



LIFE CYCLE  
DELIVERY

# ASSET CREATION AND ACQUISITION

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## CONTENTS

<b>1</b>	<b>PREFACE</b>	1
1.1	Introduction to Subject Specific Guidance	1
1.2	Purpose of the SSGs	1
1.3	The SSGs in context	2
1.4	SSGs and the issue of Complexity versus Maturity	2
1.5	Further reading	2
<b>2</b>	<b>SCOPE OF THIS SSG</b>	3
2.1	Essential Focus Areas	4
2.2	Illustrative Example	5
<b>3</b>	<b>DEFINITION OF ASSET ACQUISITION / ASSET CREATION</b>	7
3.1	Asset Creation and Acquisition	8
3.1.1	Decision-Making Frameworks	9
3.2	Asset Acquisition in the Asset Life cycle	10
3.2.1	Overview	10
3.2.2	Asset Portfolio Planning and Capital Investment Integration	10
3.2.3	Strategic Planning and Investment	11
3.2.4	Capital Investment Planning (CIP)	12
3.2.5	Asset Requirements and Acquisition Strategy	12
3.2.6	Procurement and Delivery	12
3.2.7	Infrastructure Asset Delivery	13
3.2.8	Digital Asset Delivery and Implementation	14
3.2.9	Commissioning, Handover and Transition to Operations	15
3.2.10	Operations and Maintenance (O&M)	15
3.2.11	Disposal and Renewal	15
<b>4</b>	<b>PRINCIPLES, KEY FACTORS, AND CORE MODELS</b>	17
4.1	Asset Creation and Acquisition Principles	17
4.1.1	Alignment to Organizational Needs and Objectives	17
4.1.2	Design Authority	18
4.1.3	Life Cycle Assessment	18
4.1.4	Financial Negotiation Leverage	18
4.1.5	Commissioning	19
4.1.6	Planning for transitioning New Assets into Service Operations	19
4.2	Asset Creation and Acquisition Key Factors	19
4.2.1	Cost, Benefit, and Risks	19
4.2.2	Procurement Or Outsourcing Strategy	20
4.2.3	Asset Delivery Options	22
4.2.4	Technology Maturity	23
4.2.5	Asset Life cycle	23
4.2.6	Life Cycle Cost Modelling	23
4.2.7	Data Confidence Levels	24

4.2.8	Asset Acquisition Payment Terms	24
4.2.9	Asset Creation and Resourcing Strategy	25
4.3	Asset Creation and Acquisition Delivery Models	25
4.3.1	Avoid the Need	25
4.3.2	Own and Control (Develop or Buy) an Asset	25
4.3.3	Access without Owning (Lease, Rent, As-a-Service)	26
4.3.4	Share, Swap, or Partner	27
4.4	Asset Creation and Acquisition Funding Models	27
4.4.1	Strategic Guidance	27

<b>5</b>	<b>ASSET CREATION AND ACQUISITION FRAMEWORK</b>	29
5.1	Managing Asset Creation and Acquisition	29
5.1.1	Identify need for asset	29
5.1.2	Define need for asset	30
5.1.3	Decide on create or acquire asset	31
5.1.4	Select Acquisition Model	31
5.1.5	Create or acquire asset	36
5.1.6	Verify & Validate asset for acceptance	36
5.1.7	Transit Transfer asset into service / operation	36
5.2	Asset Delivery Strategy	37
5.2.1	Project Management Methodologies	37
5.2.2	Resource Allocation Strategy	37
5.2.3	Procurement Strategy	37
5.2.4	Collaboration Framework	38
5.2.5	Risk Management Strategy	38
5.2.6	Change Control Strategy	38
5.3	Asset Delivery Stage	38
5.3.1	Design and Technical Development	39
5.3.2	Construction/Manufacturing and Development	39
5.3.3	Quality Assurance	39
5.3.4	Testing and Commissioning	39
5.4	Transition to Operations	40
5.4.1	Operational Readiness Assessment	40
5.4.2	Maintenance and Support Planning	40
5.4.3	Transition Plan	40
5.4.4	Change Management	40
5.5	Operations	41
5.5.1	Asset Management Framework	41
5.5.2	Maintenance and Repairs	41
5.5.3	Performance Monitoring	41
5.5.4	Continuous Improvement	42
5.6	Disposal	43
5.6.1	Assessment of Disposal Options	43





