The Institute of Asset Management

SUBJECT SPECIFIC GUIDELINES

LIFE CYCLE DELIVERY

ASSET CREATION AND ACQUISITION

VERSION 1 | JANUARY 2026

ABOUT THE IAM

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. Our priorities are to promote the generation and application of knowledge, training, and good practice and to help individuals become demonstrably competent.

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DISCLAIMER

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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

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

- **Asset Creation and Acquisition**

Purpose & Context
- Organizational Purpose and Context
- Stakeholder Management

Leadership & Governance
- Asset Management Leadership
- Asset Management Policy
- Asset Management System
- Asset Management Assurance and Audit
- Technical Standards and Legislation

Organization & People
- Organizational Arrangements
- Organizational Culture
- Competence Management
- Organizational Change Management

Strategy & Planning
- Demand Analysis
- Sustainable Development
- Asset Management Strategy and Objectives
- Planning
- Shutdown & Outage Strategy & Planning
- Contingency Planning & Resilience Analysis
- Resource Strategy and Management
- Supply Chain Management
- Life Cycle Value Realization
- Asset Costing and Valuation

Asset Management Decision-Making
- Decision-Making

Life Cycle Delivery
- Asset Creation and Acquisition
- Systems Engineering
- Integrated Reliability
- Asset Operations
- Maintenance Delivery
- Incident Management & Response
- Asset Repurposing & Disposal

Information Management
- Asset Management Data and Information Strategy
- Knowledge Management
- Asset Management Data and Information Standards
- Asset Management Data and Information Management
- Asset Management Data and Information Systems
- Configuration Management

Risk
- Risk Management

Review & Continual Improvement
- Monitoring
- Continuous Improvement
- Management of Change

Value & Outcomes
- Outcomes and Impacts

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