



The Solutions Network

Rochester, New York

**DISPEL THE MYTH
“MAINTENANCE
IS JUST
AN EXPENSE”**

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TODAY'S TREND

**DO
MORE
WITH
LESS**

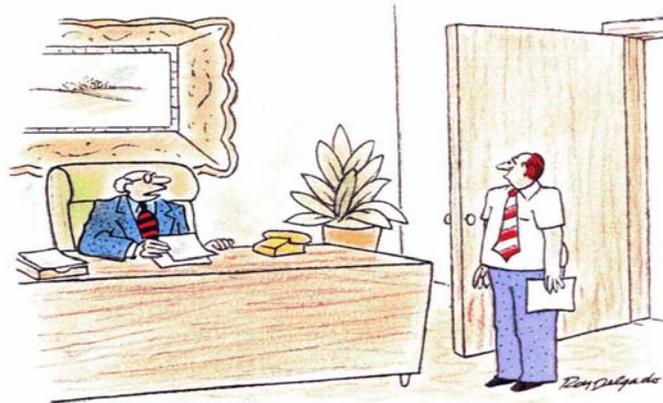
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SOUND FAMILIAR ?



"You have done so much with so little for so long that I'd like you to move on to doing everything with nothing."

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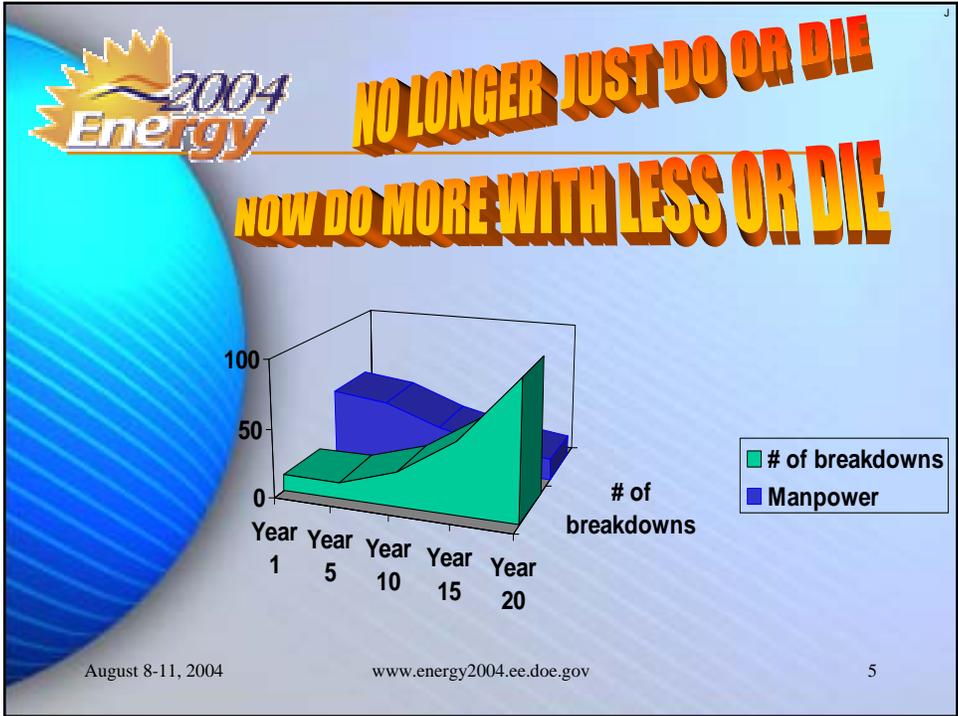
COMPLICATING FACTORS

- ❖ More Assets
- ❖ Aging Assets
- ❖ Rising Costs
- ❖ Lack of Qualified People
- ❖ Fewer People
- ❖ Stricter Regulations
- ❖ Higher Standards on Plant Reliability
- ❖ World Competitive Pressures
- ❖ Etc., etc., etc!!

