

November 2025



# The Value Proposition of Asset Management

Why Talk About Value; What it is; How to Measure and Deliver it

Trevor Roberts: Regional Director, Africa & Spain – Cohesive

Cohesive



# Trevor Roberts: Regional Director, Africa & Spain – Cohesive

## "From equations to conversations: telling the story of asset value."



### Industry Experience

40 years of expertise spanning electronic engineering, systems engineering, and asset management.



### Value Bias

Driving operational excellence through IT solutions for asset and supply chain management.



### Some Hard Lessons

Real industry teaches humility



### Storytelling in Asset Management

Championing strategic asset management and integrated life-cycle solutions.

SECTION 01

# Reflecting on Value in Asset Management



Photo: Facebook

*"Price is what you pay; value  
is what you get."—*

*Benjamin Graham (Mentor to  
Warren Buffett)*

# There are many challenges.

Insufficient Funding  
for Maintenance and  
Renewal

Aging Infrastructure  
and Asset Backlogs

Asset Management  
Practices and Data

Regulatory and  
Policy Uncertainty

Technical Capacity  
& Skills

Climate Change and  
Environmental Risk

Urbanization and  
Population Growth

Infrastructure  
Network Gaps and  
Integration

Complex and  
Bureaucratic  
Financing and  
Procurement

Challenges brings opportunity, for those who know where to look.

Source: Integration of various AI sources, Point for discussion.

# Value and Asset management

Asset management is a coordinated activity to **realize value** from physical assets



## Commercial Value Metrics

Commercial value is measured by **profit**, ROE, and ROIC to gauge financial performance.

## Public Sector Priorities

Public entities focus on service reliability, cost efficiency, sustainability, and social impact. Using Return on Assets (ROA) or a newish term (Public Asset Value (PAV))

## Value Beyond Finance

Non-financial returns include access to services, environmental benefits, and economic stability.

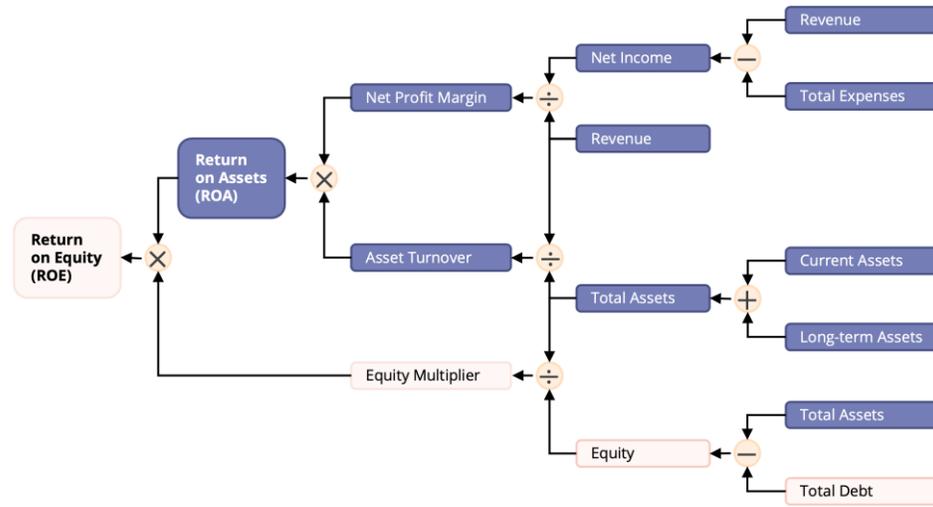
# How to measure the financial contribution of AM?

