

AssetMark - The Asset Benchmarking System

The Institute of Hospital Engineering, Australia

The Institute of Hospital Engineering, Australia seeks to be recognised as an organisation that creates excellence in healthcare engineering. To assist facility managers to improve their facility management services, the Institute has taken the initiative of developing a hospital facility benchmarking process.

AssetMark is the benchmarking system that the Institute of Hospital Engineering, Australia has developed. It allows benchmarking in hospital facility management to be carried out, taking into consideration a great many variables which have a bearing on the performance level of the asset management function.

What benefits does benchmarking offer to hospitals?

Benchmarking provides the health industry with the opportunity to search out and implement best practice in facility management.

The aim is to achieve efficiency of operation and improve the quality of service delivery, **within existing resource constraints** and policy parameters.

Benchmarking gives the opportunity to put continuous improvement into real practice. As the performance of facility management in individual hospitals improves, the mean performance in hospitals improves and in time, the benchmark itself goes up.

Health Departments

The IHEA's benchmarking process will allow health departments to:

- establish network/area/region and hospital facility management benchmarks
- monitor network and hospital facility management expenditure trends
- monitor the facility performance of state assets.

Networks/Health Areas

The IHEA's benchmarking process is effectively a structured continuous improvement program. It offers networks the opportunity to identify best practice and share this within the network. Support from another network or hospital could also be sourced where best practice is identified outside the network.

The process will allow networks to:

- establish performance benchmarks;
- monitor facility management expenditure performance;
- monitor facility performance;
- verify cost effectiveness.

The development of AssetMark

The Institute formed a working group of experienced hospital engineers and facility managers to investigate available benchmarking systems to be adopted by the Institute for its members. Due to the lack of viable hospital facility management benchmarking processes, the IHEA applied its industry experience to develop a process that was based on best practice.

A pilot questionnaire was developed to seek information relating to a range of key performance measures and other data. The 18 performance measures selected were based on work done by the National Committee on Rationalised Building (NCRB) Asset Management Sub-Committee. Eighteen standard reports were developed, based on the key performance measures.

The pilot questionnaire and proposed benchmarking process were tested at the Royal Melbourne Hospital, Westmead Hospital, Royal Perth Hospital, Flinders Medical Centre, Royal Hobart Hospital and the Prince Charles Hospital. With the experience gained in this pilot project, the key performance measures were reviewed and the pilot questionnaire was amended. The questionnaire now has over 220 data points.

A database has been developed to make comparative analyses of the data and reporting. The database facilitates the production of eighteen standard reports and is capable of producing ad hoc reports for any combination of data points.

Valid benchmarking with AssetMark

AssetMark recognises the differences that exist between hospitals and between similar hospitals in different states.

These differences impact significantly on cost structures, services and processes, and create vastly differing parameters for benchmarking.

AssetMark deals with these complexities by classifying hospitals by:

- Geographical information (6 types)
- Service areas (50 types)
- Hospital category (3 types)
- Facility description

The system can sort on these classifications, and concentrate on choosing from a pool of potential benchmarking partners that are similar enough to make comparisons meaningful.

AssetMark is administered by an independent consultant. The Consultant tests the data against validation parameters as it is entered into the database. The Consultant will also monitor trends in the data on behalf of the Institute.

The AssetMark Benchmarking Process

The facility manager contacts the Institute with the request to become a participant in the benchmarking process. The Institute provides the participating engineer with a survey guide and questionnaire. The facility manager completes the questionnaire and submits the results to the Institute. The Institute validates the data submitted and enters it into the database for analysis. Eighteen reports identifying the hospital's position relative to network, state or national performance data is prepared for the hospital.

The hospital analyses the survey results and, if desired, seeks additional reports from the Institute, which will prepare further reports for the facility manager.

If the facility manager or network manager wishes to conduct a benchmarking exercise, he/she will contact the Institute and ask for benchmark partners to be identified. The Institute will identify and contact the benchmark partners and advise of the opportunity to benchmark with another facility manager.

The benchmarking partners will initiate the benchmarking process in accordance with a benchmark self-help manual produced by the Enterprises Improvement Service, part of the Australian Government's Best Practice program.

Finally the facility manager can, if he/she wishes, initiate a follow-up survey with the Institute to review their improved performance and initiate additional benchmarking exercises as appropriate.

The AssetMark Questionnaire

The AssetMark Questionnaire consists of the following 7 sections:

1 Hospital details

This section seeks details to identify the hospital and the activities the facility manager is responsible for.

2 Hospital description & performance

This section identifies the hospital's type and environment and includes a brief history of the hospital. Also seeks information on the performance of the hospital as a whole, eg. Total annual expenditure, OBD, energy costs.

3 Hospital facility description & function

This section seeks information on the hospital facilities, including service areas and an assessment of building functionality and maintenance service levels.

4 Hospital facility management capabilities & competencies

This section is subjective. It seeks the facility manager's perceptions about the performance of facility management strategies and practices. The section shows a range of practices, leading up to what is regarded as best practice. Facility managers are asked to nominate where their management performance rates on each scale.

5 Hospital facility management operations

This section seeks information on engineering management systems, human resources, maintenance work plans and safety.

6 Hospital facility management inputs

This section seeks information on the costs involved in managing hospital facilities. It classifies the costs in three ways: by resources, by facility and by activity.

