

## Industry Outlook: Driving Down Rising Reactive Maintenance

Written by Ed Stanek, Jr., President, LAI Reliability Systems, Inc.  
Friday, 01 August 2008 00:00

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With the increased focus on cost reduction, companies are rethinking their game plans. Most organizations at a site level have turned to efficiency improvement initiatives— *such as LEAN and its tools* —to drive waste and cost from their processes, and rightfully so. While this course of action seems logical to the overall business, the impact on the Maintenance Organization, if not considered as an integral part of the plan, can undo years of progress reverting Maintenance teams back to a largely reactive state. In some extreme cases, companies' interpretations of these initiatives have resulted in the dismantling of the Maintenance teams, decentralizing the Maintenance Organization with the crafts reporting directly to the production teams.

Reactivity is more than reactive calls. It is the overall "reactiveness" of the Maintenance Organization in response to being out of step with the site's overall improvement plan. Likewise, sustainability is more than just surviving changing demands. It's about optimizing your process to the plan that is part of the overall strategy of the organization. In most cases Maintenance is an afterthought.

The focus on quality has Maintenance subscribing to the philosophy of "treat the site as a customer." While this is commendable, Maintenance subordinates itself to the site, therefore perpetuating reactivity. In addition, we don't see that the site is actually the "supplier" since it contributes to the backlog.

With cost-cutting at the foreground, Maintenance (a cost) is left with fewer "perceived" resources, while the workload (market demand) has remained steady and in some cases, increased based on the demand for higher levels of reliability. While most Maintenance teams focus on "failure avoidance" activities such as RCM and FMEA, they should not lose sight of the constraint in their process. If your market demand exceeds capacity (evidence in a backlog), you have an internal constraint limiting the ability of the system.

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This problem can be solved by applying the very disciplines you find in production models to a Maintenance system. Gaining control begins with defining Maintenance throughput as "applied labor hours," since total hours paid represents your raw materials. Of 40 hours paid, how many are converted into throughput? Studies across the industry show the average to be between 25% and 30%—*which indicates a tremendous hidden pool of resources*. The key to taking control is accomplished in two steps:

1. Open flow (find hidden capacity)
  - Forecasted backlog
  - Existing backlog
  
- With new-found capacity, perform the "right" work
- Drive down the "unknown backlog"

The required resources to optimize Maintenance can be found buried in the work we perform. Recent studies show by optimizing the PM program (forecasted backlog) and removing controllable, foreseeable delays (existing backlog) that flow is opened, yielding twice the volume of work through each available labor hour without working any faster. This new-found capacity can fuel process improvements—*and, accordingly, drive an increased effectiveness shown in reliability with the optimum use of our resources*. Attaining the organization's goals is dependent on this outcome.

Proactively including Maintenance in the site's business plan requires an understanding of the Maintenance process. This is difficult to accomplish as the focus on minimizing interruptions begins to mutate Maintenance into an "event" rather than the process it is. **MT**

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*This article is part of Maintenance Technology's 2008 Industry Outlook, the annual executive roundtable. Columns from each of the 14 thought leaders who participated can be found at the following link: <http://www.mt-online.com/article/0808-industry-outlook>*

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