

6.3 Operational Benefits of AMP

Clearly, vigorous leadership and a high degree of institutional strength will be required to make asset management work, however, the benefits are likely to be worth the effort:

- More meaningful operational and financial monitoring and reporting.
- Better understanding of infrastructure's condition details and can better manage it.
- Unexpected failures are minimized.
- Life-cycle approach means that we can always get the most assets for our money, i.e. reduce whole life cost of O&M of System.
- By measuring actual costs against plans, we make better asset decisions and lower our costs.
- Improves efficiency, reliability and customer service.
- Improves system planning.
- Lowers costs and improves resource utilization.
- Sustainable infrastructure.
- By tying cost to asset condition, and by long-term planning for each asset, we give policy makers the facts they need to help keep infrastructure from decaying.

6.4 Asset Management Cycle

There are three important concepts in understanding asset management:

- Asset management is not a 'general' approach to things. Each and every asset is managed on an asset-by-asset basis.
- Each asset is managed against a plan, which means that there is a plan for each asset.
- Management of each asset follows a management cycle.

The classical management cycle, shown in Figure 6.4, which applies to the management of assets:

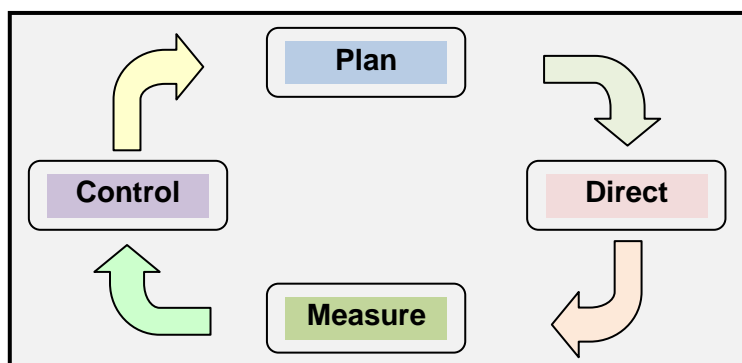


Figure 6-1: The 'Classical' Management Cycle