

PAM Event Synopsis – 2nd May 2012, IET, London

The fast track to property assets efficiencies: a Network Rail case study How to enhance business performance and reduce costs

This key event, sponsored by Atrium Software Ltd, was designed for any organisation that believes good property asset management is critical to a successful business. It focused on a case study of Network Rail, its clients (Abellio), contractors (Amey) and system supplier (Atrium).

Network Rail has a diverse, nationwide property estate. In addition, since privatisation, the number of agencies working with Network Rail to manage their property assets has increased to include the Train Operating Companies and a plethora of contractors and suppliers. The case study addressed the complexities of a vast estate and a mix of agencies, explaining how an integrated, systematic approach to property asset management can help enhance business performance. The speakers were:

Jonathan Goring – Managing Director, Capita Symonds

Adam Checkley – Route Asset Manager (Buildings), Wales Route, Network Rail

Peter Strangeway – Managing Director, e2e Consulting Ltd (Asset Management Team, Abellio)

Liam Harkin – Principal Building Surveyor, Amey

Matt Laing – Director, Atrium Software

Jonathan Goring (Capita Symonds) – Keynote speech



Setting the scene, Jonathan highlighted the importance of strategic property asset management for capital intensive organisations. He gave an insight into his experience of major organisations, some of which are experiencing difficulties in accurately valuing their estate and in reducing the costs of managing it. He argued that without accurate management information, at operational and strategic level, an organisation cannot make efficiencies to rationalise its estate or to ensure its property portfolio is properly aligned with its corporate objectives.

Adam Checkley (Network Rail) – Strategic property asset management



From a “he who shouts loudest” approach ...



... to fully informed asset management decisions



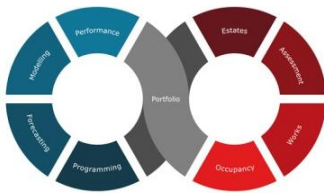
Key Principles and Attributes of Asset Management – PAS 55-1:2008

Adam reflected on Network Rail’s journey towards developing a fully integrated, strategic approach to the management of major property assets – from ‘he who shouts loudest’ to fully informed asset management decisions. He gave some interesting examples to demonstrate the scale and diversity of the Network Rail estate, even within just his region of Wales.

He outlined how the Office of Rail Regulation (ORR) licence condition ‘to better understand the Network Rail estate’ led to a strategy to replace an over-complicated and disparate range of systems with an enterprise property asset management system. This has enabled Network Rail to evolve from an organisation with a poor understanding of its assets and their condition, to one with the ability to drive greater efficiencies. The company now has a far better understanding of costs, risks, value and external organisations’ performance, and can provide robust management information to support its long term asset investment strategy.

This period of transition started with the search for the right system, and eventually led to Network Rail selecting Atrium Software. This was followed by putting together a multi-disciplinary project team, developing the right business framework, and then undertaking the data capture of this enormous and diverse asset base. As part of this work, other business processes, such as the maintenance and helpdesk function, were consolidated into Atrium’s Enterprise Asset Management (EAM) system. Significant benefits have resulted, not least improved confidence levels within the ORR and Network Rail management.

There have also been many tangible benefits and improvements at the operational level. For example, business as usual has seen the formation of a 5-year cycle of detailed asset assessments, and enhanced customer satisfaction through better fault management.



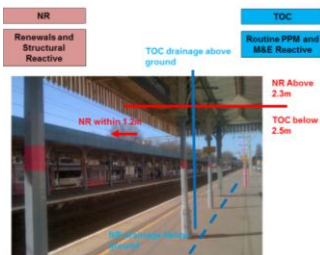
Network Rail’s aim now, Adam concluded, is to take full advantage of the potential of Atrium’s Enterprise Asset Management (EAM) solution. This will enable the organisation to continually challenge costs and make operational and strategic asset investment decisions based on reliable quantitative data – all aimed at ensuring that, despite a largely Victorian infrastructure, Network Rail continues to run a modern, efficient and successful railway service.

Peter Strangeway (e2e Consulting) – Collaborative working



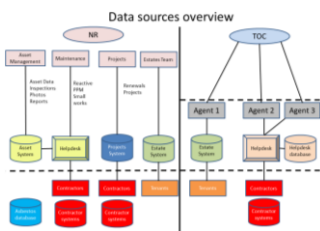
Peter focused on collaborative working and the challenges and opportunities of managing and sharing information to deliver the optimal property estate.

He answered the question ‘why do it?’ by arguing that an asset management system is of real value only when the data is accurate, current and complete; and that only if it is regularly maintained can it properly support efficient and well-informed asset management.



Peter used his recent work with Abellio as a case study. There, the task seemed simple – to merge asset data from two separate organisations into a single database to provide a platform for on-going, unified asset management. In practice, it was far from it! For example, data was held in a multitude of disparate systems, and responsibilities were necessarily complicated.

He talked about the need to develop an overall implementation plan aligned to business priorities, and outlined the obstacles to a successful implementation and how to overcome them. For example, it is essential to fully understand the organisations involved and how they deliver work, as this is key to identifying the sources of data and in streamlining on-going authorisation and communication.



The benefits of this approach are many. A unified system means cross-function activities can be co-ordinated, achieving business efficiencies and reducing waste. There is also better visibility, knowledge, control and forecasting, all adding shareholder value and supporting strategic asset management.

Liam Harkin (Amey) – Managing the country’s largest condition survey



Amey has undertaken, on behalf of Network Rail, what is believed to be the country’s largest asset condition survey. Over a 5 year period, this covered 5 territories and included 800 detailed condition surveys plus 2,500 visual inspections each year.

Liam discussed the issues Amey faced, and outlined the challenges and lessons learned in delivering a changing workload to schedule and quality. This included, for example, setting up of 3 new regional hubs and managing 200 TUPED staff, and the need for rigorous selection and an investment in training and good IT.

Matt Laing (Atrium Software) – The solution is integration



Matt described how all the information collected and maintained by so many different agencies for such a complex estate can be brought together to provide key operational and strategic management information.

He used the analogy of a house. Solid foundations (the core property and business data) support the living space (the day-to-day operational information). To optimise their value, they need to be brought together under one roof (using performance indicators linked to corporate objectives and investment strategies).



He described how many organisations retain a siloed approach, investing perhaps millions in operational systems and then typically relying on spreadsheets for their strategic investment planning. Atrium’s EAM suite, on the other hand, can offer a comprehensive solution, or simply the ‘roof’. Either way, it ensures the property portfolio is aligned with corporate objectives, delivering significant savings, added shareholder value and better overall business performance.