



## Why Data Management is Critical for Good Asset Management

By Brian Kaiser, Associate, UMS Group Inc.



When utilities are pursuing Asset Management, setting priorities and taking the first steps are usually the most difficult tasks. Should we establish a strong Risk Management process, or should we create Asset Management Plans for our critical assets? Regardless of where you decide to start, you will rely on, and possibly be limited by, the quality and availability of your asset information. Like Asset Management, Data Management is a lifecycle management system, but of the data (e.g., acquisition, validation, storage, protection, processing, etc.) needed to support your objectives. From my experience helping utilities with their data challenges, I would argue that it is impossible to be “good at utility Asset Management” without first being “good at utility Data Management.”

For example, in the Risk Management process it is important for a utility to understand its business risks and make decisions with risk as a key driver. Any risk can be measured along two scales: (1) the consequence if the risk event occurs, and (2) the probability of the risk event occurring. Quantifying a risk in these dimensions requires accurate and timely asset data to inform risk assessment and to enable risk monitoring.

Making confident, data-driven decisions is a hallmark of “good” asset management. To achieve this competency, the organization must be secure in the quality of its asset information. However, not all asset data is equally important and collecting, updating, and storing data is time-intensive and expensive. Targeting data management based upon an understanding of how the data will be used, the criticality of the asset(s) affected, and the importance of the data in predicting future asset performance and behavior is key to maximizing value.



From our experience in assisting utilities in improving their asset management capabilities, UMS Group has seen that the quality and availability of asset data is one of the most important factors in a successful asset management implementation. Applying the principles of Data Management is a cross-industry, proven method for improving the state of an organization’s asset data. My next post will delve into these principles and where and how to start improving your data.

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