

WINNING THE COMPETITION FOR CAPITAL





INTRODUCTION

INTRODUCTION – ROTH IAMS



Bill Roth

- ▶ President & CEO of Roth IAMS
- ▶ Co-Founder of SLAM Technologies
- ▶ Over 25 years of experience collaborating with higher education institutions across North America on all aspects of facility and infrastructure asset management
- ▶ Proud Member of APPA, SRAPPA, ERAPPA, MW APPA, Several State Chapters

AGENDA

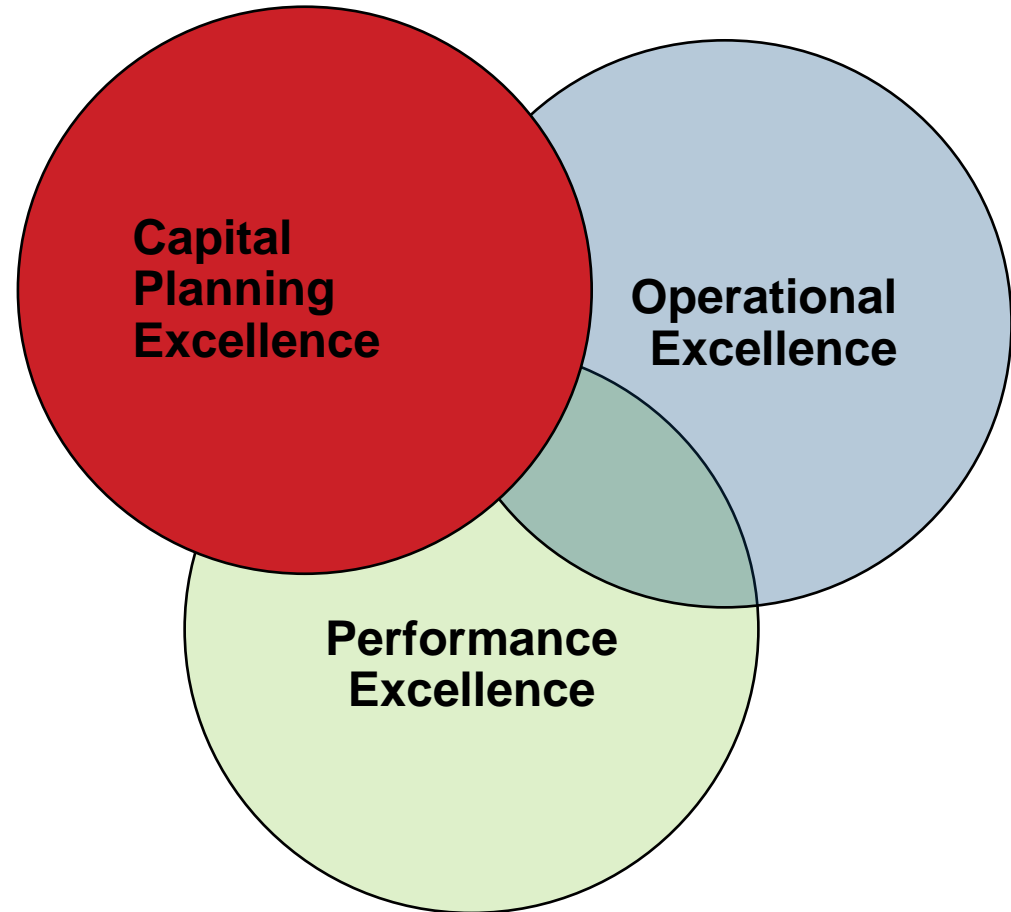


Winning the Competition for Capital

Prioritization

What's the Catch

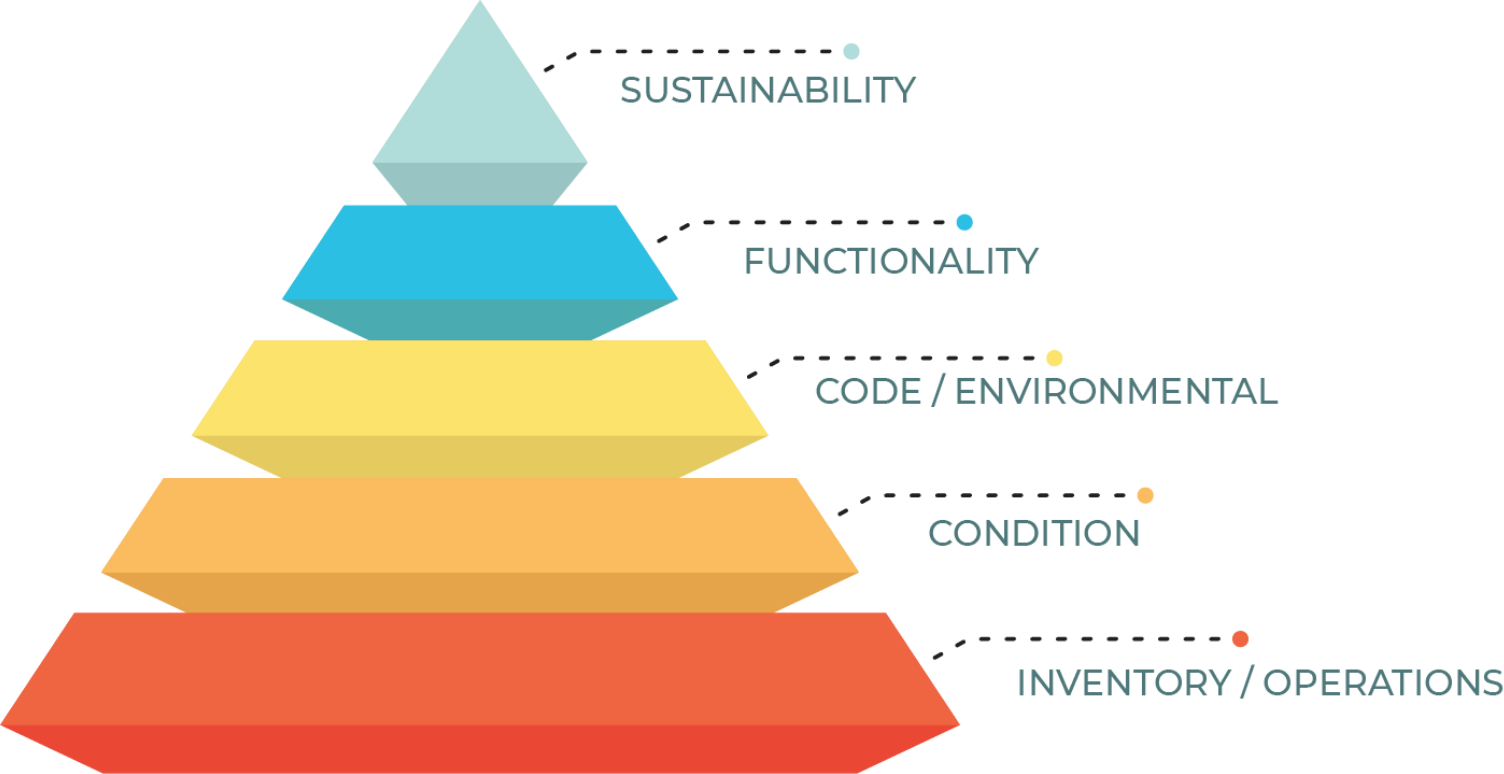
WHERE ARE WE FOCUSING TODAY?



WINNING THE COMPETITION FOR CAPITAL



ALL THE COMPETING FACTORS



WHERE ARE WE COMING FROM?

- ▶ Single Year Budgets
- ▶ Bottom-Up Development (single asset focus)
- ▶ Multiple departments with multiple plans
- ▶ Priority is based on:
 - ▶ Is it Broken?
 - ▶ Squeaky Wheel/Politics
 - ▶ Discipline Bias of Decision Makers



WHAT ARE THE RESULTS?

- ▶ Inflexibility
- ▶ Highly reactive
- ▶ Worsening overall asset condition and performance
- ▶ Inefficient investment of limited capital dollars
- ▶ Little accountability to results or improvement

