

ASSETMARK

THE ASSET BENCHMARKING SYSTEM FOR HEALTH FACILITIES MANAGEMENT

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WHAT IS BENCHMARKING

- Bench mark: a point of reference from which quality or excellence is measured
- Benchmarking: the practice whereby companies compare their performance with that of other companies

(Macquarie Concise Dictionary)

7/12/2015

2

WHY IS IT IMPORTANT

- You can't manage what you don't measure
- AssetMark measures excellence and quality
- Improves facility service delivery through understanding and interrogating key performance indicators
- Provides structured continuous improvement
- Provides opportunities for mutual support
- Health Care Facilities Accreditation requirements

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3

ASSETMARK BACKGROUND

- Designed by hospital facility managers for hospital facility managers (IHEA working group 1996)
- Pilot questionnaire to establish key performance measures
- Established data base for comparative data analysis and reporting – more than 19 standard reports (KPI's).

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4

ARE THE COMPARISONS VALID

- AssetMark recognises that there are differences between hospitals.
- Hospital main categories
 1. Regional, District or Base hospital
 2. Extended Care hospital
 3. Tertiary Specialist hospital
- Further benchmarking is determined by recognising: geographical location, health services provided, hospital category and facility description

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5

WHAT DATA IS REQUIRED

- Maintenance Expenditure
- Hospital total expenditure
- Floor area (active and gross)
- Occupied bed days / separations
- Capital replacement value
- Preventive, corrective, reactive maintenance and restoration output
- Energy consumption and costs

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6

Required data (cont'd)

- Ten year average capital cost
- Direct / indirect labour
- Cost of external / internal resources
- Value of deferred maintenance
- Hospital facility management cost
- Water usage

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7

Standard Reports

- The Key Performance Measures appear in the standard reports.
- Reports can be a comparison against all of the hospitals or just those in the same category.
- 19 reports can be generated against either category.

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8

Report 1- HFM cost / Total floor area
\$ per square metre

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- The Total Floor Area is the total floor area of hospital institution that is fully enclosed.
- This performance measure is about the costs involved in managing hospital facilities.
- It recognises the Building and In-building service costs as well as the Grounds and Site service costs.

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9

Report 1A - Maintenance cost / Total floor area
\$ per Square Metre

- Maintenance costs include all the regular and routine activities necessary for retaining facilities or assets in or restoring it to, its original condition, as far as practicable.
- Annual maintenance expenditure as an annual cost per square meter is a commonly used benchmark in industry and accommodation.
- Although this KPI may be used to compare the level of maintenance expenditure between facilities, it does not take into account the complexity of the activity carried out in the facility, condition, quality and risk.
- It does provide a benchmark and a year by year understanding of the site's operational performance.

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10

Report 2 - HFM cost / Hospital institution expenditure % value

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- The total hospital institution expenditure represents all hospital costs for medical service costs, recurrent support costs, administrative and financial charges and other fees attributable to the total hospital.
- Hospital total expenditure can relate to the hospitals income or total activity based funding. A drop in the hospital expenditure (Income) will impact adversely on the HFM percentage.

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11

Report 2A - Maintenance cost / Hospital institution expenditure % value

- Maintenance costs include all the regular and routine activities necessary for retaining facilities or assets in or restoring it to, its original condition, as far as practicable.
- The total hospital institution expenditure represents all hospital costs for medical service costs, recurrent support costs, administrative and financial charges and other fees attributable to the total hospital.

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12

Report 3 - HFM cost / Occupied bed days \$ value

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- Occupied bed days is the total number of bed days of all admitted patients accommodated during the reporting period. It is taken from the count of the number of inpatients at midnight (approximately) each day.
- A benchmark that reflects the HFM cost of providing the service per bed and particularly useful where the vast majority of services are bed based.

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13

Report 3A - Maintenance cost / Occupied bed days \$ value

- Maintenance costs include all the regular and routine activities necessary for retaining facilities or assets in or restoring it to, its original condition, as far as practicable.
- Occupied bed days is the total number of bed days of all admitted patients accommodated during the reporting period.

