4 KEY STAGES OF ASSET MANAGEMENT LIFECYCLE
WHAT ‘ASSET’ MEANS AND WHY ASSET MANAGEMENT IS IMPORTANT?

Assets have been managed and maintained professionally by public sector managers for decades. Nevertheless, economic and financial developments of recent years alert that what we have been doing in the past will not be satisfactory to deal with challenges in the future. Realistic, advanced methods for enhanced managing physical assets have been increased and sophisticated over the past several years. In addition, such techniques have been gradually incorporated into a holistic management framework.

Assets are defined as follows: “An asset is an item, thing or entity that has potential or actual value to an organization”. Based on ISO 55000, asset management is described as “coordinated activity of an organization to realize value from assets”. Consecutively, this is broader than physical assets which bring a significant target and focus for more companies.

The process of optimizing the delivery of a value and making the appropriate decision is asset management. Asset Management comprises of opportunities, balancing of costs and threats against the desired level of performance of assets, which is essential for the greatest return on investment and to attain the main objectives of the organization. One of the main objectives is minimizing the overall life cost of assets which can be affected by other indicators such as business continuity or risk during the decision making process. Additionally, it makes possible for an organization to study and observe the performance of assets in different stages. Throughout the application of asset management, the organization is able to analyze different approaches towards managing an asset during life cycle stages, which will be discussed later on.

The asset management team is within a financial company which is devoted to running and organizing client assets. In client assets are included cash, investments etc. Monitoring machines is a fundamental enterprise task which assists regulatory and license compliance, security, and software and hardware management. Therefore, an appropriate asset management strategies and financial resources can save both time and cost of the company.

Such a strategy is crucial for monitoring all of your hardware and software assets. By implementing an asset management strategy, it will be easier for the company to track all the changes of the assets, their location and how they are configured.
THE ASSET LIFE CYCLE

A key process within asset management is the understanding of asset life cycle. There are four key stages of the asset lifecycle, which this section will classify and describe. The four key stages of the asset lifecycle are:

1. PLANNING

Planning is the first stage of the asset life cycle. This stage establishes and verifies asset requirements. Establishment of asset requirements is based on evaluation of the existing assets and their potential to meet service delivery needs. Identification of management strategies is required in order to include and analyze the need for an asset. Throughout all stages of planning, it is crucial to make sure that the ongoing development adds value to the organization.

If the company uses effectively planning in all asset management cycle stages, it will help in:

- Assessing the practical sufficiency of existing assets
- Ensuring resources are available when necessary
- Recognizing excess or under-performing assets
- Estimating options for asset provision and funding asset acquisition
- Ensuring assets are maintained and liable

The progress of an asset management project as component of the organization's planning procedures gives the most excellent means of delivering value-added asset management.

2. ACQUISITION

Taking the best decision on choosing the best option can only be made after defining the cost and the requirements. The choice will be the phase of further planning, the acquisition planning. The acquisition planning includes activities involved in purchasing an asset with the aim of ensuring cost effective acquisition. This covers activities such as designing and procuring an asset. Appropriate application of these activities guarantees that the asset is fit for use.

Initially, the organization should decide whether the asset will be perpetually bought or built. Next, establish a budgeting for asset acquisition along with a time frame for its acquisition and a purchasing requirement. A practical budget and cash flow should be put as deficient funds or otherwise project management can put at risk the process of asset acquisition. Whenever these requirements are met, a project team should run the process to make sure that all acquisition process activities will be completed to meet service delivery and other organization objectives.
OPERATION AND MAINTENANCE

The operation and maintenance stage indicates the application and management of an asset, including maintenance, with the aim of delivering services. The plan of asset management should have a high focus on asset maintenance issues. Long lived assets, in the majority of public sector assets, especially roads and buildings require particular maintenance during their life cycle.

Throughout this time, the asset should be focus to appropriate maintenance, monitoring and potential improvement to overpass any adjustment in operational requirement.

DISPOSAL

When an asset reaches its end of a useful life, it can be treated as a surplus, or otherwise is considered as an underperforming asset. Disposal should be treated in the perspective of the effects of the decision on service delivery and any departmental responsibilities. A special focus should be placed on cultural heritage where there are detailed requirements that organization should take into consideration. If in the near future an asset is to be disposed, in order that statutory maintenance to be taken, the maintenance strategy should be properly adjusted.

Any organization, in either public or private sector, will need to deal with asset handling. Recognizing asset’s value, future value and costs are essential, therefore developing a strategic asset management plan is highly preferred and required. Such a strategic asset management plan would enable an effective and well-organized asset and deliver services.

There are already different systems, methods, software, and standards which are used to manage different types of assets. It is up to companies what to consider an asset and what to include in asset portfolio. Sometimes assets are managed as a group, rather than individual. Such groupings of assets may be by asset types, asset systems, or asset portfolios.

One of the newest standards for managing asset is ISO 55001 Asset Management. According to ISO 55001, this new standard leaves an open topic to organizations to determine what to consider asset, so ISO 55001 specifies the requirements for the establishment, implementation, maintenance and improvement of a management system for asset management, referred to as an “asset management system”.

Also managing assets should not be looked from isolated mode. At the time where most of the assets managed are IT and even cyberspace related, care should be looked from the Information Security Management point of view as well as Cyber Security point of view.

ISO 55001 is an opportunity to manage the Cyber Security or Information Security form looking at the asset. This mean a correlation with standard related to business continuity Management ISO 22031, Information Security Management ISO 27001/2 ; Building Cyber Security Framework ISO 27032.
Managing Asset is then the Indispensable piece to provide security for any business. So managing means having the resource qualified with the expertise and training to do it in a professional way.

ISO Standards and Professional Trainings offered by PECB for ISO 55001:

- Certified Lead Implementer (5 days)
- Certified Lead Auditor (5 days)
- Certified Foundation (2 days)
- ISO Introduction (1 day)

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