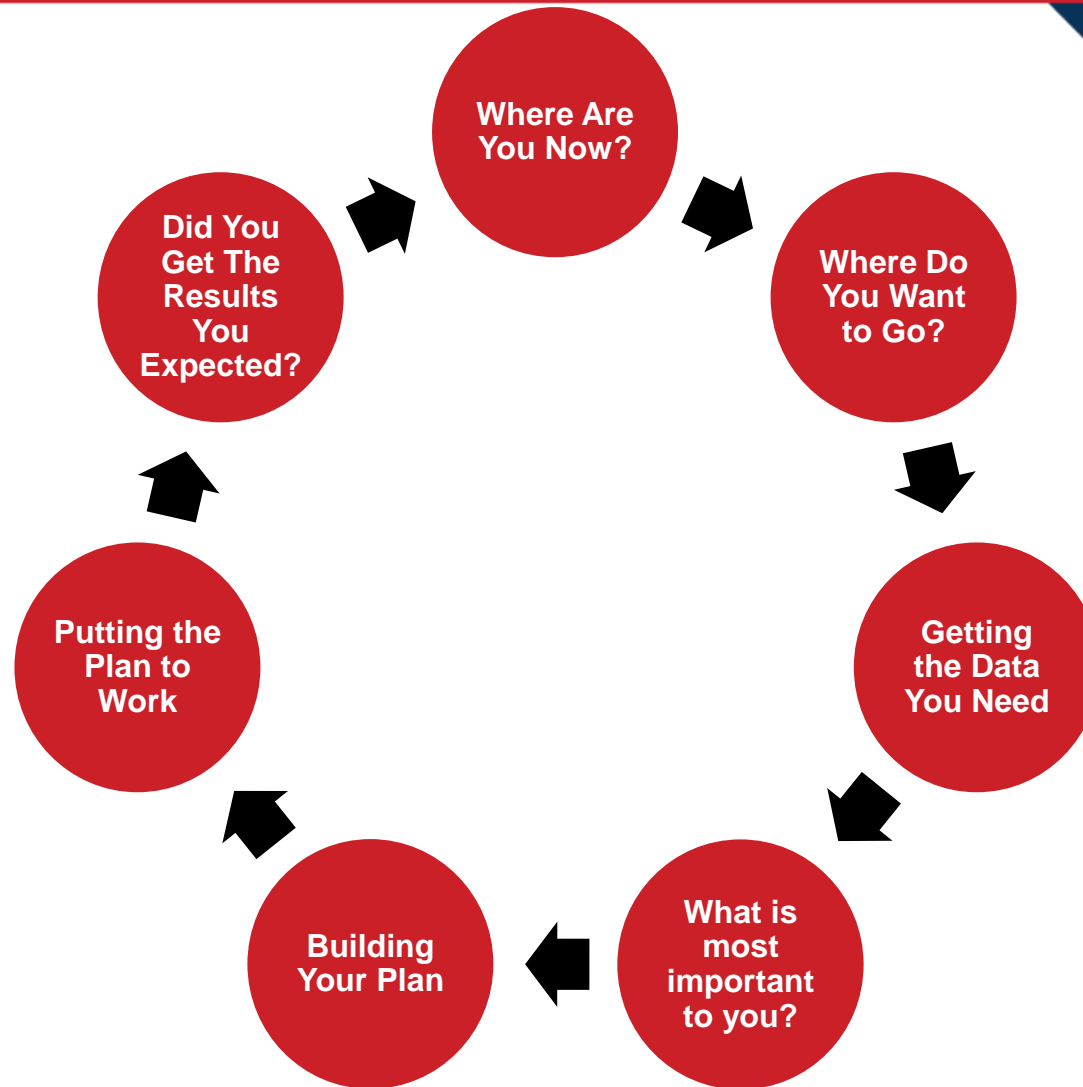


WHY EVOLVE?

- ▶ Aging infrastructure and evolving building program needs
- ▶ Inadequate funding
- ▶ Interdepartmental competition for capital
- ▶ Aging/retiring workforce takes knowledge with them when they leave
- ▶ Inconsistent asset data
- ▶ Stricter regulations/codes



MULTI-YEAR PLANNING PROCESS



WHAT IS A MULTIYEAR PLAN?

- ▶ Three or Five-Year plan that details specific projects to be undertaken
- ▶ Starts with Condition Assessment Data as well as other Expert-Level Assessments
- ▶ Integrate consideration for business, program and “political” factors
- ▶ Include “Allowances” for costs not associated with specific elements



WHAT IS A MULTIYEAR PLAN?

- ▶ Built based on known levels of funding and projections of future funding
 - ▶ Have to make some assumptions on future years
- ▶ Presented to Senior Leadership and Stakeholders for approval each year
 - ▶ Ideally you can get “soft” approval for Year 2 projects to allow you to begin design of Year 2 projects in Year 1



WHAT IS A MULTIYEAR PLAN?