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14

Report 4 - HFM cost / Replacement Capital Value % value

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- Replacement Capital Value (RCV) is the total cost of replacing the facility or asset, expressed in the monetary value at the estimated date of completion of the procurement.
- An indicator for the HFM cost of continuing to manage the asset.

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15

Report 4A - Maintenance cost / RCV % value

- Maintenance costs include all the regular and routine activities necessary for retaining facilities or assets in or restoring it to, its original condition, as far as practicable.
- Replacement Capital Value (RCV) is the total cost of replacing the facility or asset, expressed in the monetary value at the estimated date of completion of the procurement.
- Commonly used benchmark that it is a good indicator for the cost of retaining the asset.
- Although this KPI does not relate to performance, risk, or “fit for purpose”, it would indicate predict the deterioration of the asset and hence reduction of the “fit for purpose”, increasing risk exposure, and reduction in performance.

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16

Report 5 - HFM output on preventative maintenance % value

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- Preventative maintenance is the actions performed to retain an item or asset in its original condition as far as practicable by providing systematic inspection, detection and prevention of incipient failure.
- This performance indicator is calculated as a percentage of the total maintenance output and a good indicator of a balanced maintained facility.
- Planned maintenance is more cost effective than corrective maintenance-running plant to breakdown may result in more complex and extensive failure.

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17

Report 6 – HFM output on corrective & reactive maintenance % value

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- Corrective and Reactive maintenance are internally raised actions performed as a result of failure or a requirement to restore an item to its original condition and externally requested actions performed as a result of breakdown to restore an item to its required condition.
- A high percentage value of this performance indicator could be an indication of high failure rates, under maintained facility and/or facilities past their useful economic life.

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18

Report 7 – HFM output on Restoration % Value

- Hospital Facility Management (HFM) cost in dollars of managing and delivering hospital operations and maintenance services and other related services involved in the total management of the hospital facility.
- Restoration maintenance is the comprehensive maintenance actions intended to bring an item / asset back to its original appearance or state.
- Restoration is not solely for functional or operational reasons, but may also be for historical preservation and is a part of the maintenance process.

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19

Report 8 - Energy consumption / Total hospital floor area GJ per square metre

- Energy consumption from all sources including electrical, gas and oil fuel use in the operation/running of the facility.
- The Total Floor Area is the total floor area of hospital institution that is fully enclosed.
- GJ/m² is a commonly used indicator that can also be converted to provide an indication of the facilities carbon foot print.
- A high value can indicate inefficient plant, buildings, building management system controls and/or facility location/environment factors.

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20

Report 9 - Energy consumption / Hospital-total expenditure % Value

- Energy consumption from all sources including electrical, gas and oil fuel use in the operation/running of the facility.
- The Total Floor Area is the total floor area of hospital institution that is fully enclosed.
- An indicator of the extent that energy costs impact the of the hospital budget.

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21

Report 10 – Ten year average capital works expenditure/RCV % Value

- Capital costs are those costs incurred for the procurement, improvement or extension of an asset that will add to the replacement value of the asset. Includes purchase of all equipment that can be capitalised, as well as capital works.
- Replacement Capital Value (RCV) is the total cost of replacing the facility or asset, expressed in the monetary value at the estimated date of completion of the procurement.
- A low investment (or percentage) may indicate a low replacement strategy and a long term risk and cost to the facility

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22

Report 11 – N° of Supervisors / N° of Direct HFM Labour % Value

- Number of supervisors and managers over the total number of staff directly involved with repairs and maintenance delivery.
- Can indicate an imbalance between supervision and human resource.
- Facilities that have a high level of external resources (Contract) can have a low direct labour resource.

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23

Report 12 - Cost of external resources/Cost of internal resources % Value

- Internal resources include trade staff, technical staff, clerical and management staff plus material costs.
- External resources include trade contractors (Estimate full time equivalent for maintenance and operations) plus maintenance/repair contracts. (Not including contractors involved with major projects.)
- An indication of the mix between internal and external resources, a high percentage indicates a high reliance on contract work.

