Written by Ben Stevens, OMDEC Inc.
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If what you're doing isn't enhancing the value of your organization, what's the point?

Many in our field define the output of maintenance operations in terms of "reliability, availability and maintainability." Why, though, can't we simply say that the output of maintenance should be to improve the value of the organization. But, how to define value? Let's use that universal KPI favored by senior executives: ROI (Return On Investment). In other words, if it does not add value, don't do it.

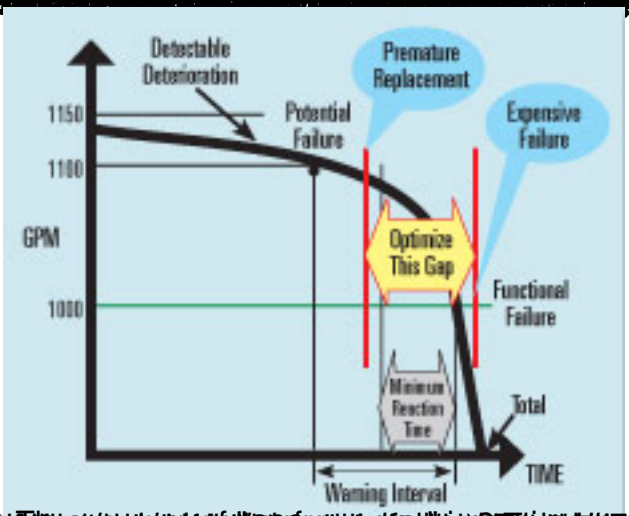
This article focuses on this type of approach in resolving some common maintenance issues. Using logic, statistics and well-accepted techniques, we can improve maintenance decision-making. The result is better selection of maintenance tactics, improved equipment reliability and increased company value.

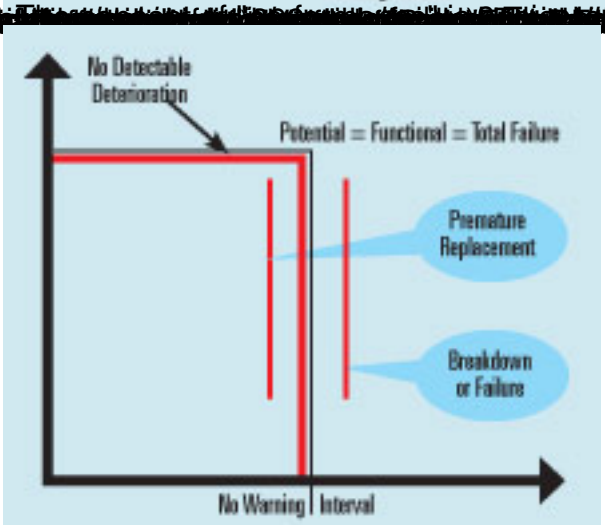
Silos, silos, silos

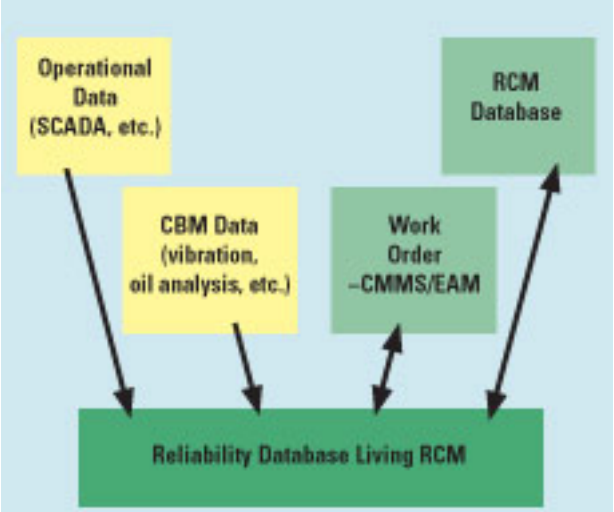
RCM (Reliability Centered Maintenance), CMMS (Computerized Maintenance Management Systems), EAMs (Enterprise Asset Management systems) and CM (Condition Monitoring) have been used for many years to help select and implement maintenance tactics. But, all have flaws that inhibit their effective use; here are some of these drawbacks—*plus suggestions for remedies* .

