

Strategy and Planning

Asset Management Decision-Making

Lifecycle Delivery

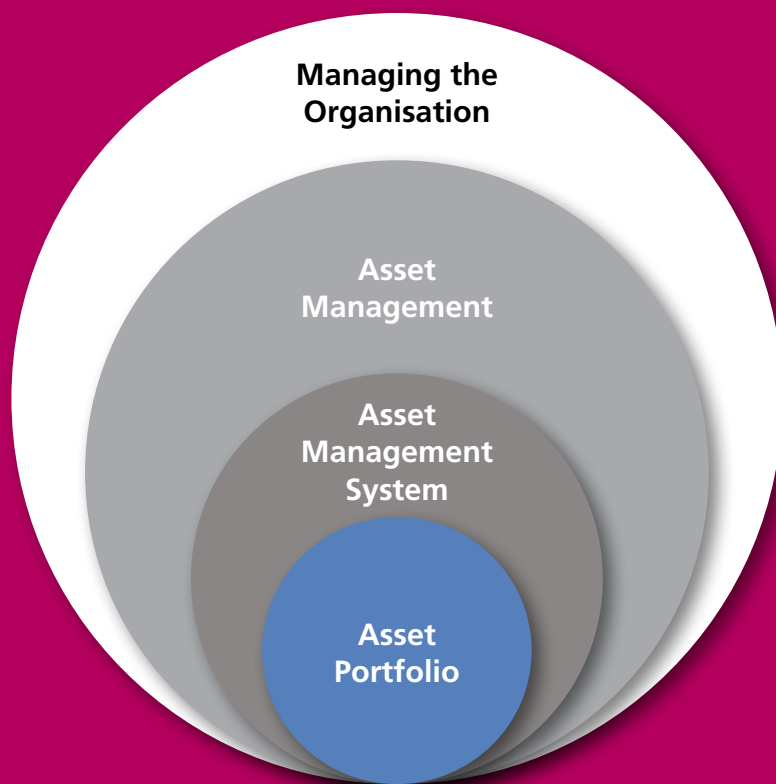
Asset Information

Organisation and People

Risk and Review

# Stakeholder Engagement

Version 1 March 2019



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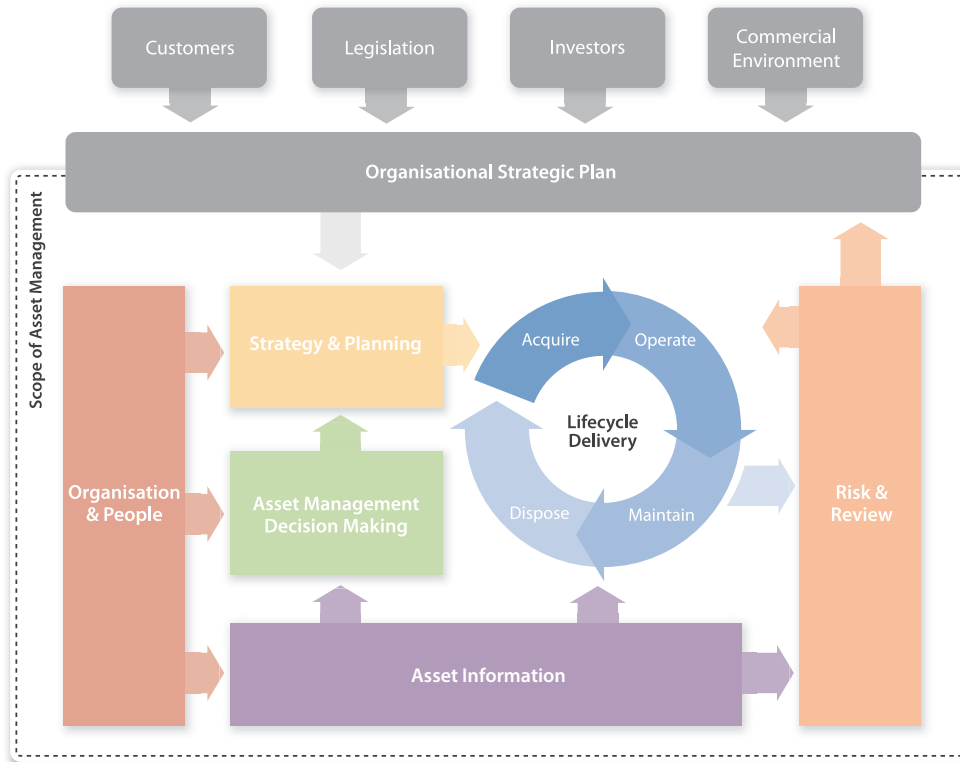
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# The scope of Asset Management