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Maintenance Cost vs. Headcount Graph

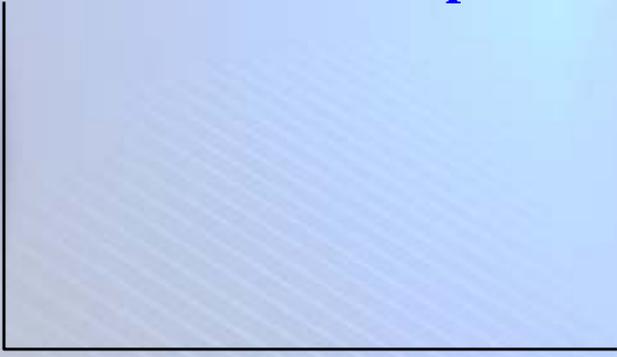
Headcount

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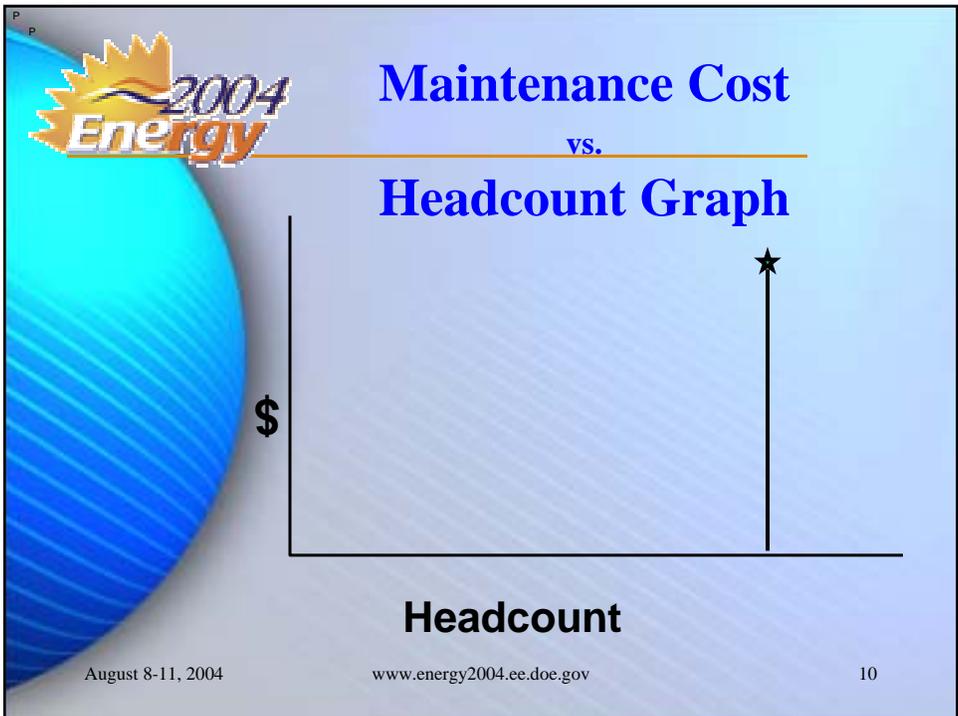
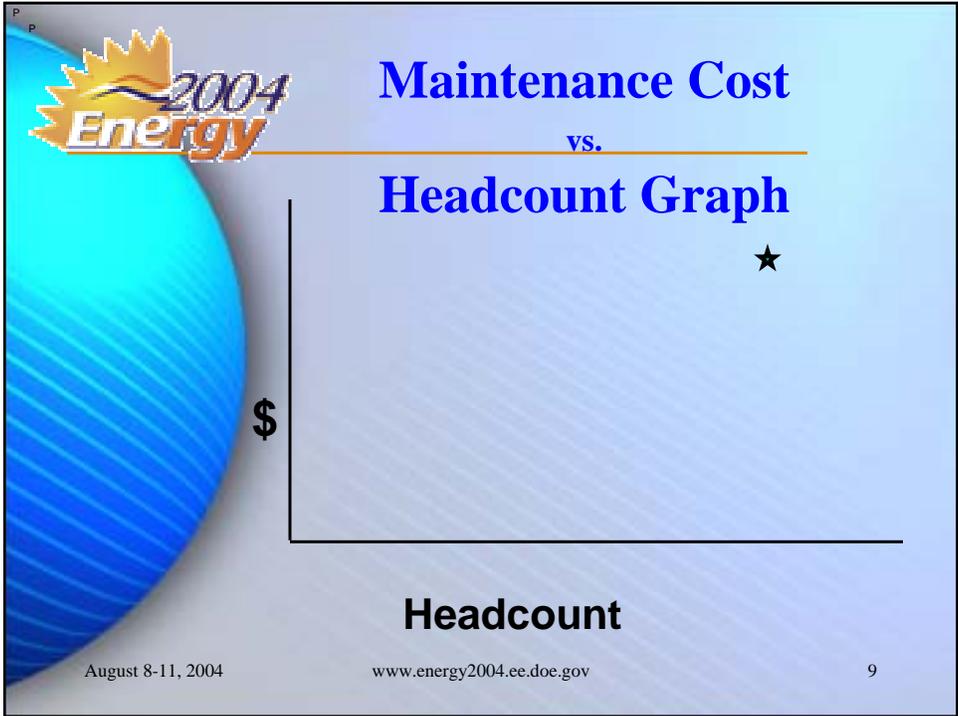


