

Strategic Asset Management; An Interactive Workshop

AAPA Maritime Economic Development Seminar

Portland Oregon

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Workshop Leaders

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Workshop Goal and Schedule

- Goal
 - Develop a better understanding of asset management and its relevance to management priorities at your port
- Schedule
 - Introduction and Overview—30 minutes
 - Breakout Sessions—45 minutes
 - Objectives
 - Discuss your port's current AM capabilities
 - Priority needs
 - Implementation challenges
 - Next steps?
 - Reassemble and review discussions—30 minutes
 - Conclusions

Port Strategic Asset Management; Core Principles

- A business decision support process
- Prioritizing resource allocation based on the organization's strategic public and commercial goals
- Through a systematic, enterprise-wide, functionally integrated process
- Data driven, and based on an improved understanding of asset performance, life-cycle cost and value
- Applied across the organization's entire asset base in order to reduce risk and leverage opportunity, today and into the future.

Why does it matter?

- Capital Sourcing Challenges
 - It's been long ebb tide for port industry revenues
 - Public capital going, going.....
 - Private capital available but much more cautious
 - Financially, port authorities are on their own as never before
- Aging Infrastructure
 - North American ports, like baby boomers, showing where physical maintenance has been neglected
 - Recession lessons learned: even considering re-emerging global trade and economic growth, service and pricing pressures on public ports continue to ratchet up

Drivers at North American Ports

- Scarce capital
- Aging infrastructure
- Need for well justified, transparent, repeatable capital investment process,
- Distinguish between assets and liabilities in the context of the port's strategic priorities,
- “Run to failure“ yields higher costs, longer down times and poorer service,
- Aging work force and the loss of “institutional knowledge”,
- Productivity declines,
- Business resilience strategies
- Future, often hard to predict, facility utilization requirements,
- Privatization due diligence,
- Inadequate inventory and condition assessments,
- Increasing public demands, including env. and security regs,
- Need to assure tenants ‘ appropriate AM practices,
- Federal and state/provincial policy initiatives,
- Support required for sustainable development policies,
- Improved IT capabilities

Constraints

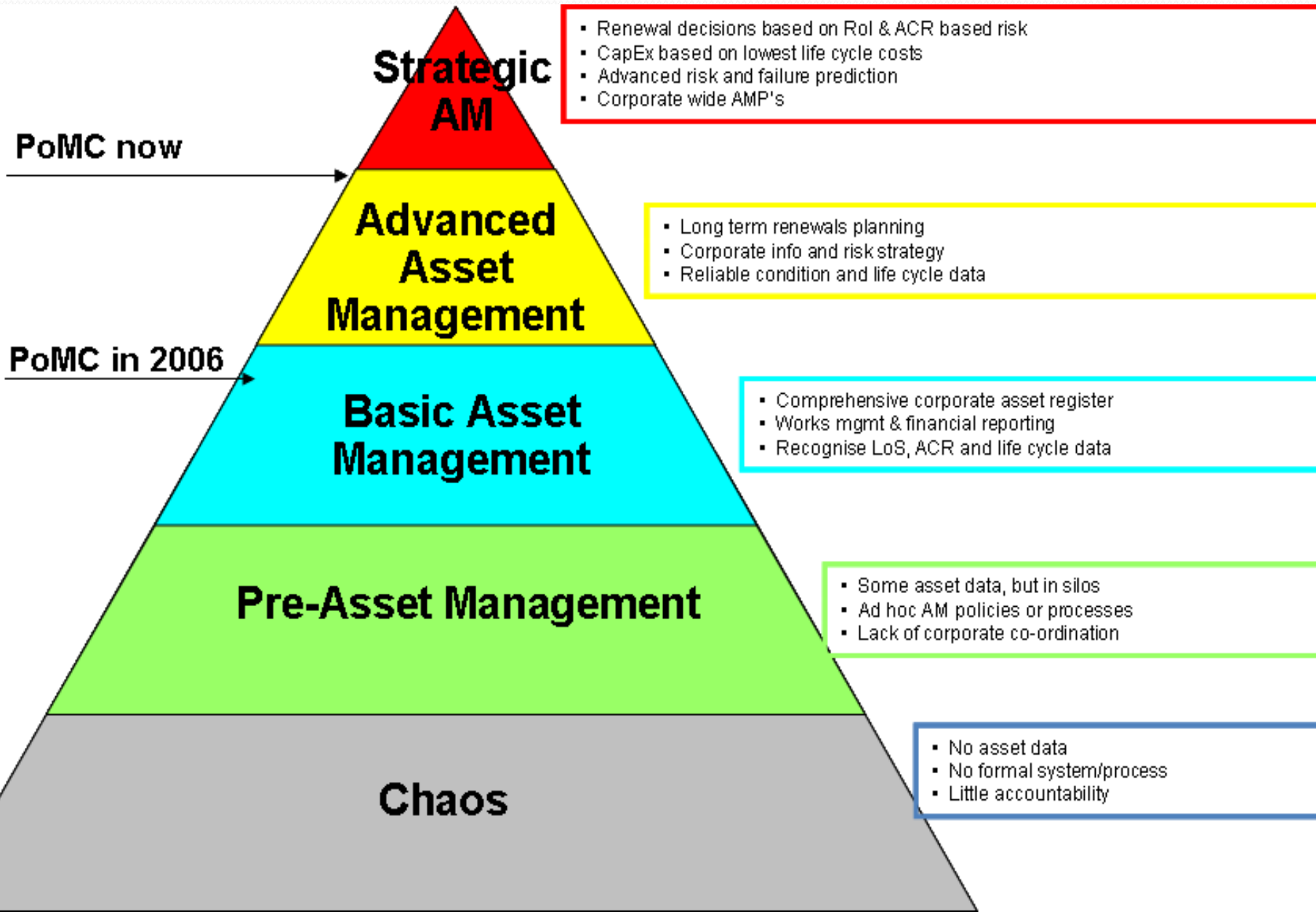
- Lack of clear, feasible goals
- Inertia—scope too muchwhere to start?
- Up front commitment of time and budget
- "We've got it covered," "what's the problem?" and other corporate cultural hurdles
- Insufficient and "silo'd" data bases and institutional knowledge
- Other priorities—"AM is on the front burner, and it sits there with 20 other front burner issues"

Steps to Development of an SAM Program

- Well defined strategic goals.
- Inventory of assets (physical and human resources).
- Condition assessment and ongoing monitoring process.
- Life cycle cost assessment.
- Asset valuation.
- Performance measures and performance prediction capabilities.
- Risk analysis aligned with strategic goals.
- Integrate management processes enterprise-wide, including budget.
- Effective and broadly communicated outputs.
- Continuous feedback procedures.
- Change in corporate culture—a different way of doing business.

Adapted from Office of Asset Management, FHWA, Asset Management Primer

Port of Melbourne Australia



Breakout Sessions

- What's the status of AM at your port today?
- What's the need for improved decision processes leading to better management of the port's assets?
- What are the major constraints?
- Next steps/conclusions.

Review Breakout Group Discussions

- Highlights and conclusions