AM financial contribution modelling using a subset of the DuPont model

**ROE VS ROA VS ROIC VS ROCE**

BRIAN FEROLDI

	RETURN ON EQUITY	RETURN ON ASSETS	RETURN ON INVESTED CAPITAL	RETURN ON CAPITAL EMPLOYED
<b>DEFINITION</b>	Measures the return a company is earning in relation to its shareholder equity, indicating profit earned per dollar of equity.	Measures the return a company is earning in relation to its total assets, indicating profit earned per dollar of assets.	Measure how efficiently a company uses its capital to generate profits. It focuses on the returns generated from the capital directly invested in the business.	Measures how efficiently a company is using all of its available capital, both equity and debt, to generate profits.
<b>FORMULA</b>	$\frac{\text{Net Income}}{\text{Equity}}$	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	$\frac{\text{EBIT (1 - Tax Rate)}}{\text{(Long Term Debt + Equity - Non-Operating Cash)}}$	$\frac{\text{EBIT}}{\text{(Total Assets - Current Liabilities)}}$
<b>FOUND</b>	Income Statement & Balance Sheet	Income Statement & Balance Sheet	Income Statement & Balance Sheet	Income Statement & Balance Sheet
<b>WHEN TO USE</b>	When comparing companies in the same industry to each other that are primarily financed with equity.	When comparing companies in the same industry to each other that have significant fixed assets.	When evaluating a company's total capital efficiency in generating profits.	When comparing the efficiency of different companies in using their capital.
<b>PROS</b>	<ul style="list-style-type: none"> <li>Simple to calculate.</li> <li>Reflects management effectiveness in using shareholder capital.</li> </ul>	<ul style="list-style-type: none"> <li>Can be used across industries</li> <li>Useful in assessing management's effectiveness of using fixed assets.</li> </ul>	<ul style="list-style-type: none"> <li>Focuses on core business efficiency.</li> <li>Better for cross-industry comparisons.</li> <li>Incentivizes efficient capital use.</li> </ul>	<ul style="list-style-type: none"> <li>Broader measure of capital efficiency.</li> <li>Simple to calculate and understand.</li> <li>Useful for capital-intensive industries.</li> </ul>
<b>CONS</b>	<ul style="list-style-type: none"> <li>Can be misleading for companies with high debt levels.</li> <li>Need to adjust for the effects of stock buybacks.</li> </ul>	<ul style="list-style-type: none"> <li>It can be misleading for newer companies with non-earning assets.</li> <li>Includes depreciation so it might be lower for capital-intensive businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Complex to calculate.</li> <li>May overlook overall capital efficiency.</li> <li>Influenced by non-operational factors.</li> </ul>	<ul style="list-style-type: none"> <li>Can be skewed by high debt levels.</li> <li>Less effective for comparisons.</li> <li>Subject to short-term fluctuations.</li> </ul>
<b>BE AWARE OF</b>	<ul style="list-style-type: none"> <li>Can be inflated by companies that are highly leveraged.</li> <li>Can be inflated by buybacks.</li> </ul>	<ul style="list-style-type: none"> <li>Cross-industry comparisons.</li> <li>Depreciation policies.</li> </ul>	<ul style="list-style-type: none"> <li>Inaccuracies in calculating NOPAT</li> <li>Variations in accounting practices</li> <li>Overlooking non-operating assets</li> </ul>	<ul style="list-style-type: none"> <li>Inconsistencies in definition</li> <li>Sensitivity to short-term fluctuations</li> <li>High debt levels distorting results</li> </ul>



$$ROE = \text{Operating efficiency} \times \text{Asset use efficiency} \times \text{Financial leverage}$$

$$= \frac{\text{Net income}}{\text{Revenue}} \times \frac{\text{Revenue}}{\text{Total Assets}} \times \frac{\text{Total Assets}}{\text{Equity}}$$

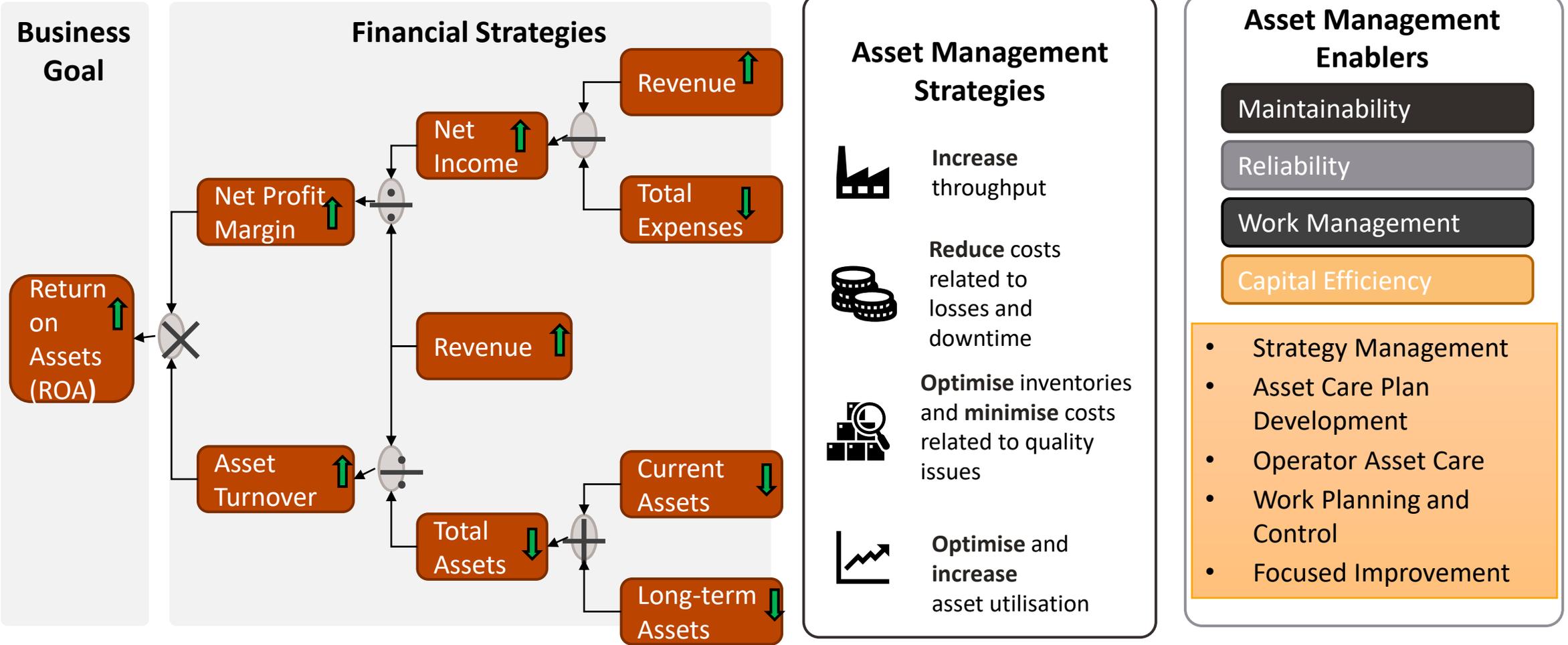
$$= ROA \times \text{Financial leverage}$$