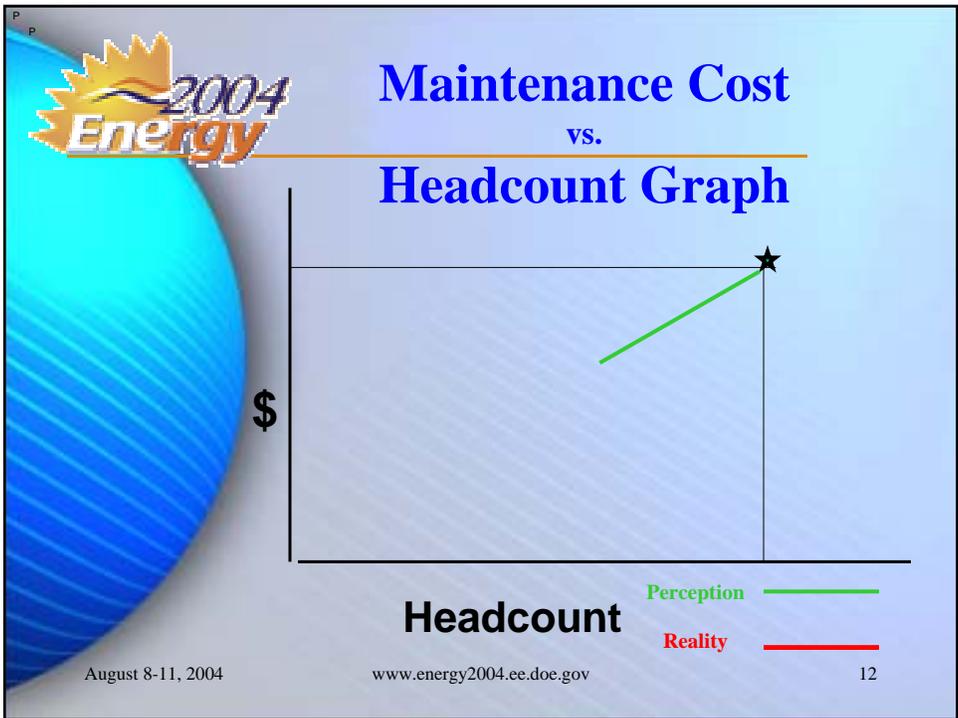
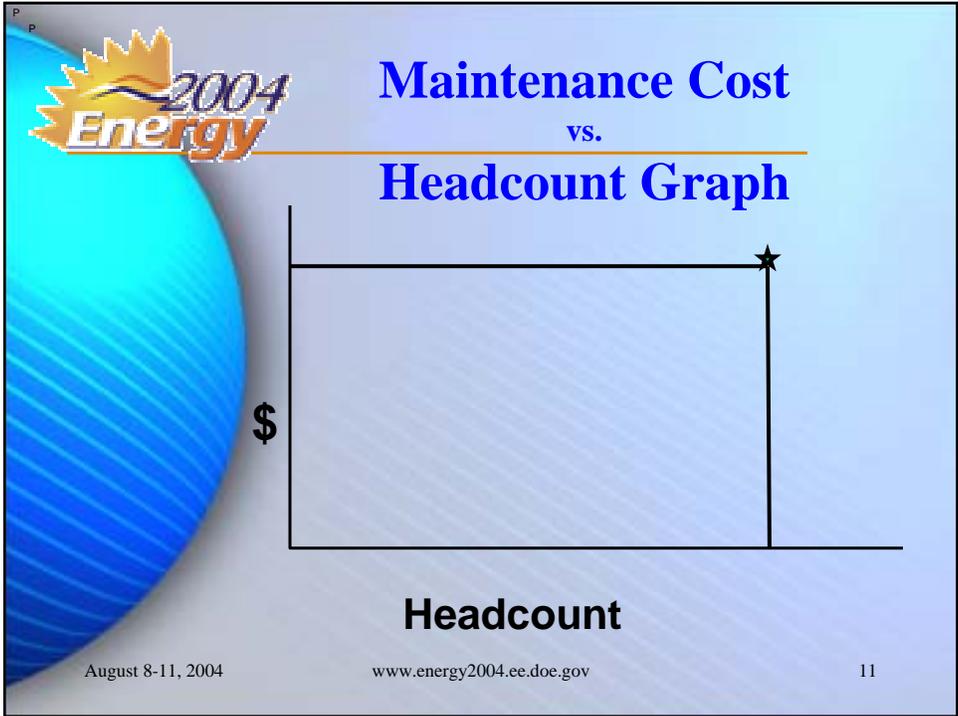
Maintenance Cost vs. Headcount Graph

