Asset Management

*UIC involvement*

Teodor Gradinariu
Senior Technical Advisor
UIC
The environment

The preparations for the European Single Market 1993 led to liberalisation of transportation markets

Restructuring of Railways organizations, has produced a number of different Asset Management Strategies in Europe, even within the same company, over the last 10-15 years. Lessons can be learned.

IMs need to exercise strong control over large expenditure areas and justify their costs to stakeholders (State, Regulators, Railway Undertakings, public)

Making correct investment decisions, which can have a long –term impact, necessitate best use of data, tools and instruments.

UIC have decided to be turn plate in helping its members to implement AM
Asset management is a basic corporate responsibility. It should form a key part of the corporate strategy and adopted by all stakeholders as part of their business as usual practices. Asset management offer the technique for the optimal combination of between costs, risks, performance and sustainability.
Main goals and targets

Main goals

Promote professional Asset Management to implement and demonstrate performance/costs improvements in asset management

Targets

- Define a common, railway specific, framework for asset management activities
- Develop assessment methods and asset management tools to be applied in the railways business
- Foster exchange of asset management good practices
- Develop cost and performance benchmarking
What we set out to achieve

- A common interpretation of asset management shared by all the group’s members
- A specification and description of the components that comprise and asset management system
- A framework to help infrastructure managers to:
  - develop asset management within their own organisations
  - compare their performance with similar organisations

Actions

Projects

- Development of a railway specific maturity self assessment questionnaire based on the UIC Asset Management framework and inspired by the self assessment tool of IAM

- Development of a railway specific ISO 55000 application guide
  - ISO 5500 standards’ suite is to be published end 2013; the development of a railway specific application guide for the new standard looks like a valuable initiative.

- Exchange of good practices

- Railways asset information – establish common rules
Actions

Asset Management global Seminar

3 – 4 October 2013 – Paris, UIC HQ

- From technical performance toward a professional Asset Management
- Asset Management Concepts and applications
- How to prepare railways to face the AM challenge
- Case studies
Actions

– And not only in Europe:

– AM seminar togheter with KRRI – Korea
– Introduction of Asset Management for railways – at the Transport Forum – organized by the Word Bank
– AM – Training – at UIC
– Two other seminars in 2010 and 2011
– Close with IAM – to serve railways members interst in asset management
Actions

Enhancing cost & performance benchmark (LICB, Line comparison study)


Development of a set of smart indicators

- The LICB benchmark shows huge differences in infrastructure maintenance & renewal cost levels among Railway Infrastructure Managers. The goal of this project is to get a better understanding of the relationship between asset costs, outputs and performance over the whole lifecycle.
Conclusions

Characteristics of good Asset Management:

**Multi-disciplinary**: Asset Management crosses *departmental and discipline boundaries*.

**Systematic**: rigorously applied in a structured *management system*.

**Systems-oriented**: looking at assets in their *systems context*.

**Risk-based**: incorporating risk appropriately into all *decision-making*.

**Optimal**: seeking the *best compromise between conflicting objectives*, such as costs versus performance versus risks, and short-term versus long-term impacts.

**Sustainable**: plans must deliver optimal asset *life cycle value*, and long term consequences.

**Integrated**: at the heart of good Asset Management lies the need to be *joined-up*. The system needs to work as a whole – and more than just the ‘sum of the parts’.

**UIC** – a railways system vision – can be the answer to our members for Asset Management coordinated implementation approach
Thank you for your kind attention

gradinariu@uic.org