$$\text{Therefore, ROA} = \frac{\text{Net income}}{\text{Revenue}} \times \frac{\text{Revenue}}{\text{Total Assets}}$$

$$= \text{Net Profit Margin} \times \text{Asset Turnover}$$

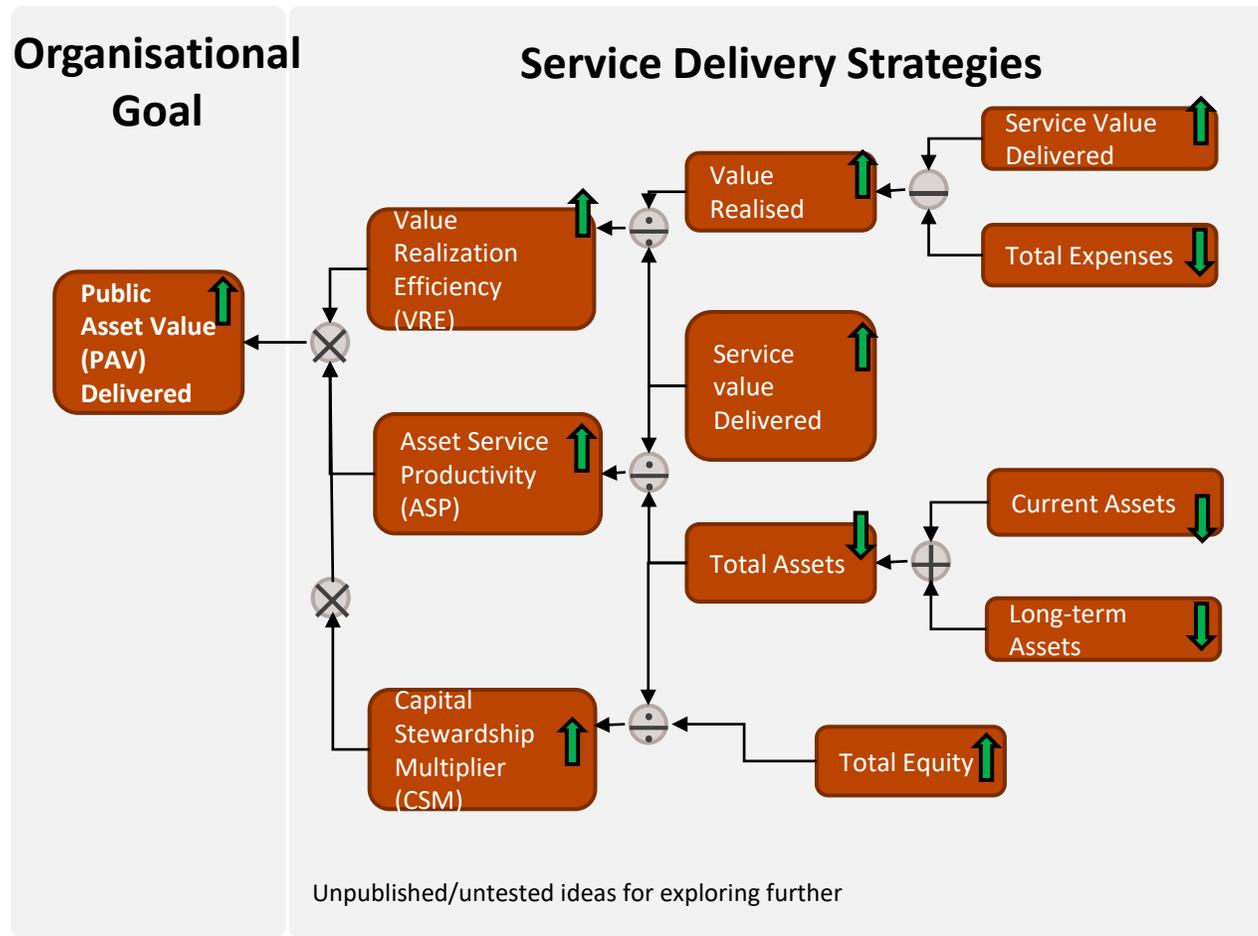
# How to optimise ROA through Strategic Asset Management

- Financial & AM strategies to drive ROA



# Applying the DuPont model to a public entity

- “Beyond Profit: A Framework for Service Value.”



