

# The Maintenance Excellence Institute

Worldwide Services - Shop Level Results

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## The High Cost of Gambling with Maintenance

By Ralph "Pete" Peters

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Some organizations have a long history of "Gambling with Maintenance Costs" and totally overlooking and even neglecting maintenance. The facts show that pure reliance on contract maintenance and forgetting to truly validate the maintenance processes used by these contractors can be a very dangerous way to do business! Especially the mission-essential Business of Maintenance! Sometimes I call it *The High Cost of Low Bid Buying!* This applies to spare parts as well.

TMEI has evaluated over 300 worldwide maintenance organizations using our **Scoreboard for Maintenance Excellence** assessment process. I can tell you from years of personal experience as a Manufacturing Plant Manager, as a Director of Facilities Management and in 1970 as a Direct Support Maintenance Company Commander in Vietnam, contractors do not always bring with them the correct Best Practices for Reliability and Maintenance Excellence. What is their incentive for Continuous Reliability Improvement (CRI) when paid based upon time and materials?

Companies that do not have core competencies in maintenance but have extreme core requirements for maintenance excellence, have the potential to generate catastrophic failures. Many end up paying a very high cost for repairs, environmental impacts, etc. If these companies rely on contractors who also lack core competencies in reliability & maintenance excellence, we all end up paying their maintenance bill! I have seen this all around the world and we see it vividly today.

The core requirement for maintenance within large and small operations is forever. Companies end up taking the blame for what their contractor(s) did not do and in the end, being held fully accountable. Manage and lead your contractors as part of your team. We do need qualified contractors, so do not misunderstand my comments here. I have seen and used great contractors!

Get busy; evaluate your own in house maintenance organization and your contractor support team with an eye towards Maintenance Excellence. Establish a beginning benchmark for each department and function within your company. Your evaluation will allow you to prioritize your

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Maintenance Excellence Improvement efforts. Pick the ones at the top of your prioritized list and implement the necessary changes. Re-evaluate every 6 months and measure your improvements of the total maintenance operation.

And finally, BEWARE of Top Leaders that continually "Gamble with Maintenance Costs'.



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