

From Our Perspective: History Always Points To The Future

Written by Ken Bannister, Contributing Editor
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Few would disagree that today's automobiles are safer, more reliable and higher-tech in their most basic forms than those of the past. In contrast, most would agree that the experience of buying a vehicle—*new or used*—from a dealer hasn't improved much over the past 30 years.

As an avid "autophile," I've often made the dreaded dealership walk, including just a few weeks ago. This time was different.

With my test-drive completed, the first part of the purchasing act was consummated in the normal, acerbic manner (i.e., compulsory wrangling over what I wanted to pay and what the Sales Manager was willing to sell for, using the Salesperson as the "go-between.") With a temporary agreement reached, I'm led to the Finance Manager's lair to complete the second part of the deal. You'll recall that's where you're subjected to financing offers and a heavy pitch to purchase things like hitches, undercoating, rustproofing and upgraded factory-warranty options. Oh, how the dealer's "team" has stepped up its game!

Congratulating myself for having resisted all the finance "deals" and overpriced add-ons, I wasn't prepared for the big gun that was rolled out: a factory-developed "bathtub" curve failure dia-gram for my selected vehicle model—*similar to what Reliability Centered Maintenance (RCM) uses.*

The vertical axis represented maintenance costs (in thousands), while the horizontal axis reflected time/miles traveled per year (in 12k miles increments) for up to seven years, which is, coincidentally, a vehicle's average expected useful lifespan. Heavy vertical lines were scribed at the 3yr/36k, 5yr/60k, 6yr/72k and 7yr/84k marker points. Plotted on the graph was a line representing maintenance expenditure: It started in the low hundreds of dollars and depicted a small rise and fall over the first three months (the infant mortality period). It leveled off for the rest of the first year, climbed steadily into years two and three, then went into a steeper rise from years three to seven. "RISK/EXPENSES" were labeled on the line along its steepest point. Along with the graph, the Finance Manager provided a typed sheet of typical repairs for years one to seven and the cost for each failure.

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The purpose of these visuals was to sell an extended warranty, the cost of which was discussed for each marker point: the three-year point being the free warranty, and each point thereafter increasing considerably in price. Everything was explained in terms of a typical ROI. The power of the dealer's new "asset reliability vs. cost" approach was undeniable. When asked, the Finance Manager admitted it had been a "massive" success in helping sell extended warranty packages (with the five-year product the most popular).

As a purchaser attempting to make a cost/value-based decision, I found the new approach refreshing, meaningful and useful. The automaker has simply delved into its failure history and assessed the numbers and categories from previous model years to build quite an effective sales tool. Sound familiar?

With a little effort, we can all extract this type of risk/expense/failure information from our CMMS, display it in a visual format, and position it to validate the implementation of a lubrication-management program—*or any other type of maintenance-improvement program*—based on real-life data. As my car dealer would remind you, this is a great way to sell!

Ready to put your maintenance history to good use? Good Luck! **LMT**

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