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**Asset Management**



# 2nd IWA Leading-Edge Conference & Exhibition on **Strategic Asset Management**

**Outcomes the workshop on:  
Cost and Benefit Valuation**

LESAM 2007 – Lisbon 17-19 October 2007

# Cost and Benefit Valuation

- costs and benefits are specific to a diagnosis or to a decision procedure
- they relate to internal or external consequences of events, actions, projects, decisions
- valuation of these costs and benefits is answering following questions:
  - does it matter ? (and why ?)
  - how much, in regard to generic objectives and aims of the decision maker ?

in compliance with the question raised or the decision to be made



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# Main needs, gaps and challenges

- Fill in the gap between practical use and sophisticated models
- Further development of and access to valuation methods for practical use
  - for social, environmental and hazard related aspects
  - for decisions related to maintenance, rehabilitation, contribution to service levels, identification of critical points
  - simple tools
  - multi-criteria and monetary valuation
  - dealing with uncertainties, at all stages of the procedure
- Insufficient exchange and transfer of knowledge and experience
- Insufficient capacity of staff and of stakeholders



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# Proposed solutions and ways forward

- Compare tools and methods in terms of practical efficiency
- Standardize definitions, principles and specific topics (i.e. use of discount rates)
- Develop access to methods existing and under development, considering a wide range from simple to complex
- Develop and share case studies and related data + methodology on external costs
- Build knowledge and experience exchange networks, for the sake of practitioners
- Provide capacity building through
  - education, continuous education, training
  - assistance to hiring external consultancy



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