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24

Report 13 - Deferred Work / Replacement Capital Value % value

- Deferred maintenance represents all outstanding work and should be added to the backlog of maintenance items awaiting attention.
- Replacement Capital Value (RCV) is the total cost of replacing the facility or asset, expressed in the monetary value at the estimated date of completion of the procurement.
- This Benchmark reflects the future maintenance / upgrade liability for the facility. (The higher the ratio the greater the asset's risk).
- There exists a strong correlation between maintenance backlog and the level facility performance, infrastructure availability for business objectives, (including business continuity), maintenance efficiency and effective management.

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25

Report 14 - Active floor area / OBD or Separations Square metres / OBD

- The total active floor area of the hospital is the floor area of the institution that is still in active hospital service (not mothballed) and is fully enclosed.
- Occupied bed days is the total number of bed days of all admitted patients accommodated during the reporting period. It is taken from the count of the number of inpatients at midnight (approximately) each day.
- This benchmark that reflects the utilisation of floor space and potentially accommodation liabilities. (Most useful where a facility has under utilised space or unoccupied buildings).

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26

Report 15 – Water usage / Gross floor area Kilolitres per Square Metre

- Gross floor area is the total floor area of the hospital institution inclusive of all enclosed and unenclosed areas.
- An important commonly used KPI that requires regular monitoring regardless of facility make up.
- A useful tool and used in conjunction with sub metering can identify areas of high use for investigation and action or efficiency measures.

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27

WHAT ARE THE BENEFITS

- Continuous improvement based on verifiable data (KPIs)
- Knowing your strengths and weaknesses
- Verifiable performance as opposed to perception of performance
- Ability to understand and argue facility funding
- Guaranteed confidentiality (Independent data base, anonymous reports)
- Opportunity to compare your performance against the health industry
- Ongoing record of performance

28

HOW DOES IT WORK

- Register for AssetMark via the IHEA web pages technical resources.
- On registering and paying for an AssetMark account a log in and password will be provided.
- The Facility Manager then completes the AssetMark online questionnaire on line
- A set of standard reports will be available on completion of the questionnaire, showing the hospital's performance against key performance measures and other hospitals
- <http://mcs-surveyor.beims.com/AssetMark>

7/12/2015

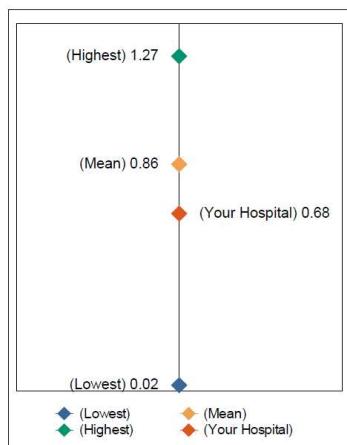
29

SAMPLE KPI REPORT

IHEA Hospital Facility Management Survey Results

IHEA (WA) - TEST Hospital

Report 4A: Maintenance cost / Replacement capital value



Your %	0.68
Average of the highest 5%	1.27
Mean %	0.86
Average of the lowest 5%	0.02
Hospital Category:	ALL
Survey:	Survey 2013/2014
Date of Report:	29/11/2015
No. of Hospitals Responded:	5

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30

CONCLUSION

AssetMark will not necessarily tell you how to fix poor performance but it will provide:

- Key performance indicators and the benchmarking processes that allows you to establish performance benchmarks, monitor your facility management expenditure, verify cost effectiveness, develop evaluation data for ACHS accreditation and expand your understanding of your facilities performance.
- AssetMark allows for comparison against like Facilities so you can see where your facility relates with industry performance and help you identify areas that potentially require attention.
- Allows for more detailed bench marking by providing an opportunity for you to be put in contact with another similar facility to benchmark areas of significant difference.

7/12/2015

31

FURTHER INFORMATION

- <http://www.ihea.org.au/> (follow links to IHEA AssetMark Information pack)
- 'Benchmarking Self Help Manual', Enterprises Improvement Services, Commonwealth Bookshops
- Ricky Smith, R Keith Mobley, *Rules of Thumb for Maintenance and Reliability Engineers*
- Wireman, Terry, (2005) *Developing Performance Indicators for Managing Maintenance*, Industrial Press Inc.
- Viljoen, John & Dann, Susan (2003) *Strategic Management* 4th Edition, Person Education Australia.

THANK YOU

7/12/2015

32