Why need railway infrastructure managers to introduce Asset Management?

Dominique Gardin – chairman of the UIC Asset Management working group
The world is changing!

> New expectations and restrictions appear for infra providers.
> Our business is changing.
What is changing for Railway Infrastructure Managers?

> Financial and economical crisis
  - makes public financial resources scarce
  - is responsible for funding cuts
  - force recipients of public funding to substantiate their call for funds

> Liberalisation of railway transport in Europe has changed the business of the railway IM: no more part of an integrated transport business, but a public utility open for multiple operators
The essence of the changing world:

> **We have to serve more stakeholders.**
> e.g. regulators, more train operators, local authorities, neighbours.

> **There’s a growing urgency to get “best value for money”**.
> If users pay for it, they expect to have an opportunity to decide on what they get.
> Our concessions are no longer “endless”.

> **Society does not accept any risks.**
> Project delays, exceeding of budgets, safety and environmental incidents.
The changing world is asking new questions

What will be the costs of a better performance?

Can you enhance the capacity of that bottle neck?

Why is maintenance so expensive?

What are the best actions to be taken to improve punctuality?

Improve your cost/performance ratio with 10%!

How to keep the competencies in our company
The answer is asset management

Asset Management definition:

> Systematic and coordinated activities and practices through which an organization optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organizational strategic plan (PAS55)

> the coordinated activities of an organization to realize value from assets” (ISO 55000)
Asset Management is needed to answer the questions and growing demands

Asset management comprises all systems, methods, procedures and tools to optimize costs, performance and risks for the complete rail infrastructure life cycle.

The aim is to find, together with your stakeholders, the best ‘value for money’.

If you don’t apply asset management you will end up being considered either too expensive or not good enough.
Main aspects of Asset Management

> Meet stakeholder)* interests, by exploring them explicitly and translating them into companies’ objectives

> Finding a balance between the requirements and the overall (lifecycle) cost by applying risk management and consequently linking activities to the companies objectives.

> Managing the company in a *fully transparent ** way by means of an *explicitly traceable analysis.

> By taking all relevant aspects and activities into account.

* Main stakeholders are: Government, Operators, Local Authorities and Public/Customer.

** Because of a lack of competition in the monopolistic rail world, transparency is essential to convince the stakeholders of our quality.
Managing the balance...
Managing differences

Main line
- High performance
- Availability and reliability are the main issues.
- Cargo and passengers, high volume.
- More than 1 operator.
- 24/7 operation.

Local line
- Low cost
- Cost and pricing are the main issues.
- Passengers only, low volume.
- One operator
- Daytime operation.
The UIC Asset Management working group has been working on:

1. ... creating a common framework, definition and interpretation of asset management

2. ... exchanging best practices

3. ... comparing how different AM approaches may influence the costs and performance of comparable infrastructures

4. ... developing assessment methods and asset management tools to be applied in the railways business

5. ... develop cost and performance benchmarking
Thank you for your kind attention