

Was it the Chicken or Was it the Egg?

Written by Terry Wireman, C.P.M.M., Editorial Director
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In today's competitive environment, companies are mining every opportunity to increase their profits. They are using information systems to gather data and then convert this data to business intelligence on which to base their decisions. However, in most companies, the maintenance and asset management function is not having a large measure of success in this approach to business improvement.

The main reason is poor utilization of existing CMMS/EAM systems.

Just as companies perform a root cause analysis when they have a problem with their equipment, they can also perform an analysis on this problem. As historical failures of CMMS/EAM systems are analyzed, four major causes of the problems are highlighted.

"It's just a software project" mentality. This problem usually develops when the CMMS/EAM purchase is part of an overall strategic software purchase. There is emphasis on the overall project, but little emphasis is placed on the maintenance business function.

This results in the system implementation driving the business rather than the business driving the implementation. The focus is not on improving maintenance and reliability practices, but rather just getting the software to "go live." The system actually impairs the maintenance business.

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Lack of business process improvement. This problem develops when a CMMS/EAM purchase is mandated due to the company changing hardware or software environments. The main focus is the software, rather than understanding the internal business processes that will be affected.

Instead of understanding the best practices for the internal business (in this case maintenance and reliability) and insuring the software will support these practices, the technical aspects of the software take priority. This focus will restrict the maintenance and reliability business from achieving best practices in a cost-effective manner and will negatively impact the return on investment for the project.

Partial or incomplete implementation. This problem develops when the budget and resources to implement a CMMS/EAM are not clearly understood. Usually when the CMMS/EAM implementation is only part of a corporate system initiative, the resources necessary to gather, verify, and load the system databases are severely underestimated.

It is also typical for the CMMS/EAM system to be the last part of the project implemented. This results in budget and scheduling problems. The data is partially loaded, with the thought of nameplate data for equipment and stores to be added as "we use the system." Also, the preventive maintenance tasks are developed as outlines, with most of the important details left out or made "generic" so as to speed up the implementation.

This approach has never been successful in almost 30 years of CMMS/EAM history.

Partial or incomplete utilization. This problem develops when the CMMS/EAM system is implemented without a 3- to 5-year strategic business plan for maintenance and reliability. The software is dropped in and the department is supposed to use it to "do its job." There are no goals and objectives, no organization structure, no roles and responsibilities, no staffing (headcount and skill levels), and no performance indicators.

In other words, there is no clear direction on which to focus the results of the system implementation. Without proper supervisory planning and clerical support, the data entered into the system is fragmented, inaccurate, and incomplete.

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The results, in the form of various reports and supposed performance indicators, are suspect at best. This results in senior management dissatisfaction with the system because the data is meaningless and cannot be used as a basis for reliable decision making and strategic planning.

Solution? The solution to these problems is to understand that the maintenance and reliability functions for any company are core competencies and are critical to the survival of any business.

Without this understanding, companies will always sub-optimize their profitability. The business intelligence to provide this understanding to senior executives resides in the CMMS/EAM.

Unless these systems are treated as mission critical business systems, the understanding of senior executives will never be raised to a level that will insure proper priority is placed on the maintenance and reliability function. It really is the chicken and the egg. **MT**