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## Group 1

1. Asset Management Policy
2. Asset Management Strategy & Objectives
3. Demand Analysis
4. Strategic Planning
5. Asset Management Planning

## Group 2

6. Capital Investment Decision-Making
7. Operations & Maintenance Decision-Making
8. Lifecycle Value Realisation
9. Resourcing Strategy
10. Shutdowns & Outage Strategy

## Group 3

11. Technical Standards & Legislation
12. Asset Creation & Acquisition
13. Systems Engineering
14. Configuration Management
15. Maintenance Delivery
16. Reliability Engineering
17. Asset Operations
18. Resource Management
19. Shutdown & Outage Management
20. Fault & Incident Response
21. Asset Decommissioning & Disposal

## Group 4

22. Asset Information Strategy
23. Asset Information Standards
24. Asset Information Systems
25. Data & Information Management

## Group 5

26. Procurement & Supply Chain Management
27. Asset Management Leadership
28. Organisational Structure
29. Organisational Culture
30. Competence Management

## Group 6

31. Risk Assessment & Management
32. Contingency Planning & Resilience Analysis
33. Sustainable Development
34. Management of Change
35. Assets Performance & Health Management
36. Asset Management System Monitoring
37. Management Review, Audit & Assurance
38. Asset Costing & Valuation
39. Stakeholder Engagement

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# 1 Introduction

## 1.1 Introduction to Subject Specific Guidance

This document is part of a suite of Subject Specific Guidance documents that explain the 39 subject areas identified in “Asset Management – an Anatomy”, published by the Institute of Asset Management. These subject areas are also acknowledged by the Global Forum for Maintenance and Asset Management as the “Asset Management Landscape”.

ISO 55001 sets out requirements which describe what is to be done to be competent in asset management, however they do not offer advice on how it should be done. The SSGs are intended to develop the next level of detail for each Subject, including a consolidated view of good practice, drawn from experienced practitioners across many sectors. They are intended as guidance for asset managers and leaders to apply as appropriate for their own organisations.

Industries and organisations differ in scale and sophistication, and are at different stages of asset management; some may be relatively mature while others are at the beginning of the journey. There is flexibility for each organisation to adopt their own practical approaches and solutions that are economic, viable, understandable and usable. The underlying requirement for continual improvement should drive progress.

## 1.2 The SSGs in context

The SSGs are a core element within the IAM Body of Knowledge and they have been peer reviewed and assessed by the IAM Expert Panel. They align fully with the IAM’s values and beliefs that relate to both the development of excellence in the asset management discipline and provision of support to those who seek to achieve that level of excellence. When reading the SSGs, the reader should have a view of the complexity and maturity of the organisation, and interpret the guidance in that context. For further reading, the IAM provides a range of expert and general opinion and knowledge which is easily accessed by members through the IAM website.

## 2 Scope of this SSG

### 2.1 Scope

This document provides guidance for the following element of asset management:

- 39. Stakeholder Engagement

### 2.2 Definition: Stakeholder Engagement

ISO 55000 defines a stakeholder as “a person or organization that can affect, or be affected by, or perceive themselves to be affected by a decision or an activity”. ISO 55000 defines an asset as “an item, thing or entity that has potential or actual value to an organisation. The value will vary between different organisations and their stakeholders, and can be tangible or intangible, financial or non-financial.”

