



## MARCHMENT HILL

- consulting -

# Establishing an Asset Management Department within a Middle Eastern water utility

### the challenge

Our client is a Middle Eastern water utility that is currently undergoing a significant construction phase. It must increase its number of customer connections from below 50,000 to almost one million over the next five years.

The business had recently participated in an Asset Management Benchmarking Program run by the Water Services Association of Australia in conjunction with the International Water Association and engaged Marchment Hill Consulting to implement several of the improvement opportunities.

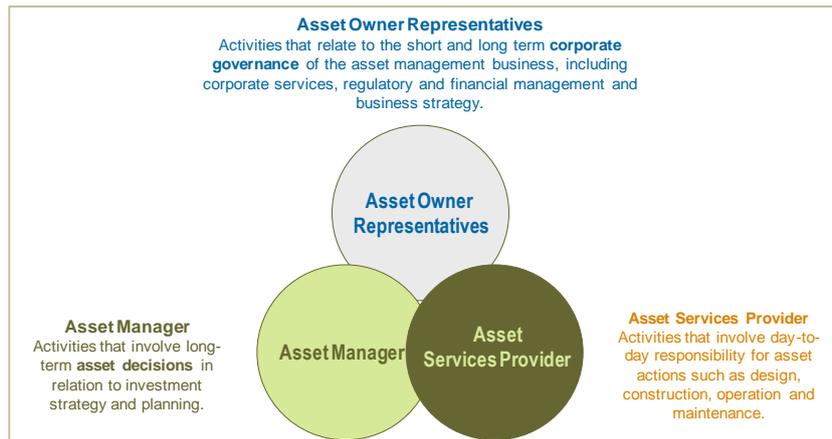
The business had many expatriate as well as local managers, very few of whom were familiar with the Asset Management Model. Furthermore, as the business is transitioning from predominantly an ‘asset construction’ company to become an ‘asset management’ company in the long-term, it was unclear exactly what activities were to be undertaken by an Asset Management Department in the near-term.

Marchment Hill was engaged to establish the Asset Management Department and in the process garner business-wide support for the group, communicating the drivers for an Asset Management model, the functions of the Asset Management Department, and the major points of interaction with all other departments.

### what Marchment Hill did

There were significant time constraints on the project, and Marchment Hill were required to provide an Asset Management Department structure with projected FTEs within a six week timeframe. In order to achieve this Marchment Hill ran a series of extended workshops with the managers of each department including the Asset Management Department to conduct a “RACI” analysis on 120 Asset Management processes. The analysis determined which department was Responsible, Accountable, Consulted, or Informed for each process.

engagement profile



**Figure 1: Strategic Asset Management Model**

This concept has been widely adopted across the Electricity industry, and is becoming increasingly applied within the Water sector.

This process ensured challenging yet positive dialogue between the newly established Asset Management Department, and the other departments of the business. The activity firmly established the Asset Management Department as the central planning coordinator and asset decision authority for the business and ensured consistent understanding and interpretation of Asset Management concepts, core Asset Management processes and significant interfaces involving the Asset Management Department.

The final RACI analysis was signed off by each General Manager, and then used to develop role descriptions. Due to the time constraints Marchment Hill used its extensive Organisation Library to develop the final structure in close consultation with the CEO and General Manager Asset Management.

the benefit

The client is just starting out on its Asset Management journey but there is now strong internal support for the Asset Management Department and its new pivotal place in the business model. With the establishment of this group at such an early stage in the life of the assets, the business is well prepared to optimise the value of their assets over the long-term and to meet the commercial and performance objectives of shareholders and customers alike.