

# You Think A Computerized Maintenance Management System (CMMS) is an Option?

## Think Again...if you are thinking Equipment Reliability

Six Questions to Consider Before Answering:

1. Is there a **Compliance Standard/Organization** your Industry performs to?
2. Is **Enterprise Asset Management (EAM)** a factor in your success?
3. Are **Competitive Pressures** growing in your Industry?
4. Is this pressure squeezing **Operating Budgets**?
5. Are you being challenged to find and retain competent **Skilled Personnel**?
6. Is protecting your investment in assets/personnel important to your **Continued Success**?

If you answered “Yes” to these questions, it is safe to assume that you are a business that expects to have a future. Your future expressed in terms of today is preparing for and performing in a competitive environment and not just surviving, but thriving. To survive and thrive you need a CMMS.

### **CMMS is the Data Backbone for Documenting Industry Compliance and Responding to Audits**



In our global economy Standards and Compliance have become a way of life for manufacturing organizations. Audits are common-place today to ensure compliance and failing to pass an audit is unacceptable and often has an immediate impact on current and future business. The CMMS is the repository for the data that documents the maintenance program, availability of maintenance spare parts, and work order history. The history maintained in the CMMS also supports root cause analysis resulting in improved engineering and manufacturing solutions.

Bottom line, the CMMS is the cornerstone of supporting current operations, trending failures, and providing knowledge for improvements that impact the bottom line.

### **CMMS Data Supports the Metrics Needed for Improved Operations**

The impact of CMMS on that future is brought to light when you realize that “maintenance management generally makes up 40% to 50% of operational budgets, the savings made possible from increased efficiency and reduction of waste are staggering”. (1) This reality has been clearly demonstrated in assessments following implementation and use of CMMS, It has been my experience that equipment reliability can increase from 35 to 50%, better workflow management leading to further savings of 5% to 15% of overall maintenance costs, cost savings from optimizing inventory and purchasing as high as 20% of the total inventory cost, and a 20% gain in equipment uptime resulting in improved productivity and resource allocation.

## CMMS Strengthens Asset Management

The need to capture and maintain historical, accurate, meaningful information regarding assets leads companies to invest in CMMS. This interactive information database is the continuous medium that is the life blood of the maintenance function. In an era of increasing global competition organizations today are in a constant state of change. Key trends driving this change include rapidly expanding technology, increased demand for individual and organizational competencies and capabilities, and ever decreasing cycle time, changing skilled personnel requirements. CMMS is the system for meeting these needs and allows for the planning, measuring, evaluating operating and maintenance practices and provides information on the condition of critical assets.



## CMMS Buffers Labor Transitions

As if the condition of assets were the only issue; how about skilled personnel to maintain them? *Consider the amount of information that can leave the company when a key maintenance employee leaves. Years of critical technical information can be lost the moment the employee walks out the door. And walking out the door will be happening with greater frequency in the coming years. “The baby boom generation will retire in large numbers, ongoing in the 2000’s and peaking in 2012 and they’re not being replaced by sufficient numbers of highly skilled workers”.*

The U.S. Bureau of Labor Statistics estimates a shortfall of about 10 million workers within the next six years and the number of prime-age workers—those and 54—will shrink

back as 2004 in its Place/Workforce that, “As the economy face the most severe history.” Underlying the shortage is a historic proportions.



and the number of prime-between the ages of 25 dramatically.

**The Herman Group**, as far report “Top Ten Work Forecast 2004” stated picks up, employers will shortage of skilled labor in looming workforce demographic shift of Businesses needing skilled

labor—positions traditionally held by tech savvy workers—could be particularly hard hit unless they begin attracting older workers. A labor shortage could also throw a wrench into the workings of small manufacturers. “A talent shortage could not happen at a worse time,” says Jerry Jasinowski, president of the National Association of Manufacturers. “Unchecked, a shortfall could quickly hobble our manufacturing competitiveness once the global economy recovers in earnest.” In the larger scheme, a labor shortage could mean a brain drain for companies. Employers of every size in every industry who ignore the statistics and predictions could risk the future success of their businesses. In the 2012 forecast the #1 concern: Recruiting will intensify among smaller employers. Employers attempting to recruit experienced people will find their challenges increasing and #3 was: More communities will wake up to the critical need for workforce development. More communities will become aware that they will simply not grow economically without having an available skilled workforce---with the skill sets their prospects seek. (2)

CMMS doubles as both the best defense and best offense by placing important historical cultural knowledge in a safe, standard repository while simultaneously making this information available to the incoming labor force.

