivery process in 2019 and the IAM is delighted by progress in the Maturity / Excellence space. We congratulate the AM Council and other key thinkers globally in their contribution to Leadership & Culture, for example. We believe that these factors needs greater prominence and the IAM will be introducing a scheme to recognise trailblazer organisations and assessors.

For asset management to become fully mainstream, we must get our message out clearly and help our members, sister bodies and other knowledgeable people, become more influential in organizations. Our Hot Topics will add new context (probably for some years) as a focus for what asset management can do to help governments, countries and professions to address long-term challenges.

It is exciting to find professionals, such as investors, seeing the value of asset management as we understand it; and we need to foster this: in practice, these are often the top management to which our standards and literature refer.



¹Global Forum on Maintenance & Asset Management www.GFMAM.org



This is why the IAM has talked publicly for five years of professionalizing asset management. asset management professionals must take their place in the leadership teams alongside finance, engineering or marketing.

Our Register of Asset Management Professionals will be launched later in 2020. This is not intended to be a register for IAM Members only. Our aim is to collaborate with sister bodies to foster worldwide recognition of Asset Management Professionals as quickly as possible. Partner societies would help steer the register and admit their own members. We realise many societies have their own methodologies but if we can make value of a worldwide register understood, the post-nominals AMP and this achievement can become better known. The aspiration is that some organizations start to advertise key roles as requiring these credentials.

The whole asset management community has so much more to do to raise the profile and voice of asset management everywhere. The IAM will do as much as we can and we welcome the opportunity to support similar work by other societies. We also have more to do in partnering other professions as well as those new to asset management, particularly younger people who may see it as their whole career.

As our Branches and Chapters increase, this can help both influencing and gathering new people to the cause. Already there are healthy formal agreements between IAM Chapters and other societies and we want that trend to grow fast. Local IAM members can best understand what those countries need (sometimes literally speaking the language) what those countries need and can help address cultural factors when producing guidance.

“If we can make value of a worldwide register understood, the post-nominals AMP can become better known. The aspiration is that some start to advertise key roles as requiring these credentials.”

We are reviewing our whole operational model and systems to pivot the IAM to suit the future needs of all our stakeholders. To support this we will be developing a digital strategy to better enable virtual interaction across global timezones and complement physical face-to-face networking. We are reviewing explicitly what it is that interests and gives value to members and others; and we will fine-tune what is offered to all stakeholders through a refreshed value proposition. We are keenly aware that our growth will only continue if we succeed.

The Institute, itself, depends totally on you. This means not only every member but, especially those volunteers who take on the challenges of growing our organisation and becoming the leadership team who are the real heroes. It is those leading and supporting Branches, Chapters, Projects and Committees who make this such an impressive organisation. The Board would also like to recognize Andy Watts and the Office Team and thank them for all their hard work and commitment during this last year. We are all grateful to all of you.

Why not consider joining us to spread the understanding and use of asset management?

The Institute of Asset Management is grateful for the support of our Patrons



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