



Foresight

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Minding the forest

Looking beyond physical infrastructure to drive asset management alignment, organizational enablement and sustainable business change.

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The call is out for Canadian municipalities to take better stock of their infrastructure assets and improve the quality and effectiveness of the services they support. This growing attention on infrastructure issues in Canada has resulted in the release of a flood of new guidance and support materials aimed at improving the management of municipal infrastructure.

Yet as municipalities work to revisit their approach to asset management, many get caught up in technical and operational details and fail to appreciate the broader business and organizational changes that will be needed to create sustainable long-term value for their communities. Operationalizing and integrating good practices into the day-to-day workings of municipal government is challenging and requires us to look beyond individual assets, at the bigger strategic issues facing our organizations.

Growing momentum and availability of supports

Growing local challenges, coupled with federal and provincial government policy and funding commitments have converged to drive a coordinated push for stronger municipal asset management across Canada. The federal government has made municipal asset management a priority and over the last few years has redoubled its efforts to support improvement in this area. In addition to ongoing encouragement and monitoring through the Federal Gas Tax Fund, \$125 million was committed to municipal capacity building in the 2016 federal budget. Efforts are also underway to complete a national census of infrastructure needs and priorities. Indeed, resultant resources and supports, coupled with better knowledge of needs and key issues, will help to better target investment at improving infrastructure health and effectiveness in delivering better services to Canadians.

Provincial efforts vary widely across Canada, generally falling into two schools of thought. The Province of Ontario has adopted a rigid view of asset management requirements and has rolled out a new regulation setting out minimum standards for asset management policy, strategy, planning and reporting. New requirements will be phased in over the next several years, and are expected to enhance the effectiveness of municipal infrastructure investment through the introduction of rigour and consistency. While some provinces are considering following suit, others,



such as British Columbia, have adopted less formal requirements aimed at supporting organic adoption through education and the introduction of frameworks and tools. While this will lead to greater variability of results, their feeling is that flexibility is needed to adapt to individual community needs.

Driven by growing attention and available funding, municipally focused asset management support programs and initiatives are emerging from various organizations at the industry and community levels. These range from the formation of peer-driven asset management “Communities of Practice” focused on local knowledge sharing and collaboration, to the delivery of structured education and training programs, some aligned with globally recognized standards. While many of these groups are introducing good practices and tools, they tend to focus on functional or technical content and resources, as opposed to enabling and helping municipalities align, adopt and integrate them into their organizations.

Navigating the asset management journey

The growing ‘buzz’ surrounding asset management is raising the awareness of municipal staff and leadership, and it is becoming a key point of discussion in council chambers across Canada. While this heightened attention has many clamouring to take advantage of funding and resources to advance their local programs, it is important to realize that practices and tools are only effective if they are aligned and integrated within their organizations. Starting your asset management journey with the view of enablement is key to ensuring that this happens.

For many municipal leaders who are new to asset management or are seeking to advance their community’s efforts, the logical question is: “Where should we start?” While it may seem counterintuitive, the answer doesn’t lie with their “assets.”

Establishing a common understanding and vision for asset management between Council, municipal leadership and various department stakeholders is a critical first step towards building a common foundation upon which real organizational improvement can be based. Many municipalities are formalizing this agreement in an Asset Management Policy, which solidifies an organization’s commitment to meeting defined goals, the core principles around which asset management activities it will operate, and provides a clear understanding of the related roles and responsibilities within the organization.

Once in place, Policy informs the evaluation of current infrastructure activities within the organization to identify gaps in practice, define operational issues and challenges that should be addressed, and highlight the associated opportunities for improvement. Evaluating these opportunities relative to the Policy’s goals and principles then highlights the impact of potential improvements on the organization and helps to define the business case for moving forward. It is important to consider that sustainable business improvement requires more than just a change of practice. Each action should be considered in the context of the organization in order to define the enablers (e.g. people, process, data, technology and overarching governance) which must be present in order to support the needed transformation. This improvement plan is often formalized and documented as an Asset Management Strategy, or Roadmap.



While Asset Management Plans are en vogue in some jurisdictions, many municipalities embark on these efforts without fully understanding their assets or the service outcomes they are looking to achieve. Establishing an Asset Management Policy beforehand plays an important role in standardizing a community's infrastructure goals, objectives and guiding the development of meaningful and aligned investment plans targeted at meeting these needs. Understanding the relationship or 'line-of-sight' between a municipality's infrastructure, its goals and the front-line services it supports allows a municipality to answer key questions about its asset base in order to shape effective and achievable levels of service and investment strategies.

The road to organizational transformation is rarely smooth. As municipalities work towards better infrastructure asset management, it's advantageous to keep several considerations in mind.

Connections matter

Infrastructure doesn't exist to be infrastructure; it exists to support service delivery. Therefore, when done effectively, asset management helps municipalities align their infrastructure

needs and associated capital and operating investments with 'community goals' and front-line service priorities. By understanding the relationships between community objectives, service requirements and physical infrastructure assets, municipalities can better communicate needs and priorities, and build buy-in and support for needed investment and business change.

It takes an integrated approach

Organizational enablers are essential to successfully introducing and supporting effective asset management over the long term. For asset management initiatives to be successful, they must consider how policy and government, people, process, data and technology will work together to support sustainable business change. It's this kind of integration that will prove vital in ensuring the adoption of needed improvements to practices and tools within the organization.

Avoid control issues

Pushing asset management from the top is difficult and often results in conflict and animosity between corporate and business unit teams. Over time, this leads to conflict and business units "doing their own thing" after the initial push has subsided.

To avoid this, it's important to balance corporate control with business unit autonomy. That means introducing policy and governance that provides overall guidance and support, while respecting unique needs of business units and provide the flexibility needed for them to function effectively. Similarly, change strategies should be tailored to each unit, demonstrating and aligning structure around common needs and priorities, while respecting individual mandates and intricacies.

Engage, engage, engage

Stakeholder engagement is critical to achieving buy-in and support for asset management, both corporately and across operating groups. To that end, it's important to identify stakeholders and dependencies early on, keep engagement and change management at the forefront of all work activities, and work collaboratively and flexibly to effectively target and utilize people's time. Also, maximizing input and contributions throughout the process, and tracking and communicating progress is key to building ownership over the new initiative, and to creating buy-in and support.



As the focus on infrastructure intensifies in municipalities across Canada, it is important to look beyond available tools and practices, and consider the organizational changes that will be needed to achieve meaningful outcomes and results. Indeed, only when an organization is aligned in its thinking and equipped for change can it truly leverage good practices and move forward towards effective asset management improvement.

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