

Developing Balanced Asset Management Scorecards

Course Objectives

At the end of this course, the learners will

- understand the importance of a performance measurement system or framework
- understand the complexities relating to defining KPIs
- know how to benchmark KPIs against best performers
- be able to develop an effective AM scorecard
- be able to set targets for KPIs
- be able to communicate KPIs to the appropriate stake holders and effectively measure and use the KPIs

Course Modules

Module 1: Performance measurement introduction

Module Elements

- Refresh of Previous CPAM Modules
- The Pragma Way
- SOAM: Strategy-KPI Link
- SOAM: The Benefits of AM
- PAS 55: Management Structure
- PAS 55: 4.3.2 AM Objectives
- PAS 55: Management Structure
- PAS 55: 4.6.1 Performance and Condition Monitoring
- AMIP: Performance Measurement BPs
- AMIP: Performance Measures

Module 2: Performance measurement frameworks

Leading questions we aim to answer in this module:

- What are the barriers of good performance?
- What are the characteristics of a performance measurement framework?
- What is a “balanced scorecard”?
- How does one “manage” a performance scorecard?
- How are people affected by a new performance scorecard implementation?

Module Elements

- History of Measurement
- Performance Barriers
- Characteristics of Success
- Balanced Scorecard (BSC)
- Performance Scorecard Cycle
- Skills and Competency Requirements

Module 3: How to develop an AM scorecard

Leading questions we aim to answer in this module:

- What does PRCDQ stand for?
- What is a KPI hierarchy?
- Who is responsible for the measures in an AM scorecard?
- What are the differences between leading and lagging indicators?
- How is consistent measurement of KPIs ensured?



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Module Elements

- What should we measure?
- P-R-C
- D-Q
- P-R-C-D-Q Examples
- KPI Hierarchy: S-T-O
- S-T-O Example
- AM Scorecard
- Measurement Responsibility
- Leading versus Lagging Indicators
- Different Scorecards in AM
- AM KPI Master List
- Documentation
- Scorecard Integration

Module 4: Benchmarking

Leading questions we aim to answer in this module:

- What is benchmarking?
- What are the prerequisites for benchmarking?
- How do you identify the best performers?
- What are the differences between efficiency and effectiveness?
- How are benchmarking results implemented?



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Module Elements

- Origin
- History
- Prerequisites
- Benchmarking Process
- Recognising Best Performance
- Effectiveness vs Efficiency
- Benchmarking Myths
- AMIP Benchmarking

Module 5: Performance targets

Leading questions we aim to answer in this module:

- What do we need to consider when setting targets for asset management KPIs?
- Performance measurement literature often lists SMART targets. What does SMART represent?
- How do we encourage teams to achieve these targets?
- Can we change the targets, or is that moving the “goal posts”?

Module 6: KPI communication and usage

Leading questions we aim to answer in this module:

- What effect will a new AM Scorecard have on your organisation?
- How will new KPIs be communicated within your organisation?
- At what meetings will you review KPIs?
- What other processes can be affected by KPI results?



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Module 7: Interesting KPIs

Leading questions we aim to answer in this module:

- How do you measure year-on-year asset performance improvement?
- How do you measure asset potential?
- How do you measure reliability and maintainability?

Module 8: Developing an AM scorecard