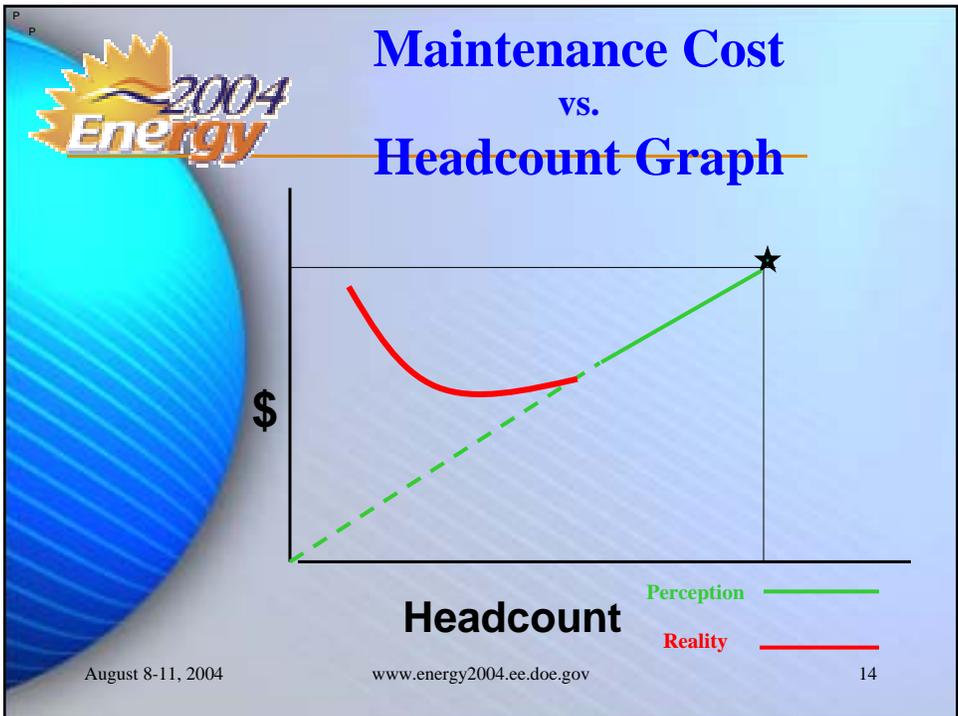
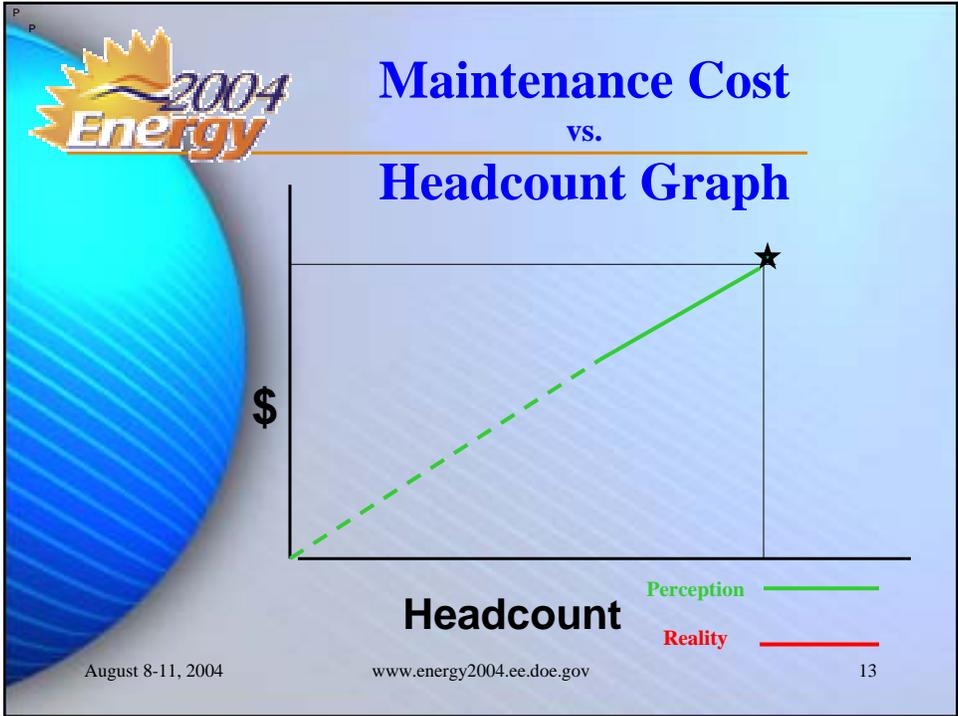


