

# CUTTING COSTS PROACTIVELY



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## Cutting costs proactively

Australian industry is entering a new age.

From mining to manufacturing and everything in between, operators are looking to more effective and productive ways to utilise their equipment, and keep it running in peak condition.

According to Siemens global head of customer service for Siemens' industrial business, Dr. Thomas Moser, "Operational phases represent about 95 per cent of the lifecycle costs – compared to just 5 per cent or less in the capital investment phase, so hi-tech service becomes critical to drive increased overall equipment effectiveness while reducing these operational costs."

"Now more than ever, it's critical for companies to embrace hi-tech service to produce more at lower costs and avoid downtime that can cause losses and negatively impact company share prices."

This maintenance and high tech service is an essential part of running an organisation, and the new age of smarter devices and equipment i.e. The Internet of Things, is giving operators an edge to cut costs and lift productivity.

By 2020, Gartner forecasts the global incremental gross domestic product of the Internet of Things will grow up to US\$1.9 trillion<sup>1</sup>.

Through full integration and smart data utilisation operators can achieve that end goal dream of many business, zero unplanned maintenance, fully predictive and proactive maintenance schedules, and no more downtimes.

However, according to Deloitte's latest report on heavy industry<sup>2</sup>, "before companies can achieve zero unplanned maintenance, they must first strengthen their asset management practices."

"Simply putting sensors onto all equipment is insufficient if the company lacks the ability to analyse the data output.

"With tools that give visibility into the health of the assets [and equipment and machinery] companies can amass and analyse baseline data points to predict things like regular failure points, asset wear-and-tear, required maintenance frequencies, shifting demands, and optimal resource deployment, ultimately minimising maintenance costs and improving efficiency."

Siemens' Moser added, "It's about being competitive to secure your place in the global supply chain. Through modern technology and services, companies can achieve operational efficiencies, extend the life of their assets, optimise performance, reduce energy consumption and protect investments. Remote monitoring, predictive maintenance, simulation and cloud based asset management are just some of the new technologies and practises that operators can utilise."

Computerised maintenance management systems (CMMS) are one of the major tools enabling this visibility and control, and can form the core of maintenance operations for a range of industries – from manufacturing and schools to wineries and mine sites.

By providing an accessible and easy to understand maintenance management platform, operators can now breakdown ongoing patterns in machinery wear, usage, and access granular data to know when machines will breakdown, and organise their operational schedule appropriately ahead of time to take the equipment out for repair at the optimal time, eliminating unscheduled downtimes and unexpected hits to the bottom line.

With this capacity for forward planning, better asset management and ordering systems can be implemented, and in turn more efficient work orders for maintenance.



One of the major benefits of a CMMS system is that it allows for massive savings to be made on purchases, through which advanced inventory planning allows managers to have more time to shop around for spare parts instead of having to buy in a hurry.

Additionally, compared to manual asset management there is less potential for organisations to be susceptible to theft<sup>3</sup>. In relation to the monitoring of assets for regular safety checks or warranty information that may be required from time to time, manual asset management has been proven to be less efficient than an automated process.



But it is about more than just the maintenance of equipment, it is also about the maintenance of the workforce, and liability.

CMMS ensures clear OH&S and work records are kept.

Work order tracking ensure that jobs completed are properly documented and logged, because if they are not then it puts a company at risk in case of a safety incident<sup>4</sup>.

You must have documented proof that work was carried out on time and by a qualified person.

It is important companies understand the responsibilities of Engineering/Maintenance Manager; for example, if something was to happen, an equipment failure, or an accident, who is the first person questioned; why and how could have it been prevented, and what steps are in place to prevent this?

Having the ability to keep the asset in safe working condition, while ensuring the correct qualified person is doing the job is the answer, or in this case the answer is an effective CMMS.

Effective maintenance now, and planning for the future, prevents poor overall performance and protects companies.

The MEX Maintenance Software provides a single solution for operators from a range of different industries to better manage their assets, and workforce.

It allows for reliable job tracking – from current job statuses through to the accessing of historical data to drill down on who carried out a job, and how.

Implementing MEX also leads to a range of added benefits, such as reduced costs and more flexibility in supply chains, as it allows for more predictive operations and in turn the ability to follow this predictive capability down the line.

This leads directly to cost savings on purchases as stock levels can not only be maintained, but more forward-thinking purchasing can be carried out, eliminating unscheduled downtimes which are further compounded by having to wait for critical parts.

This forward planning capability also means increased equipment uptimes, as equipment is repaired around your operational schedule, not the vagaries of the equipment.

All of this is supported by total portability and accessibility of the MEX Maintenance Software through hand held devices.

From requests, entire days' worth of work orders and history, to the ability to plan and schedule maintenance, the MEX Maintenance Software is giving operators and businesses the ability to gain an edge in a competitive environment.

*To get a handle on your equipment, workforce, and ensure your fully covered, contact MEX to find out more about its Preventative Maintenance modules and what is right for your business.*



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## REFERENCES

<sup>1</sup> Gartner Research, "Gartner Says the Internet of Things Installed Base Will Grow to 26 Billion units by 2020, [www.gartner.com/newsroom/id/2636073](http://www.gartner.com/newsroom/id/2636073)

<sup>2</sup> JDeloitte, Tracking the trends 2016 report

<sup>3</sup> <https://australianmining.com.au/news/asset-management-white-paper/>

<sup>4</sup> More than maintenance, appreciating CMMS <http://www.manmonthly.com.au/features/more-than-maintenance-appreciating-cmms>