## Definition

## Key Drivers



**Value Realisation Efficiency:** The ratio of net public service value realised to total service value delivered.

- Maintenance optimization, reliability, uptime, user satisfaction, safety, and environmental performance



**Asset Service Productivity:** The level of service value delivered per unit of asset value.

- Asset utilization, operational efficiency, preventive vs corrective maintenance, digital monitoring, and lifecycle planning.

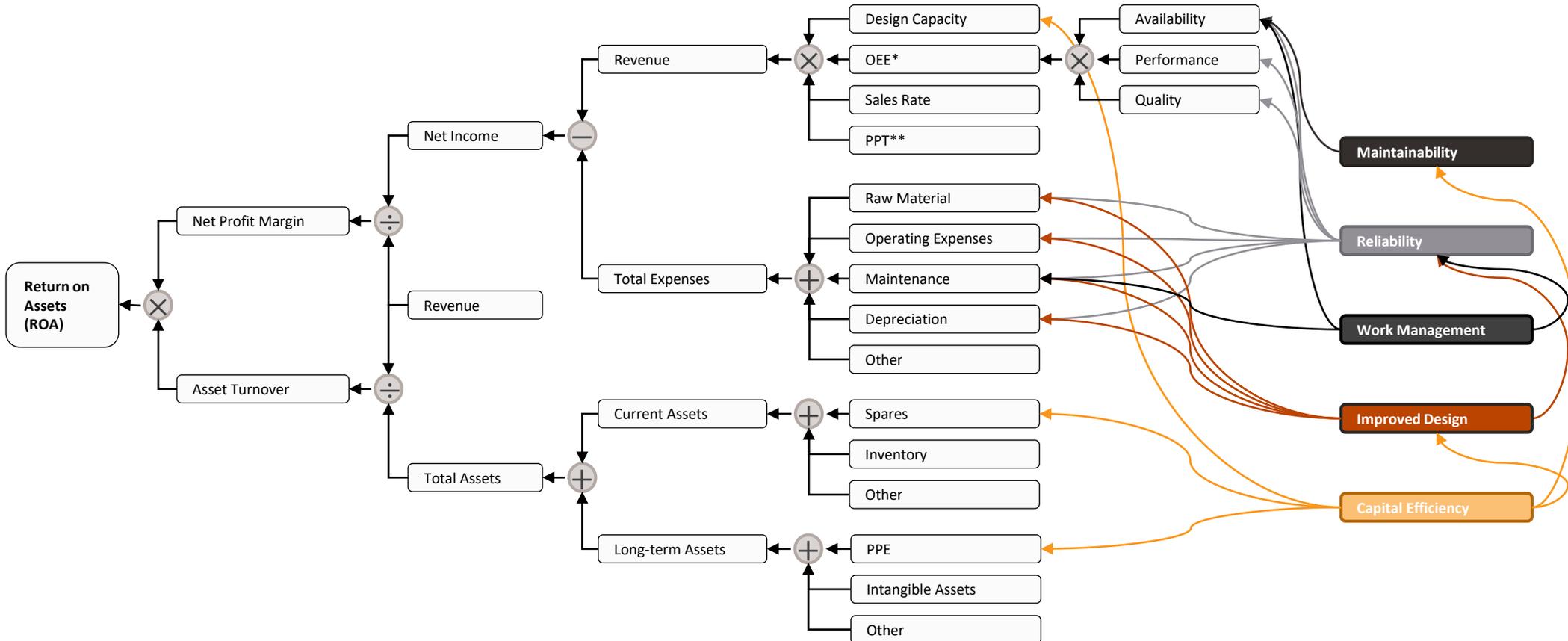


**Capital Stewardship Multiplier:** Measures how effectively existing capital (taxpayer equity) supports total asset value.

- Strategic asset renewal, funding leverage, PPP effectiveness, and reinvestment strategy.

# Using the DuPont Model to reflect AM activities

The available asset management enablers



**DEFINITIONS**

- **Reliability** is the ability of an asset to operate without issues for a specified period under certain conditions. It is often measured using the Mean Time Between Failures (MTBF) metric.
- **Maintainability** is the ability to perform maintenance activities on an asset or equipment with ease. It is often measured using the Mean Time to Repair (MTTR) metric.
- **Maintenance Work Management** is the process of planning, organizing, and tracking maintenance activities to ensure equipment uptime, extend asset lifespan, and control maintenance costs.
- **Capital Efficiency** dictates how capital should be deployed to control the total asset value of an organization with an aim towards increasing ROA.

Beyond finance: the real  
value of Asset  
Management improves  
lives



## Social Impact

Access to water, electricity, and transport services.

## Environmental Gains

Lower carbon footprint, better resource use..

## Economic Efficiency

Reduced lifecycle costs, optimal use of public funds.

“Measure what matters—because only measurement shows if you’re creating or destroying value.”

