

**A holistic approach to managing physical assets can lower the cost of ownership over the asset life cycle, raise the efficiency and effectiveness of the decision-making of capital investment, maintenance and asset disposal and reduce the risk of interruptions and delays from safety incidents. You should enjoy improved operational performance and a healthier bottom line, which generates greater confidence by shareholders and other stakeholders.**

**Create competitive  
advantage by  
implementing ISO 55001  
for your asset  
management system**

1. Launch of ISO 55001

With the launch of the ISO 55001 standard on asset management in January 2014, the world of asset management entered into a new promising era. The asset management framework set by this ISO 55001 standard gives new and better insights in how physical assets should be managed to enable asset intensive organizations to get more out of their substantial investment in physical assets. This ISO 55001 standard elevates asset management to the board level and gets buy-in from the finance community. This new standard will make asset management an important strategic element for asset intensive organizations.

This new ISO standard provides a worldwide framework on asset management and was inspired by best practises worldwide on asset management. Specialists in different areas from technical engineering, operations and finance from more than 35 countries participated in developing this standard.

2. Why is asset management important?

Private and public asset intensive organizations often invest huge sums in a wide range of assets, including buildings, infrastructure, plant, equipment and machinery, notably in sectors such as oil and gas, power and utilities, public, chemical, maritime, transport, manufacturing, engineering, construction and infrastructure.

The impact of this expenditure can be felt across the business, in terms of investments and maintenance costs, operational performance, productivity, return on capital and, ultimately, profitability and shareholder value. If you sweat your assets too much they will break down, causing costly delays and necessitating expensive repairs and replacements. If you leave them idle, then valuable capital is tied up unproductively.

Asset management is not just about overseeing maintenance and limiting 'down-time'; it also delivers longer-term value, financial as well as non-financial, by improving operational efficiency and reducing the whole-of-life cost of individual assets and asset risks. Safety is a further consideration, as poorly managed assets can create additional risks to workers or the environment.

### 3. The asset management framework

In today's challenging and highly competitive world, implementing a globally recognized framework for asset management can make all the difference for your asset-intensive organization. The organisation will give a clear and understandable message to all its stakeholders that managing the assets has an important and strategic role within your organization and will allow your stakeholders to compare your organisation's asset management practices with other players in the world. ISO 55001 provides you such a framework. By implementing ISO 55001, asset management will now create even more value than ever before for your asset-intensive organisation.

### 4. Some benefits of ISO 55001

#### A. VALUE CREATION

Applying good asset management practises in asset-intensive companies will contribute significantly to the asset intensive organisation's ability to create both financial and non-financial value. ISO 55001 is now giving asset-intensive organisations world-wide a comparable and internationally recognized framework for asset management, offering a holistic approach to financial, operational and technical functions while contributing to the strategic objectives of the organisation. Furthermore, this view on asset management is expected to result in new insights and to create improvement areas for other organizational functions such as purchasing, human resources, information technology, etc.

#### B. STRUCTURED, CONSISTENT AND TRANSPARENT CYCLE OF YOUR ASSETS

By implementing ISO 55001 as an asset management framework, the cycle of the assets will be structured, consistent and transparent for all stakeholders, generating more value and consequently, a positive effect on the organization's bottom line. The asset intensive organization will be able to integrate operational activities with finance and accounting activities resulting in a more transparent and efficient financial-technical reporting on assets including on performance of assets and asset risks. The organisation will establish a lean principle that enhances the entire life cycle asset management: costs, investments, asset performance and asset risks. This way of working will provide you with a clear and undisputed audit trail.

#### C. AN IMPORTANT ROLE OF ASSET MANAGEMENT IN YOUR ORGANIZATION'S STRATEGY

ISO 55001 clearly establishes the role of asset management in the overall strategy of the asset intensive organization, which will help create more awareness of the importance of the function at board level. The board of directors will realize the full potential of asset management and will support the asset management related decisions and projects.

Translating the organization's strategic objectives into operational asset management objectives will establish the important role of asset management in the overall strategy of the organisation.

Having an ISO 55001 certificate can be used as part of the organization's marketing strategy and for differentiating your organisation from others in pitches for new business.

#### D. WORLDWIDE IMPACT OF AN ISO STANDARD

An ISO Standard on Asset Management – ISO 55001 – can influence decision makers because:

- the ISO process makes the standard globally more relevant to more countries and more industries and an ISO standard is readily accepted to multinational business;
- current reactions of professionals working in the field of asset management – while never having adopted any standard on asset management in the past – are enthusiastic and positive about this new ISO Standard;
- an ISO standard means that regulators are more likely to show interest and that they might request organizations to comply with the standard;
- greater uptake will drive greater support for your outsourced activities;
- an ISO standard is more familiar to board of directors, investors, banks, insurance companies and the general public.

#### 5. KPMG's expertise on Asset Management and ISO 55001

Daniël Pairon, global Lead Partner KPMG Asset Management, has been formally involved in drawing up the ISO 55001 standard from the beginning. KPMG is the only Big 4 company that worked on drafting the ISO 5500x standards. KPMG Global Asset Management Competence offers services to provide you with in-depth understanding of this new standard and what it can mean to your organization.

KPMG Global Asset Management Competence Center, based in Brussels, consists of an experienced team of specialist and experts in all areas of Asset Management – strategic, tactical and / or operational experience in asset management and maintenance services and decision making models as well as key skills for cost and organizational efficiencies. Our people combine business advisors, engineers, auditors, IT and Tax advisors.

The KPMG Asset Management Competence Center provides a tailor-made methodology, which takes a multidimensional approach towards Asset Management and dissects the different parts of an Asset Management Organization: its Systems, its Processes and Controls and the Human factor.

Daniël Pairon  
Partner, Global Lead KPMG Asset Management  
E: [dpairon1@kpmg.com](mailto:dpairon1@kpmg.com)  
T: +3238211941  
Website: [www.kpmg.com/amcc](http://www.kpmg.com/amcc)