

The IAM's Position on: **'Digital' and Asset Management**

Approved by IAM Board, February 2021

Digital, Data & Decision-Making

The last decade has transformed the digital environment: for people, organizations and governments. This huge impact on organizations 'doing' Asset Management includes new technology like: smart sensors, machine learning, drones, increasingly cheap data storage, powerful analytics tools and so on.

Here is the opportunity: if we can choose wisely from the alternatives, there are correspondingly large benefits to be won.

Organizations are increasingly looking to deliver increased value¹ to stakeholders, through the adoption of digital technology and better use of information. But this is challenging. There is so much to choose from – and technology on its own does not transform or benefit your business.

These technologies present enormous opportunities to asset intensive businesses but also present some significant risks, not least of unintended consequences. Our Corporate Members have always been challenged by data and IT systems because it is difficult to achieve the right balance of spend and benefit.

The IAM wishes to help organizations exploit emerging digital technologies and avoid the pitfalls.

Asset Management

As Asset Management thinking has evolved over the last decade or two, what it means to be excellent or mature has consolidated and evolved also. There is a need for the right maturity in culture and leadership to support the successful adoption of some techniques and technologies. We also recognize 'Data as an Asset' and this has implications for traditional concepts and 'IT'.

The right implementation of Asset Management concepts and processes can deliver significant value to organizations. It is also clear that a data-driven approach (to support decision-making - and much more) and some emerging technologies offer exciting ways to enhance this value. The classic cross-sector and cross-functional strengths of Asset Management are an important basis for becoming data-driven.

Asset Management, with its focus on clarity of purpose, managing 'enablers' (eg information), balancing risk and costs; helps organizations understand what they really need and then choose appropriate and sufficient digital technology to deliver greatest value.

¹ Value is subjective. This means what the organization chooses as the best combination of cost, performance and risk to suit its purpose and objectives.

Key Topics for exploiting 'Digital' to Deliver Maximum Value

In addition to purely technical knowledge and organizational development, the following aspects of good Asset Management need to be sufficiently in place before attempting to digitize the organization's activities.

Culture and Leadership. The right culture will hugely improve the choice and of the right digital options and their exploitation. Leaders need to understand what the organization needs and to align their people and processes.

People & Skills. The capabilities of your people need developing, not in digital technology only – but in exploiting and understanding its value and potential and talking across professional boundaries.

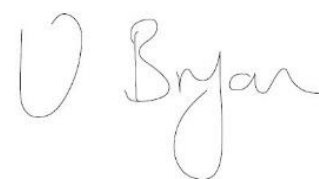
Implementing 'Digital Solutions'. Digital is not a 'solution' until your 'business as usual' is aligned and you understand why and how much to spend on data and (the right) technologies.

The IAM's Digital Programme

The IAM is launching its Digital Programme² and we are working with similar bodies and relevant suppliers to gain the latest insights. This Programme will produce practical guidance on how to value information, how to determine which technologies are worth investing in, what the prerequisites are for digital adoption and how to manage data as a key asset. This Programme will continue for some years and initiate complementary but separate projects and activities.

The IAM seeks to help organizations derive best value from Asset Management. Huge costs can be incurred from investing in digital technology: doing it right first time is important. This work will help create informed clients and, we hope, influence the supply side to offer solutions that match the real needs of organizations.

The Terms of Reference for this Programme are available publicly and we welcome approaches from any organization or individual that wishes to support our work.



Ursula Bryan
President

² For more information, please see our Terms of Reference or visit www.theIAM.org/Digital