SECTION 02

**My sandbox:  
Learning the value of  
asset management the  
hard way**



*“Believe you can and you’re halfway there.”*

– Theodore Roosevelt

*“Too much confidence will get you halfway in trouble”*

– Trevor Roberts

# The Sand Box

Assumption is the mother of all mistakes



## Assumptions

- One Engineer and one Chartered Accountant with 20 years' experience. How difficult can it be
- 10-Year-old established business, with a fantastic track record.
- Value delivery from productive assets is obvious

## Reality

- It takes time to master a new trade
- Macro-economic changes move like the tide
- Value delivery is a complex, interrelated equation

# The Sand Box



**Non Woven Line**

# The Links to Strategic Asset Management

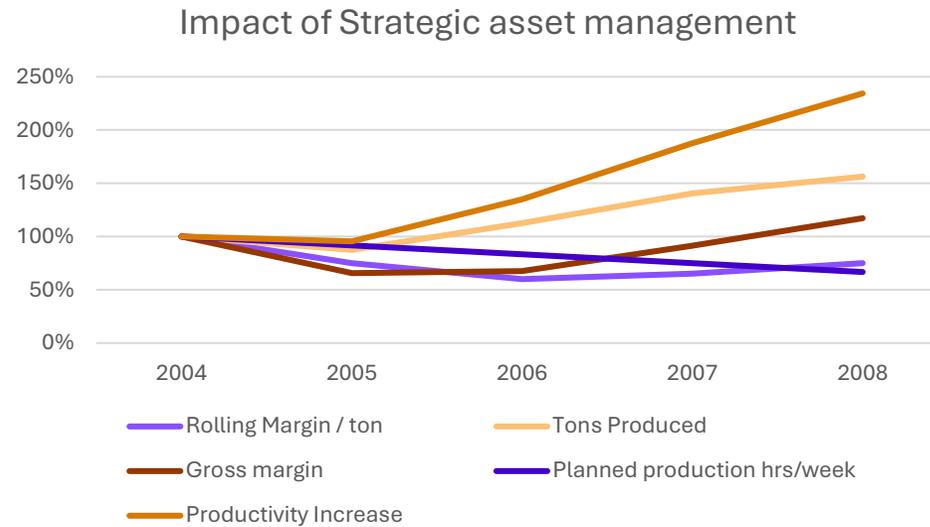
Operational Issues had Asset Management Solutions

ASSUMPTION	REALITY	SOLUTION
Business as Usual	Textiles was going down the tube in South Africa	1) Strategic Alignment
Our assets contribute to the bottom line	Some assets were bleeding cash	2) Asset Contribution
Excellence in Operations & maintenance (ISO)	Breakdown maintenance drove the whole business	3) Focussed Improvement
Activity = Value	Many operations and plans destroyed value	4) Measure Financial Contribution
Decision were made on facts	Decisions were destroying value	5) Evidence-Based Decision Making
Our people were behind us	Management were bidding against us to buy the business	6) Leadership, Skills & Culture

# Results

Company Profitable, Bank Debt Settled or Restructured, sold in 2009.

Strategy Implemented	2004	2008
Production Lines	3	2
Production Shifts/Week	18	12
Products Discontinued		150
Products Introduced		25
Industries served	7	2
Raw Material Suppliers	2	5
Focussed Improvement	Random	Process
Spares Rationalisation	None	Focussed
MRO Spares Vendors	>20	<10
Engineering Vendors	>10	<5
Critical spares Inventory items	Random	<20
Motor / Gearbox variants	30	12
Inspection points	Random	30+
PM tasks	Random	20+
Cleaning Task	0	Standardised
QA Control Charts	0	10+
Housekeeping	Random	Specific
Lost Shifts	>1/week	<1/Month
Unplanned Stoppages	>10/day	<1/day



It is important to remember that these results were not created by a single improvement initiative.

SECTION 04

# In Closing: What We Learnt about Value



*Your Industries are  
Complex, compared to a  
simple textiles factory. The  
lessons are universal*