The IAM’s Anatomy of Asset Management (version 3, 2015) defines stakeholder engagement as “the methods an organisation uses to engage with stakeholders” and explains “organisations typically engage with their stakeholders to: establish which aspects of their activities matter most to them; understand their risk appetite, and understand their willingness to pay for products and services”. The Asset Management Landscape (2nd ed, 2014) provides the same definition, and explains “stakeholder engagement describes policies and processes for scenario development, identifying, communication and interacting with asset management stakeholders.”

It is relatively straightforward to identify stakeholders according to their roles, such as:

- **External stakeholders:** Customers; communities; society; governments and regulators; investors; suppliers; academics and researchers.
- **Internal stakeholders:** Top management (senior leaders); employees; the asset manager. Within organisations, stakeholders can also be further defined according to functional roles.

It is reasonable to desire to meet their expectations, and ensure their positive interest in asset management outcomes. One must also consider: What costs and benefits could stakeholders incur? What do I need from them? What is the relative priority of their separate requirements and mine? To what extent might I influence a stakeholder’s behaviour? How shall I communicate with different types of stakeholder, in context of my particular role in my organisation?

We explore all of these dimensions in this Guideline.

### 2.3 Benefits: Why is Stakeholder Engagement so important?

ISO 55000 sets out a framework for asset management leadership, planning, support, operations, performance evaluation and improvement; paragraph 2.4 defines the ‘fundamentals’ of asset management as Value, Alignment, Leadership and Assurance. This SSG explores the implications for Stakeholder Engagement.

Fundamental	Definition	Implications for stakeholder engagement
Value	Assets exist to provide value to the organisation and its stakeholders.	<ul style="list-style-type: none"> <li>Sustainable organisations consider this value in three dimensions: economic efficiency, social equity and environmental accountability. The value delivered by assets may also depend on where the asset exists in its life cycle.</li> <li>The asset manager can apply or define organisational processes to determine the value provided, or which could be provided. This includes suitably involving stakeholders to confirm this value and the costs of achieving it.</li> </ul>
Alignment	Asset management translates organisational objectives into technical and financial decisions, plans and activities.	<ul style="list-style-type: none"> <li>Most organisations have defined objectives set and updated by top management in a formal planning and review process.</li> <li>Such planning and review processes must be well understood and applied at the working level; and in executing their roles, individuals must know how to make trade-offs among important priorities.</li> <li>Therefore, when preparing plans and making decisions, the asset manager can ensure the process includes effective consultation and review with stakeholders, including external stakeholders.</li> </ul>
Leadership	Leadership and workplace culture are determinants of realisation of value.	<ul style="list-style-type: none"> <li>The asset manager can show leadership by learning how to be effective, focusing on contribution, and positively influencing others to make and follow through on personal commitments.</li> <li>This requires analysing organisational plans, stakeholders and their expected behaviour in detail, then creating and executing suitable communication plans to achieve goals.</li> </ul>
Assurance	Asset management gives assurance that assets will fulfil their required purpose.	<ul style="list-style-type: none"> <li>Proactively engaging stakeholders through defined reporting processes, helps provide this assurance.</li> <li>Tailoring communications to different types of stakeholders is essential.</li> </ul>

## 2.4 Scope: Details

We offer comprehensive tools and techniques for the asset manager to deliver the fundamentals of asset management by effectively engaging stakeholders within and outside their organisations, as follows:

- Section 3: Illustrates the benefits of good stakeholder engagement at each phase of the asset life cycle;
- Section 4: Five essential questions to guide the asset manager in creating a comprehensive plan for stakeholder engagement;
- Section 5: Governance and decision-making framework, for applying with top management and their delegates, to secure appropriate resources for asset management in context of the organisational plan;
- Section 6: Tools and techniques to identify all roles within organisations that might perform

asset management functions, and to confirm responsibilities and authorities of others;

- Section 7: Stakeholder analysis framework to identify them, their requirements, what commitments the asset manager requires of them, and a high level engagement plan;
- Section 8: Detailed analyses for the main types of internal and external stakeholder;
- Section 9: Communications plan framework to refine relative priority and effort in communicating with different types of stakeholder, and to develop customised plans for communicating with them;
- Section 10: Communication plan example to apply with top management, and adapt as appropriate;
- Section 11: Required management, leadership and technical skills to successfully engage stakeholders.