## CONTENTS

5.6.2	Environmental Impact Assessment	43
5.6.3	Legal and Regulatory Compliance	43
5.6.4	Data Security and Privacy	43
5.6.5	Ethical Considerations	43
5.6.6	Documentation and Reporting	43
5.6.7	Asset Retirement and Reporting	43
5.6.8	Monitoring and Oversight	43
5.6.9	Continuous Improvement	43
5.6.10	Transparency and Communication	44
<b>6</b>	<b>CONCLUSION</b>	<b>45</b>
<b>7</b>	<b>CASE STUDIES</b>	<b>47</b>
7.1	Suez Canal Container Terminal	47
7.1.1	Background	47
7.1.2	Feasibility study	47
7.1.3	Conclusion	47
7.1.4	Recommendation	47
7.2	Acquisition of laboratory equipment within a university	48
7.2.1	Introduction	48
7.2.2	Terminology	48
7.2.3	Description of activity	49
7.2.4	Evaluation	53
7.3	Enhancing Asset Management in Methanol Production: A Case Study in Asset Reconstruction, CMMS Implementation, and Lifecycle Considerations	56
7.3.1	Introduction	56
7.3.2	Description of assets in study	56
7.3.3	When was the activity carried out?	56
7.3.4	Methodology	56
7.3.5	References	57
7.3.6	Risk types	57
7.3.7	Tools used	57
7.3.8	Costing	57
7.3.9	People	57
7.3.10	Evaluation	57
7.4	Fixed Asset Management Practice as a part of asset acquisition (Papua New Guinea)	59
7.4.1	Introduction	59
7.4.2	Description of assets in study	59
7.4.3	When was the activity carried out?	59
7.4.4	Why was the activity carried out?	59
7.4.5	Terminology	59
7.4.6	Description of activity	59
7.4.7	Methodology	59

<b>7.4.8</b>	References	59
<b>7.4.9</b>	Risk types	59
<b>7.4.10</b>	Risk management process	59
<b>7.4.11</b>	Tools used	59
<b>7.4.12</b>	Costing	59
<b>7.4.13</b>	Evaluation	60
<b>7.4.14</b>	What was the main output of the activity?	60
<b>7.4.15</b>	Validation	60

<b>8</b>	<b>REFERENCES AND FURTHER READING</b>	61
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## FIGURES

<b>FIGURE 1</b>	Context of this SSG in relation to the IAM 10-Box Capabilities Model	9
<b>FIGURE 2</b>	Life cycle delivery	14
<b>FIGURE 3</b>	Asset Acquisition based on resourcing decision making framework	15
<b>FIGURE 4</b>	Creation and delivery of asset management plans	19
<b>FIGURE 5</b>	Investment delivery gates	22
<b>FIGURE 6</b>	Enterprise-to-Execution Alignment Model in Asset Management	25
<b>FIGURE 7</b>	Procurement Life Cycle Aligned with Asset Delivery	33
<b>FIGURE 8</b>	A high-level process for creation/acquisition of a new asset	43
<b>FIGURE 9</b>	Hierarchy of objectives for the university asset acquisition decision problem	49
<b>FIGURE 10</b>	Template for a constructed attribute with 'n' constructed levels	50
<b>FIGURE 11</b>	Weights obtained from the pairwise comparison of the objectives	51
<b>FIGURE 12</b>	Constructed attributes for the risks related to the acquisition of laboratory equipment	52
<b>FIGURE 13</b>	Constructed attribute for the cost estimation related to the acquisition of laboratory equipment	52
<b>FIGURE 14</b>	Hierarchy of equipment ranked according to the merit assigned from the value model	53
<b>FIGURE 15</b>	Merit of each equipment across the fundamental objectives	54
<b>FIGURE 16</b>	Value curve for the point-to-point comparison between equipment 3 and 4	54

# 1 PREFACE

## 1.1 INTRODUCTION TO SUBJECT SPECIFIC GUIDANCE

This Subject Specific Guidance (SSG) is part of a suite of documents designed to expand and enrich the description of the asset management discipline as summarized in the Institute of Asset Management (IAM) document 'Asset Management – an Anatomy' (referred to throughout this document as the 'Anatomy').

The SSGs cover the subjects in the Anatomy directly as a 'one-to-one' (where a subject is very broad) or grouped (where subjects are very closely related).

## 1.2 PURPOSE OF THE SSGS

This document provides guidance for good asset management.

ISO 55001 sets out the requirements necessary for establishing, implementing, maintaining, and improving a management system for asset management. The Global Forum on Maintenance and Asset Management (GFMAM) Asset Management Landscape establishes a globally shared understanding of the subjects which comprise the asset management discipline, emphasizing its wide-ranging nature and breadth of scope. Neither ISO55001 nor the GFMAM Asset Management Landscape explain how to implement asset management.

The Anatomy is a good introduction for people seeking to understand asset management. It is intended to:

- Explain the asset management approach and introduce the asset management subjects
- Help individuals see how asset management can assist their professional development, and integrate their contribution with the work of colleagues and other teams
- Help organizations decide whether to adopt asset management or how to improve their asset management capabilities.

The SSGs develop the next level of detail for each subject in the Anatomy. They are guidance intended to help individuals and organizations by providing a consolidated view of good practice drawn from experienced practitioners across many sectors and geographies.

The SSGs include guidance for simple and complex operational environments, together with real examples from different geographies and sectors, to support the explanatory text. This is because there are widely different operational environments, constraints, cultures and opportunities in asset management. In particular, levels of sophistication, refinement and optimization that are worthwhile and possible in one environment may not represent either a possibility or a worthwhile investment in another. In addition, organizations will be at different stages of adoption of asset management; some may be relatively mature while others are at the beginning of the journey.