# Conclusion

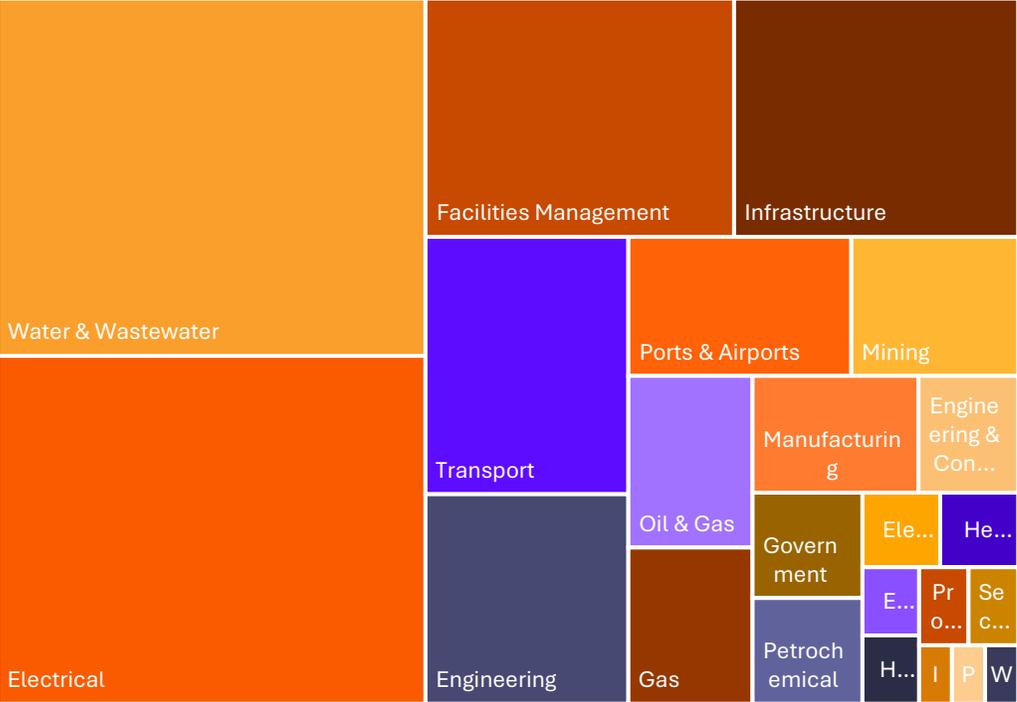
## Summary and takeaways

- Ask Yourself: Am I creating or Destroying Value
- Understand the Core Principles for Measuring Value and create your own model
- Never focus on only one area of leverage to deliver value
- Engage in Training and Standards
- Start the value journey by embracing **strategic asset management**
- Join IAM Uganda Community

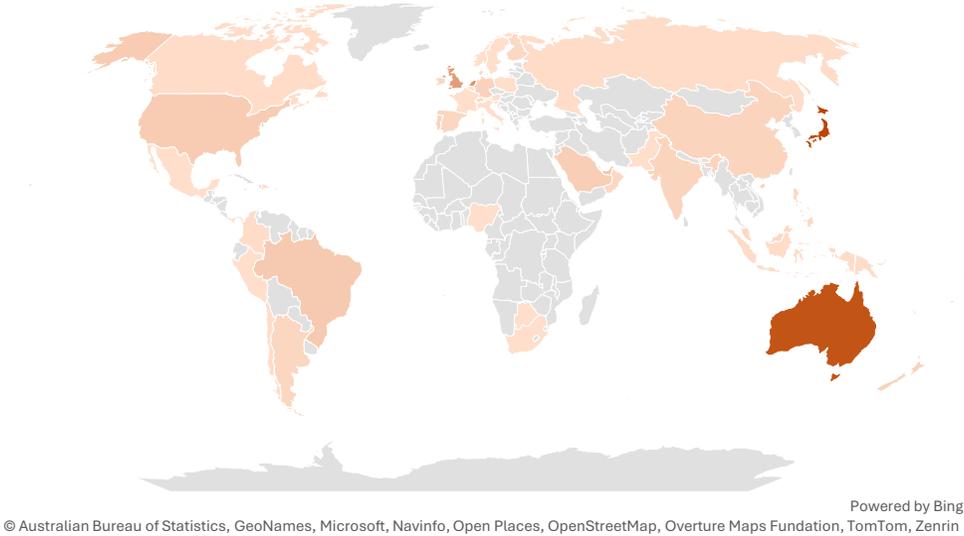


# Embracing Strategic Asset Management through ISO 55001

Known ISO 55001 Certifications by Industry



Known ISO 55001 Certifications Heatmap



“Certification is not the goal — value realization is.”  
– IAM /GFMAM

Note: ISO does not maintain a central registry of all ISO 55001 certified organizations, nor can it guarantee the correctness of the information.

<https://committee.iso.org/sites/tc251/social-links/resources/known-certified-organizations.html>

**Thank You**

Cohesive

# Asset Management Points of Value Leverage

Experience across many projects, interventions and industries



3

**Embed Focused Improvement**  
Processes that routinely identify and close out improvement opportunities.

2

**Asset Contribution**  
Assets must perform cost-effectively and predictably to enable optimal business decision-making.

1

**Strategic Alignment**  
Assets deliver maximum value when the business and asset management strategy align.

3. Embed Focused Improvement

2. Understand Asset Contribution



1. Strategic Alignment

Opportunity

Risk



4. Financial Contribution



5. Evidence-Based decision making



6. People Skills & Culture

**Value (Financial) Contribution**

Ability to measure and report on the effect of an asset management investment.