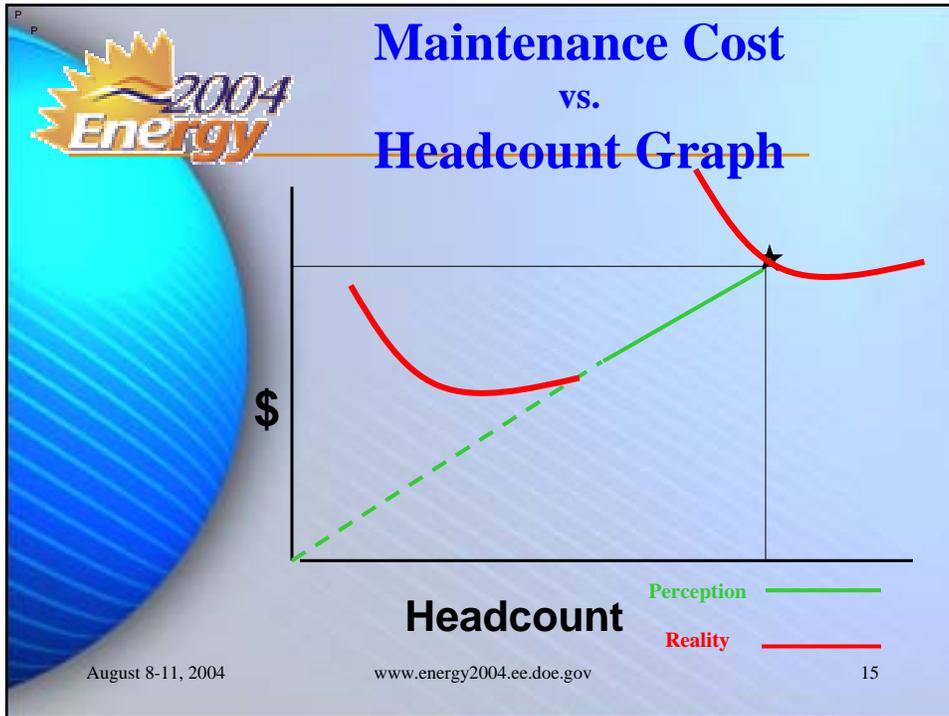
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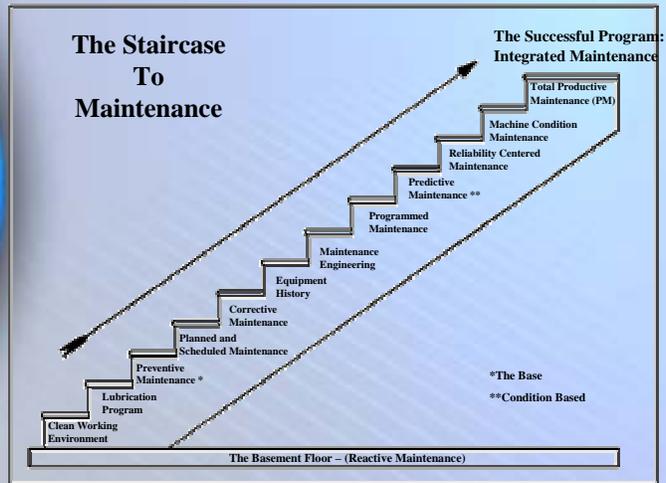