The guidance in this SSG recognizes each organization needs the flexibility to adopt its own 'fit-for-purpose' practical approaches and solutions that are economic, viable, understandable, and usable and that organizations will adapt their asset management approaches as part of continual improvement.

## 1.3 THE SSGs IN CONTEXT

The SSGs are a core element within the IAM Body of Knowledge. They have been peer-reviewed by subject matter experts identified by the IAM Knowledge Leadership Group. They align fully with the IAM's values and beliefs, which relate to the development of excellence in the asset management discipline and the provision of support to those who seek to achieve that level of excellence.



## 1.4 SSGs AND COMPLEXITY VERSUS MATURITY

It is important to understand and contrast these terms. Put simply:

- The complexity of the organization's operational environment will drive the complexity of the solution required; and
- The maturity of the organization will determine its ability to recognize and implement an appropriate solution.

A mature organization may choose a simple solution, while a naive organization may think that a complex solution will solve all its problems. In truth, there is no universal best practice in asset management - only good practice appropriate for the operating context of any particular organization. What is good practice for one organization may not be good practice for another. For example, an organization that is responsible for managing 100 assets, all in the same location, could use a spreadsheet-based solution for an asset register and work management system.

This is arguably good practice for that organization. However, for a utility business with thousands of distributed assets, this is unlikely to represent a good practice solution.

It is important to understand the organization's complexity and maturity to best apply the guidance in this SSG.

## 1.5 FURTHER READING

In addition to the Anatomy and SSGs, the IAM provides a range of knowledge and professional development resources which can be accessed through the IAM website.



# 2 SCOPE OF THIS SSG



Figure 1 Context of this SSG in relation to the IAM 10-Box Capabilities Model

Figure source: Asset Management – an anatomy (Version 4), The Institute of Asset Management, July 2024

Asset creation and acquisition typically bring to mind **tangible** assets such as infrastructure, buildings, equipment, and physical plant. However, in asset management, this also includes **digital** assets. For example, IoT devices, control systems, and technology infrastructure used to support asset operation, monitoring, and optimization. Therefore, this guide will address **both** tangible and digital asset additions.

Asset creation and acquisition are **not standalone events**. Each decision must reflect strategic intent, long-term service outcomes, and whole-of-life value—not just immediate technical need or budget availability. This means considering both **tangible** (e.g., infrastructure, equipment) and **digital** assets (e.g., control systems, software, data platforms) in a consistent and integrated way.

This guidance supports organizations in navigating asset creation and acquisition, whether to **replace ageing assets, respond to new demands, or introduce transformative capabilities**. These activities span the full asset life cycle: from early planning and justification through to delivery, commissioning, transition into operations, and eventual renewal or disposal. The aim is to support business objectives, asset management strategies, and plans.

Effective delivery requires more than technical capability; it depends on alignment across functions, well-structured decision-making, and governance that supports risk-informed, value-driven outcomes. To guide organizations through this complexity, this section outlines four essential focus areas that underpin good practice in Asset Creation and Acquisition as a part of the Life Cycle Delivery:

## 2.1 ESSENTIAL FOCUS AREAS

### 1. Strategy and Planning

This area establishes the foundation for asset creation through development of the asset management strategy, demand analysis, and definition of asset strategic objectives.

This provides the foundation for determining what assets are needed, **why** they are needed, and **how** they contribute to long-term value.

These drive the development of a target asset portfolio and roadmap for acquisition or development.

When developing strategic planning for the organization, consider the following aspects:

- **Asset strategy and objectives** – define the organizational drivers, performance ambitions, and life cycle expectations for asset additions
- **Forecasting and demand analysis** – identify capacity gaps, future service pressures, and evolving stakeholder needs
- **Planning and portfolio alignment** – ensure acquisition priorities reflect broader programs, sequencing, and investment strategies
- **Resource readiness and capability** – confirm the availability of funding, delivery capacity, and operational support
- **Life cycle cost modelling** – incorporate total cost of ownership (TOTEX) from planning through disposal
- **Value realization and benefit mapping** – link asset investments to specific, measurable outcomes

Every asset decision should be grounded in a portfolio-level view and aligned with the Strategic Asset Management Plan (SAMP) and relevant asset strategies.

### 2. Value and Outcomes

Asset creation is not just about adding capability, it is about enabling meaningful outcomes. These may be strategic (e.g., climate targets), operational (e.g., reliability), regulatory (e.g., compliance), or societal (e.g., accessibility, resilience).

See case study at 7.2 (Acquisition of laboratory equipment) providing an example of an outcome as an assessment of value under portfolio management considering benefit, cost estimation, and risk pillars.

When evaluating value and outcomes, consider the following aspects:

- **Purpose clarity** – articulate the core outcome the asset is meant to enable (e.g., reduced