### **CMMS Projections Define Key Skill Needs**

The skills required by the workforce of the future are changing in virtually all occupations, but by and large, employees are not obtaining them sufficiently. Science, math, and computer skills will be in the greatest demand, but far too small a percentage of today's student's focus on those areas. Enrollment is down at many technical schools and vocational programs, a troubling development because they do a better job of preparing young people for technical professions than do four-year colleges.



Skill-set requirements vary by occupation, of course, but in the future almost all jobs will require some degree of technical expertise, even those not traditionally viewed as requiring higher-level knowledge. For example, topping the list of employers' key expectations of administrative staff is that they be *skilled in new and emerging technologies*, according to the IAAP, based in Kansas City, Mo. In addition employers want proficiency in the Internet, intranets, e-mail, online services and a wide variety of PC software as well. Knowing what you need and how much of it better prepares employers for meeting the future training and technical demands of their business.

### **CMMS Providing Competitive Advantage for EAM**

Every business is based on profit and profit comes from the very simple equation  $W=PT$  where W stands for wealth (profit), P for physical resources (traditionally land, labor, assets) and T for Technology. (3) With resources as an available equivalent, the variable driving wealth and creating success is the application of technology based knowledge. *Knowledge is the source of all sustainable competitive advantage.* "More than 80% of the world's technological knowledge has been developed in this century and scientific information doubles every five years and scientific knowledge doubles every 10 years." (4) Utilization of existing technology and the acquisition of new enabling technology provide the competitive advantage for the future. Timing for capital investments, when to repair, when to replace, to upgrade processes, all are knowledge intensive actions that require an informational database that can support the decision making process. CMMS is the platform to maintain this database and provide key information in a timely manner.

### **CMMS Mitigates Government Regulatory and Compliance Issues**

Government regulatory compliance and exposure to health and safety liability are major factors in the business environment today. CMMS can be used to schedule training, record training schedules, monitor attendance, and provide audit trails supporting compliance training. In addition, safety requirements can be transmitted to employees with work orders verifying proper methods of work performance and documenting company practices that are to be followed. Reduction in work related accidents and the liability exposure the company is subjected to can be greatly reduced by proper documentation and communication of safe work practices. Finally, summary reports and the supporting documentation can be produced to certify compliance with required standards which conversely reduce liability exposure and lost business opportunity due to non-compliance claims.



### **CMMS –Sophistication or Survival?**

A Computerized Maintenance Management System (CMMS) is not simply an “add-on”, or a “nice addition” to your list of productivity enhancing tools, *it is a necessity!* Large or small, you need what CMMS has to offer. *Your competition is using it* and if you lose the knowledge based technology battle you have lost your competitive advantage.

**With CMMS you’ve enabled that winning advantage.**



Gary Brown, CET, MBA, CFP, is the President of Brown & Associates, an Arizona based Maintenance and Facilities EAM/CMMS implementation Company. For the past 10 years he has been engaged with hundreds of companies as a Systems Engineer leading them through the Selection, Implementation, Training, Usage, and Continuous Improvement steps of the CMMS Lifecycle. [www.brown-assocs.com](http://www.brown-assocs.com)

#### Sources

- (1) Darly Mather, “The Future of CMMS” Plant Resource Maintenance Center, 2002
- (2) Herman Group, 2012 Report and Entrepreneurial Connection, “Looming Labor Crisis”, 2005
- (3) (Adapted from Paul Pilzer, “God Wants You To Be Rich” Simon & Schuster, 1997)
- (4) Warner, “Knowledge Management”, IUGREEE GRE, 1999