

# Big and small in asset management

---

*Ype Wijnia and John de Croon*

*16 December 2011*

In the early years of asset management (we are now talking about the end of the last century) the Dutchman had to retrieve all information from overseas, from the United Kingdom to be exact. Now the North Sea is not a very big puddle of water, but still .... In many asset management conferences that were organised the same Dutch faces could be seen, but usually only one or two simultaneously. Until a memorable evening in 2004, when it appeared that there was a complete Dutch delegation. At dinner some wise guy asked a very clever question: 'Why do we only meet abroad and never in the Netherlands?' This would cost less time and money, and it would possibly be more effective because of the language barrier. And as a bonus there was also a positive impact on the environment (although in all honesty we have to admit that environmental awareness did not play not a big role in the asset management models in 2004). Therefore completely in line with the principles of asset management.

And that was exactly why it was such a bad plan. If you could get the knowledge on asset management in the Netherlands, there would be no reason for us, asset managers, to fly around the world to see how others did it. That of course was not the intention. Asset management was something for others. There can be less invested and maintained, the customer has to take the additional failures for granted. Also, the service provider could work at lower cost, since the service provider can outsource to a party which has cheaper working conditions. Everything was ok, as long as we were recognised in our commitment to deliver quality for which we of course had to fly to exotic places. Though there might be many people who do not see anything except for the plane, taxi and hotel if they go to a conference in an exotic destination, but that is really their problem. Of course did it cost money and time and did it have environmental impact. The importance was that knowledge could be captured on improvement opportunities for which the benefits are potentially much higher than the costs were. Sometimes you simply have to invest to get somewhere.

Fortunately the wise guy (not us) ignored this resistance 'below the surface' and organised a first meeting. Then another person organised a second meeting and so it went on for a while. This relay race was paused when the Next Generation Infrastructures facilitated some meetings by means of the Asset Management Platform, in recent years at its base, the Delft University of Technology. At this time it is more of a traveling circus, where participants of the platform host the meeting alternately. The meetings are about twice a year, each with a 20-30 participants from various sectors in the Netherlands. So compared to meetings in foreign countries, the number of relevant participants grew, the frequency with which you see them is higher, and the costs are much lower. Thus an excellent example of asset management as we see it now!

Yet it is a bit of a paradox. Of course low cost are justified to achieve major improvements, but on the other hand, any improvement is one. And if it is low hanging fruit as the example of having the meeting in the Netherlands instead of London, then you should grab this opportunity. It is something like 'practice what you preach': an asset management culture does not exist when the leaders do not consistently show the correct behaviour. As a wise man once said: 'The development of a strategy is not visible in general but in the details, as they indicate how the vision has percolated to the lower levels.' This is also consistent with asset management as a conviction. You should only do those things which add value to you and your stakeholders, just leave the rest. What exactly that value is, do you have to discuss with your stakeholders, but it will have something to do with wealth, health, peace and safety in the right balance. Sometimes there are tensions between these values on different scales, but sometimes a change of perspective provides a valuable insight. For a Martian the earth is only a little ball in a vast space. That person would also see that the welfare, health, safety and peace on earth level suffer in the wish for these values at lower levels. But what the Martian could also see is that there

is nothing for miles around where the earth system can get resources from, so that in the long run earth needs to find it out herself. One will therefore have to find more balance between their own interests and the interests of others. Is that not a good idea for Christmas? We wish you a wonderful Christmas and a very happy 2012!

---

*John de Croon and Ype Wijnia are partner at AssetResolutions BV, a company they co-founded. In turn, they give their vision on an aspect of asset management in a weekly column. The columns are published on the website of AssetResolutions, [www.assetresolutions.nl/en/column](http://www.assetresolutions.nl/en/column)*