7 Feedback from facility manager

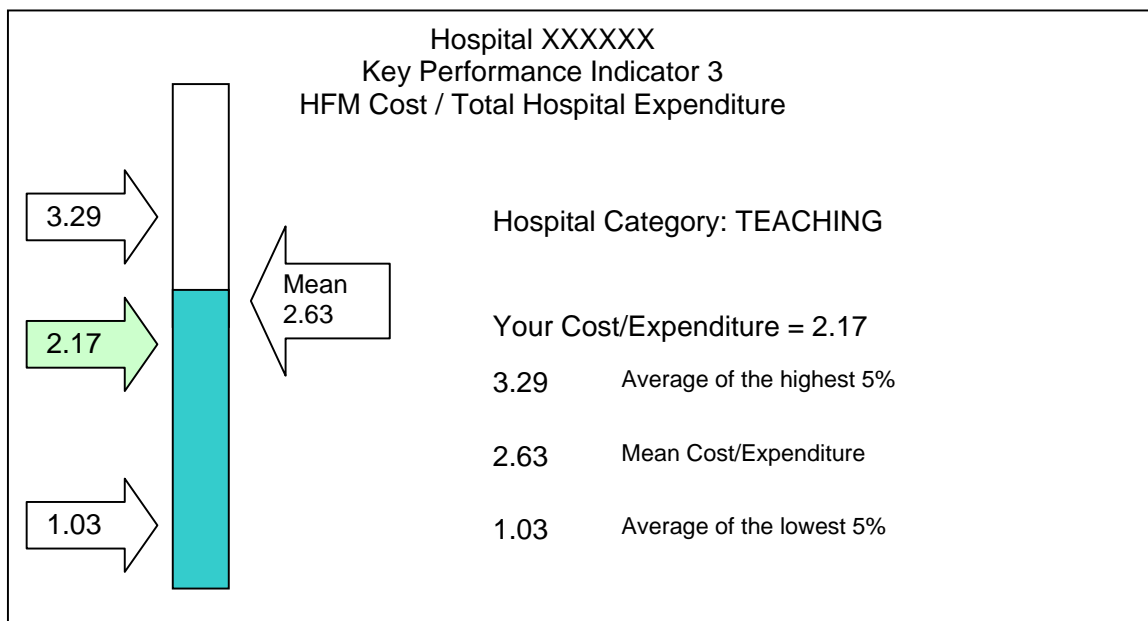
This section is also subjective. It seeks the facility manager's feedback on general issues relating to hospital facility management.

Deliverables of the AssetMark System

By completing the Questionnaire, the facility manager or network manager has the chance to take an objective look at the operations under his/her control. The Questionnaire has been designed to provide thought-provoking material that will help this process of analysis.

AssetMark produces the 18 reports, showing the hospital's performance against comparable hospitals. The reports show the values for:

- the average for all records in the database;
- the average of the top 5% of hospitals;
- the average of the lowest 5% of hospitals.



The 18 Key Performance Indicators are based on the following data:

- Hospital Facility Management cost
- Maintenance cost
- Total hospital institution expenditure
- Occupied bed days
- Replacement capital value
- Maintenance output on preventive maintenance
- Maintenance output on corrective & reactive maintenance
- Maintenance output on restoration
- Energy consumption
- Energy costs
- Ten year average capital costs
- No of supervisors and no of direct labour
- Cost of external resources and cost of internal resources
- Deferred work
- Total floor area
- Active floor area.

There are items in the Questionnaire itself that show a range of practices, up to what is considered to be best practice. The facility manager is asked to rank his/her facility management performance against these practices.

The hospital can be partnered for benchmarking with another hospital according to where the greatest benefit can be gained.

By repeating the cycle, the facility manager sets up a process of continuous improvement.

AssetMark has measures that guarantee confidentiality:

- Each hospital has a unique number that is used to identify it in the AssetMark database. The number is not available to anyone apart from the Consultant.
- The Consultant, is party to a legally binding, comprehensive confidentiality and intellectual property contract with IHEA.
- The results of the data analysis go directly to the facility manager.
- The facility manager is not identified to a recommended benchmarking partner until he/she chooses to make contact.

Participating in this benchmarking process means the facility manager seeks out best practice by measuring his/her own performance and aims for best practice in the improvements that are carried out.

The facility manager contributes to improved health service delivery by making sure the performance of assets is in tune with hospital service delivery objectives.

AssetMark can analyse the database in areas of particular interest. It can help facility managers who wish to do specific research in any aspect of hospital facility management.

AssetMark allows comparison of:

- **one hospital or network with the rest of the industry at any given point in time** - The standard reports show this relationship.
- **one hospital or network with any other at any time** - As part of the benchmarking exercise, hospitals within networks can share information about their key performance measures. If requested, the AssetMark system can provide extra reports on areas of particular interest to both benchmarking partners.
- **one hospital or network with itself over time** - By repeating the cycle of completing the questionnaire, receiving reports, benchmarking with another hospital or network and implementing improvements, a hospital can watch its own progress over time, as well as seeing where it relates to industry performance at each point.
Over time, the hospital may improve against its own performance, but not keep track with general improvements in the industry, or perhaps it may improve so much that it outstrips the performance of the industry as a whole and sets a new industry benchmark.
- **industry trends over time** - AssetMark is able to produce information showing trends in the industry over time.
- **performance state by state;**
- **national performance against international performance.**

The Cost of participating in AssetMark

The cost of the process is negotiable depending on the number and size of participating hospitals per contract. It is also subject to the degree of customisation necessary to fulfil particular requirements. The cost always reflects the IHEA's wish to offer the product competitively.

Contacts for AssetMark

Octo Moniz is the Institute's representative in managing the system. He is available for further information on (08) 9224 1163 or email at octo.moniz@health.wa.gov.au

A Consultant is used to assist the process and will be available to assist with all questions once the process commences