4

**Evidence-Based Decisions**

Use data and information to make better decisions

5

**People, skills & work culture (values)**

Empower people: Their skills and organisational structures make or break improvement programs

6

Source:  
Graham Fogel

# There are many challenges.

Insufficient Funding  
for Maintenance and  
Renewal

Aging Infrastructure  
and Asset Backlogs

Asset Management  
Practices and Data

Regulatory and  
Policy Uncertainty

Technical Capacity  
& Skills

Climate Change and  
Environmental Risk

Urbanization and  
Population Growth

Infrastructure  
Network Gaps and  
Integration

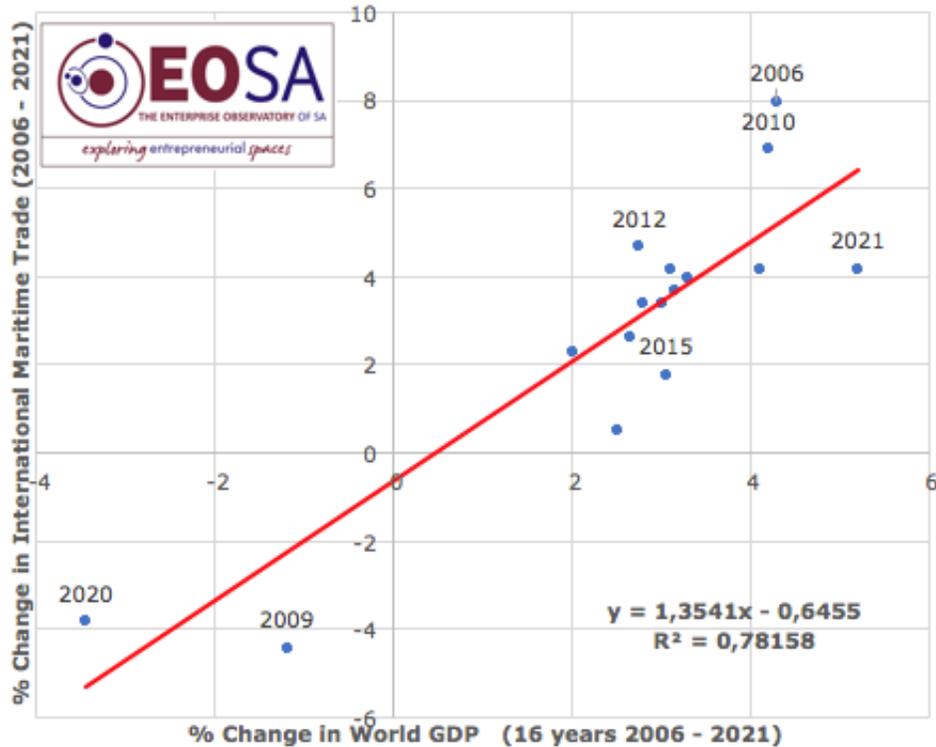
Complex and  
Bureaucratic  
Financing and  
Procurement

Challenges brings opportunity, for those who know where to look.

Source: Integration of various AI sources, Point for discussion.