CHALLENGE PROVING OUR VALUE

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STEP 1 HAVE A PLAN



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A NEW LANGUAGE: M-O-N-E-Y

$$\text{Value} = \frac{\text{Benefits}}{\text{Costs}}$$

Most organizations know the **COST** of maintenance but not its **VALUE**.

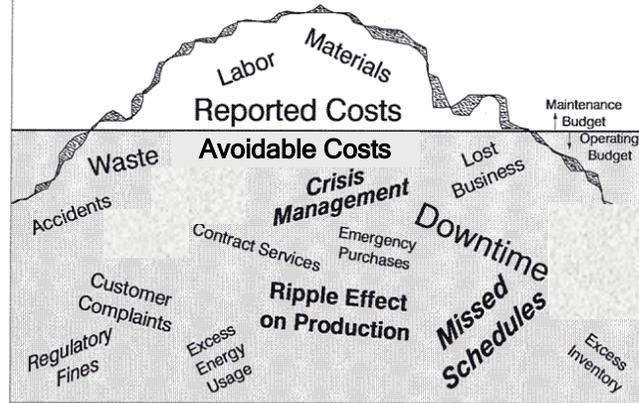
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THE MAINTENANCE ICEBERG



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EXAMINE EACH ICE CHUNK FOR VALUE (Example 1)

COST = \$X

Start Predictive Maintenance Program

BENEFIT = \$Y

Less Overhaul Costs

Less Downtime

Less Emergency Purchases

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BENEFITS TO BE CONSIDERED

- ❖ Operational & Productive Capacity
- ❖ Energy Savings
- ❖ Downtime Avoidance
- ❖ Productivity Improvements
- ❖ Savings for Inventory Control Improvement
- ❖ Innovation / Maintenance Advancements
- ❖ Service Agreements for Base Level of Service
 - Chargebacks for services above "base"
- ❖ Life Cycle Cost Analysis
- ❖ Pay Me Now or Pay Me "More" Later Analysis

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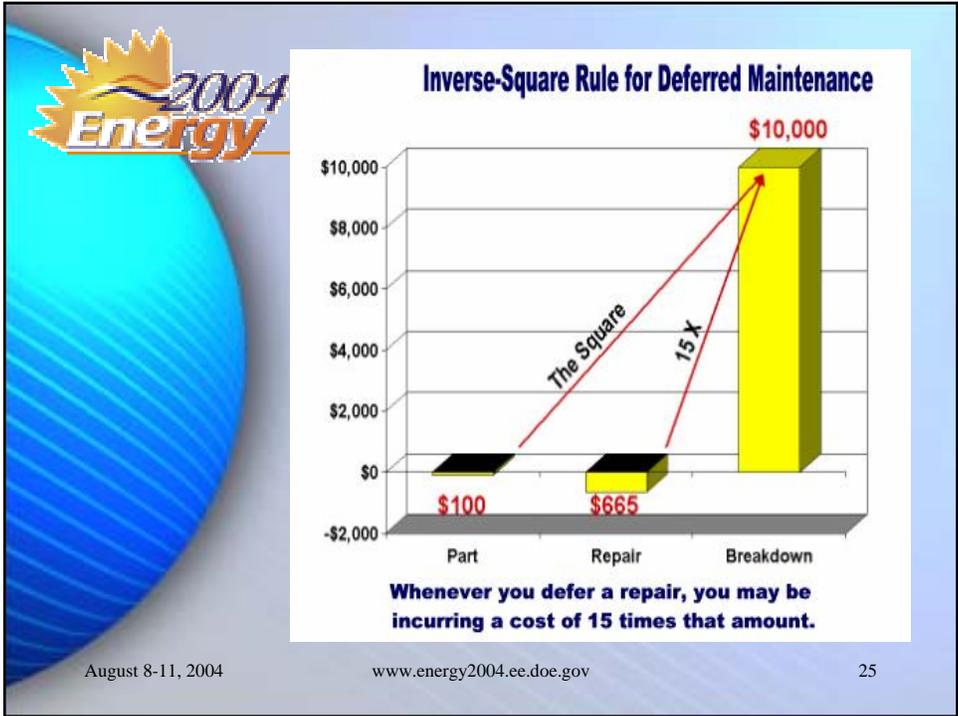
EXAMPLES OF BENEFITS STRICTLY MAINTENANCE

