

Industry Outlook: Turning Maintenance Into A Competitive Advantage

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The biggest challenge currently confronting manufacturers is achieving and sustaining a competitive advantage. Having the right technology in place isn't enough; today, advantage comes from having the proper resources in place to develop and support optimum technology performance. Companies of all sizes are finding that one technique for achieving a competitive advantage is implementing a comprehensive asset utilization and maintenance program that is aligned with their overall business goals.

Turning maintenance activities into an advantage requires managing production assets efficiently and achieving the optimum level of asset utilization. Companies can no longer afford to overlook the value of a strong maintenance program. A comprehensive strategy balancing the predictive, preventive and reactive maintenance needs of the organization will lead to lower production cost per unit and increased production capability-both of which impact the bottom line.

When turning maintenance into a competitive advantage, no one approach fits all situations. At Rockwell Automation, our philosophy is that individual needs and dynamics are different for each customer. We believe in finding the right balance of predictive, preventive and reactive activities to support a company's business goals.

Implementing maintenance activities of any form will positively impact a company's performance, but realizing the true value of maintenance requires an overall strategy perspective. Every maintenance program should be viewed as a long-term strategy, measured at short-term increments, using business metrics such as Overall Equipment Effectiveness (OEE), Return on Net Assets (RONA) and asset availability.

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The best approach for many plants will be to implement maintenance initiatives in phases, starting with the most critical equipment and systems and then expanding. This is particularly true in smaller companies, where limited investment resources require starting small and adding new technology when the time is right. Any extent of strategic maintenance will reduce a plant's total operating cost.

Determining the right mix starts with assessing a company's maintenance processes to identify factors that inhibit overall performance. This requires understanding the criticality of the equipment and resources needed to support the activity. Once identified, we work with the customer to develop strategies and implement the techniques and resources necessary to meet the defined objectives. In some instances, this may mean implementing programs to reduce employee turnover, improving technology training or engaging an outside service provider for assistance.

The savings a company can anticipate realizing vary depending on the current sophistication of its maintenance strategy. Typically we see a minimum of 25% savings from the preventive maintenance programs. In the first year, these savings are realized through reductions in unplanned downtime and scrap and maintenance costs- *with payback periods of four months or less*

. Many companies experience better results, reducing unplanned downtime 50% to 95% in the first year. As the program duration continues, the benefits increase as well.

Bottom line? Companies must realize that a comprehensive asset utilization and maintenance strategy can become a competitive advantage. To achieve this, however, they first must change their perception of "maintenance as a cost center" to one of "maintenance as a business strategy."
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