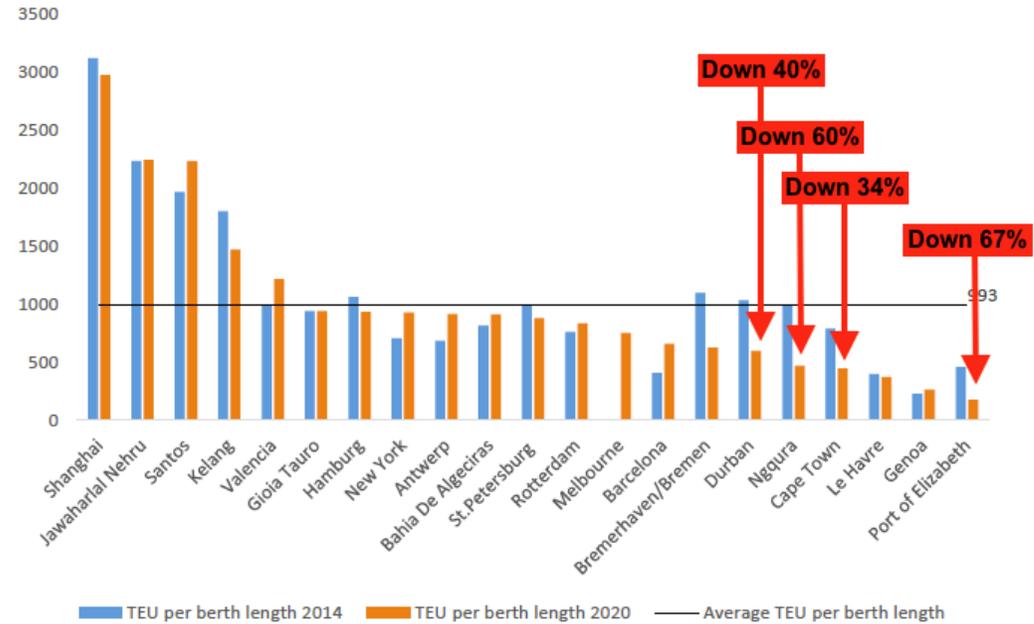
# Find Metrics that Reflect Your Value

An example of research done in 2022



Global Maritime Trade VS Global GDP Growth

\*Johannes Wessels: 2022

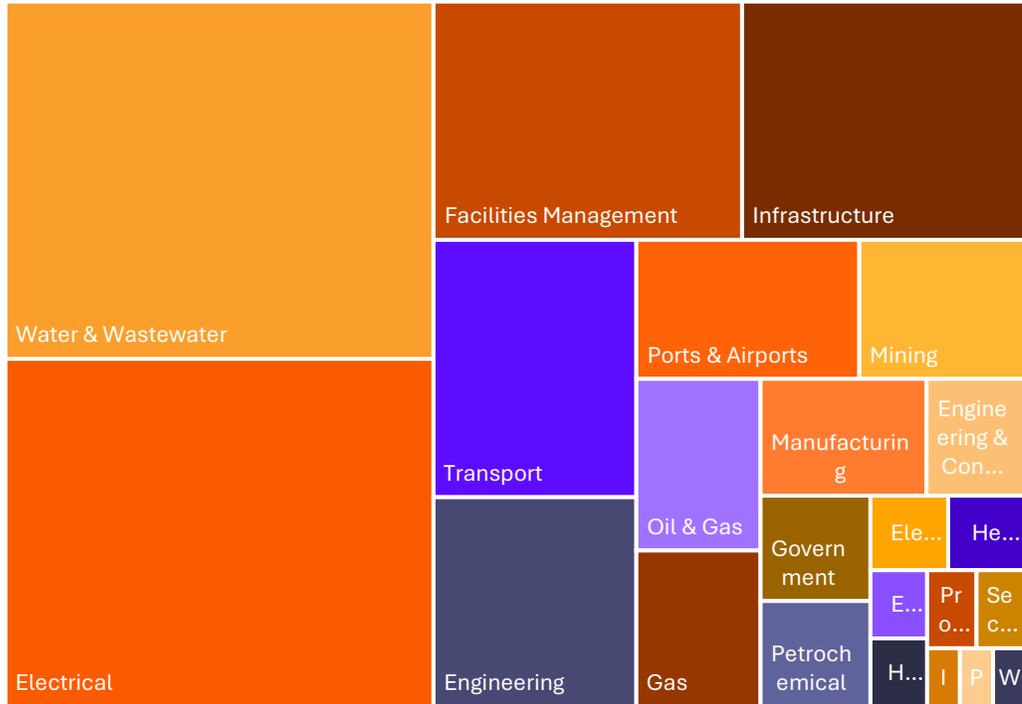


Number of Twenty Foot Containers (TEU) per meter berth\*

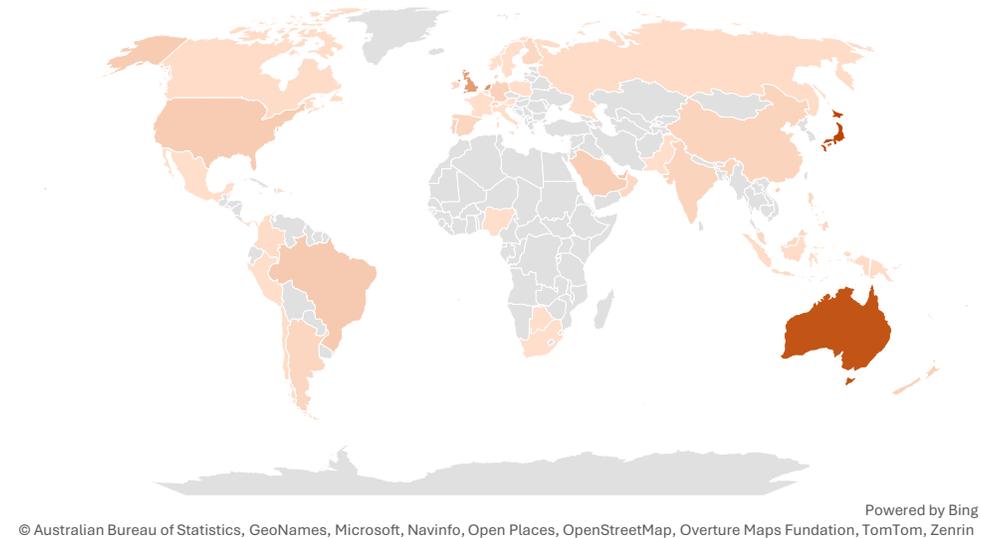
\*Based on the South African National Ports Authority 20/21 Port Benchmarking Report

# Acceptance of ISO 55001: Is it a Proxy for Value?

## Known ISO 55001 Certifications by Industry



## Known ISO 55001 Certifications Heatmap



“Certification is not the goal —  
value realization is.” – IAM /GFMAM

# Conclusion

## Summary and takeaways

- Ask Yourself: Am I creating or Destroying Value
- Understand the Core Principles for Measuring Value and create your own model
- Ensure that you understand the leading indicators to value (KPI's) as well
- Never focus on only one area of leverage to deliver value
- Without a focused improvement program, you will destroy value



# From insight to action: Build value through strategic asset management.

**Question: What is fundamentally flawed with using the DuPont model?**

## **Embrace Strategic Asset Management**

Encourage stakeholders to adopt asset management as a key strategic priority.

## **Join IAM Uganda Community**

Invite participants to become members and engage actively with the IAM Uganda network.

## **Engage in Training and Standards**

Promote training programs and adoption of international asset management standards.