- ❖ Energy Use Reductions of Well Maintained Equipment **5-15% Savings**
- ❖ Good Maintenance Extends Capital Equipment Life **30-40% Longer**
- ❖ Inventory Management **20% Achievable**
- ❖ Implement Good CMMS **20-30% Savings**
- ❖ Inverse Square Rule for Deferred Maintenance **15 x Repair Cost**

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GO FURTHER IF YOU DARE !!!



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OPERATE AS A PROFIT CENTER

- ❖ Develop a Business Plan
- ❖ Measure and Report Your Maintenance Profit and Return on Investment
- ❖ Use Best Practices, e.g., Life-Cycle Costing

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ADVANCED TECHNIQUES WITH ROI

- ❖ Failure Mode and Effects Analysis (FMEA)
- ❖ Reliability Centered Maintenance (RCM)
- ❖ Level of Repair Analysis (LORA)
- ❖ Availability, Reliability and Maintainability Analysis (ARM)
- ❖ Whole Life Costing (WLC)

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MORE TIPS TO DISPEL THE MYTH

- ❖ Be a Good Manager
- ❖ Use Benchmarks
- ❖ Analyze Trends and KPI's – Take Appropriate Actions
- ❖ Talk Language of Financial People
- ❖ Be Bottom Line Oriented
- ❖ Look at Everything as ROI
- ❖ Dollar Saved Equates to \$10+/- in Sales for Most Companies
- ❖ Use a Digital Camera to Chart Your Progress

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OTHER HELPFUL TIPS

- ❖ Create a Newsletter
- ❖ Establish Emergency Roamers (Triage Team to Set Priorities)
- ❖ Vendors Will Help if You Help Them
 - Be a Showcase Account and You Will Get Discounts, Extra Service and More Insights on How to Fully Use their Products
- ❖ Barter When You Can – Save Money
- ❖ Build Your Team's Morale & Company's Reputation by Volunteering Your Maintenance Services to Charities (Habitat for Humanity, Repair Old Churches, etc.)
- ❖ Develop Your Own Support or User Group From Other Pros in Your Field

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SUMMARY

- ❖ Think Value, Value, Value!
- ❖ Have a Plan
- ❖ Use KPI's and Benchmarking
- ❖ Make Steady Progress
- ❖ Measure and Manage
- ❖ Talk the Right Language
- ❖ Advertise Results

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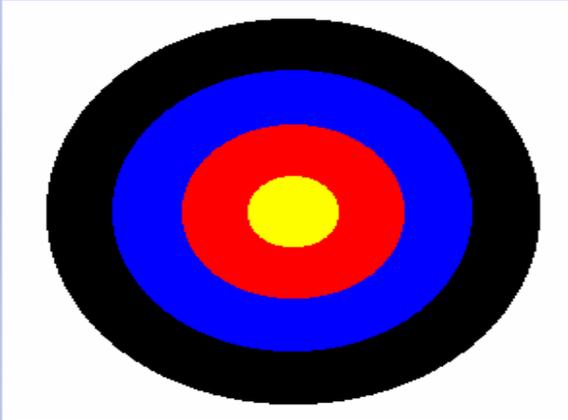
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TRANSFORM THE TARGET INTO.....



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A STORY OF SUCCESS



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OR

AWARDS OF EXCELLENCE



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"The only man who never makes a mistake is the man who never does anything."

-Theodore Roosevelt

"What you focus on grows."

-Terrence O'Hanlon

"Perform a root cause SUCCESS analysis – Learn from your successes."

—Joel Leonard

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QUESTIONS

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