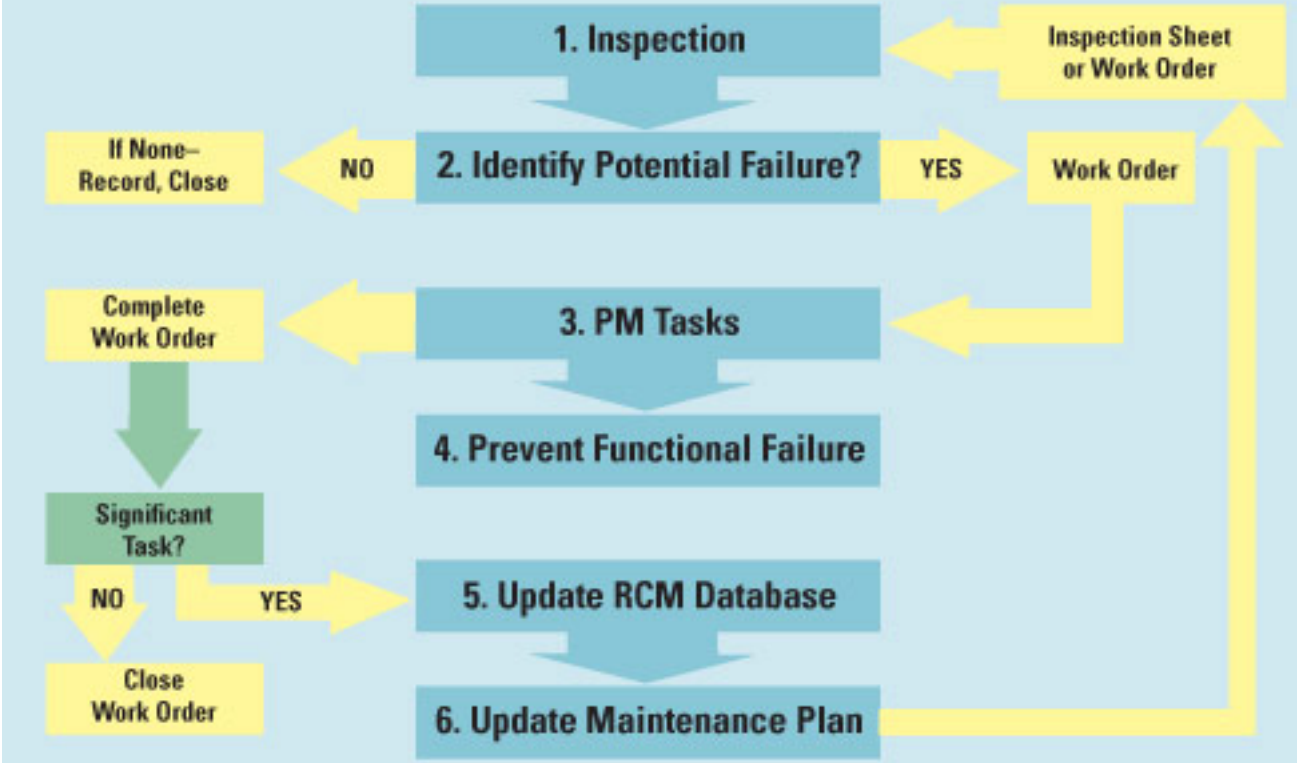
1.

Equipment /System	#5 Boiler	Circulation Pump - 2	Compressor
Repair Cost	2400	12,000	
No. Of Failures	4	2	
Failure Hours	16	6	
Revenue Loss/Hour	500	15,000	
Total Lost Revenue	8000	90,000	
Penalty Cost	18,000	56,000	
Total $ Failure	28,400	158,000	

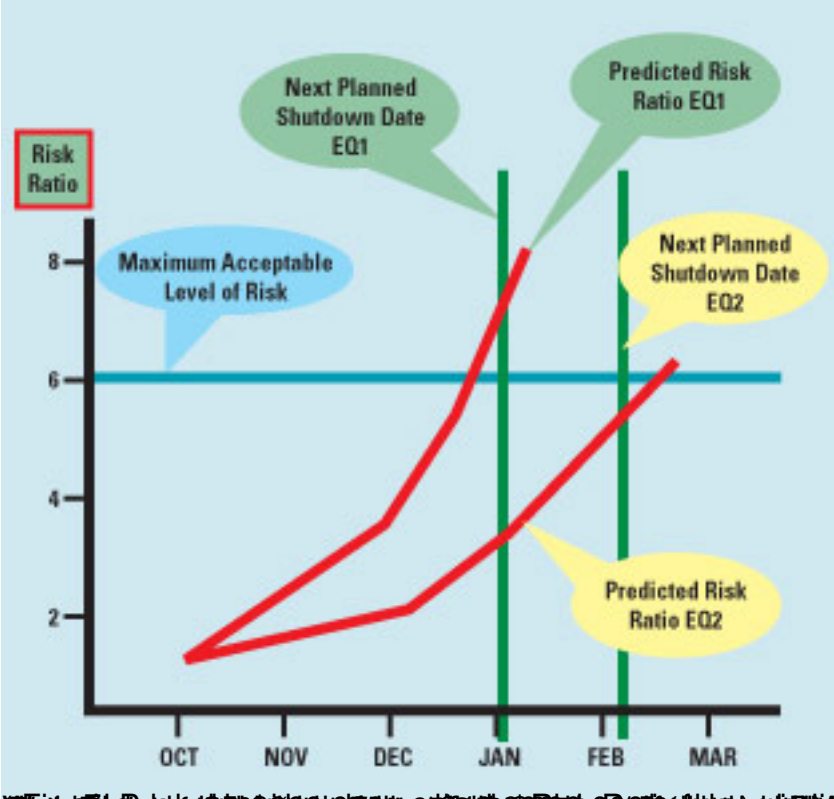








Unit	PM Cost	PM Time	Outage cost/hr	PM Risk	Failure Repair Cost	Failure Repair Time	Failure Probab 30 Days	Run Risk	Risk Ratio
Niigata Diesel	25,000	15 hrs	1000 /hour	40k	100K	28 days	25%	193k	193:40 = 5:1
Yugo Turbine	25,000	7 days	2000 /hour	361k	250K	60 days	15%	470k	470:361 = 1.3:1



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