Updated throughout the year based on:

- ▶ Changes in Priority
- ▶ Changes in Available Funding
- ▶ System Failure
- ▶ Changes in Project Costs

Refreshed annually based on:

- ▶ Actual Work Completed
- ▶ Confirmation of Funding
- ▶ Updated Asset Information
- ▶ Available Internal Resources



PRIORITIZATION

PRIORITIZATION

- ▶ Picking what needs are included in an actual capital plan
- ▶ Most organizations use categorical priority
 - ▶ e.g. Urgent, High, Medium Low
 - ▶ What happens when you run out of money in the middle of a category?
 - ▶ Which High is Higher than High?
- ▶ Often primarily based on condition assessment data and condition criteria
- ▶ Needs to build beyond traditional risk management



TRADITIONAL RISK MANAGEMENT

		Consequence of Failure				
		1	2	3	4	5
Likelihood of Failure	5	Yellow	Orange	Orange	Red	Dark Red
	4	Yellow	Yellow	Orange	Red	Red
	3	Light Green	Yellow	Orange	Orange	Red
	2	Green	Light Green	Yellow	Yellow	Orange
	1	Green	Green	Light Green	Light Green	Orange

BEYOND JUST RISK MANAGEMENT

- ▶ More than just Risk to consider in Capital Planning
- ▶ What other factors do you consider?
 - ▶ Program Needs
 - ▶ Sustainability
 - ▶ Political
 - ▶ Community Needs
 - ▶ Others?



MULTIVARIABLE PRIORITIZATION (MVP)

- ▶ Collaborative process with stakeholders from across an organization including: Facilities, Finance, Users, etc.
- ▶ Provides a matrix that includes what is important to your organization
- ▶ Building/Asset or Element Level Categories that are scored and weighted
- ▶ Allows stakeholders to understand how the priority score was calculated
- ▶ Easy update as organizational goals evolve
- ▶ Generally, includes both aspects of Risk Management





MULTIVARIABLE PRIORITIZATION (MVP)

Category Type	Category	Weighting	Subcategory	Score
Building/Asset	Building/Infrastructure Type	10	Academic - Classroom/Lab	10
			Academic - Research	9
			Residence	8
			Infrastructure - Subsurface	8
			Ancillary	4
			Infrastructure - Surface	2

Category Type	Category	Weighting	Subcategory	Score
Element	Consequence of Failure	30	Fire/Life Safety	10
			Full Campus Shut Down	9
			Multi-Building Shutdown	8
			Full Building Shut Down	6
			Partial Building Shut Down	4
			Program Interruption	3
			Nuisance	1

WHAT'S THE CATCH?



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None of this will work if you don't have an effective strategy in place to acquire, manage and update consistent and defensible asset data on a regular basis

- ▶ Finding your data sweet spot
 - ▶ More data is not always a good thing
- ▶ Requires collaboration across your organization
 - ▶ Capital/Construction
 - ▶ Operations & Maintenance
 - ▶ Finance
 - ▶ Program/Users



ANNUAL UPDATES

Adjustments are made to the process and tools each year

- ▶ Review and update MVP/Priority
- ▶ Adjust the dataset based on newly completed FCAs

In-depth annual revision to the specific projects selected

- ▶ Reconcile deferred projects from previous year's plan
- ▶ Consideration of the previous assumptions / priorities
- ▶ Adjustments based on current business objectives



HOW TO WIN THE COMPETITION FOR CAPITAL

- ▶ Develop a Multiyear Capital Planning Process
- ▶ Maintain a Comprehensive Prioritization System
- ▶ Acquire, manage and update consistent and defensible data
- ▶ SHAMPOO MODE - Wash, Rise Repeat





Ask Bill Anything

THANK YOU FOR ATTENDING

- ▶ Visit our website at rothiams.com
- ▶ Follow us on [LinkedIn](#) for more content
- ▶ Connect with us directly through email at bill.roth@rothiams.com or call **(727) 247-9419**

Roth IAMS
Integrated Asset Management Strategies

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Our Core Values	Asset Management	Education
How It All Began	Asset Data Collection	Local/Municipal Governments
Leadership Team	Facilities Management	State/Provincial Governments
Partners	Building Performance	Other Key Sectors
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Roth IAMS
Collaborating to provide facility and asset data and software that you can trust.
Business Consulting and Services · Oakville, Ontario · 425 followers

Julie & 28 other connections work here · 77 employees

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About

Imagine a world where your asset management plans were based on consistent and defensible data. Imagine that there was a way you could have all the data that you need to make informed decisions right at your fingertips. Imagine not being stressed that your organization is underfunded and unequipped to deal with the politics ... see more

See all details

Dive Into Our Thought Leadership

