Digging Out of Deferred Maintenance

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Presented by:

MAINTENANCE CONNECTION®

Introduction

John Rimer, CFM

- 19 Years Facility Management
- Numerous Industries & Various Roles
- Owner, FM360, LLC
- Certified Facility Manager (CFM) - IFMA
- IFMA & BOC Qualified Instructor

Related Experience

- Established & Managed CRP for large software company – 10M square feet
- Facility Assessments
- Leverage CMMS for CRP

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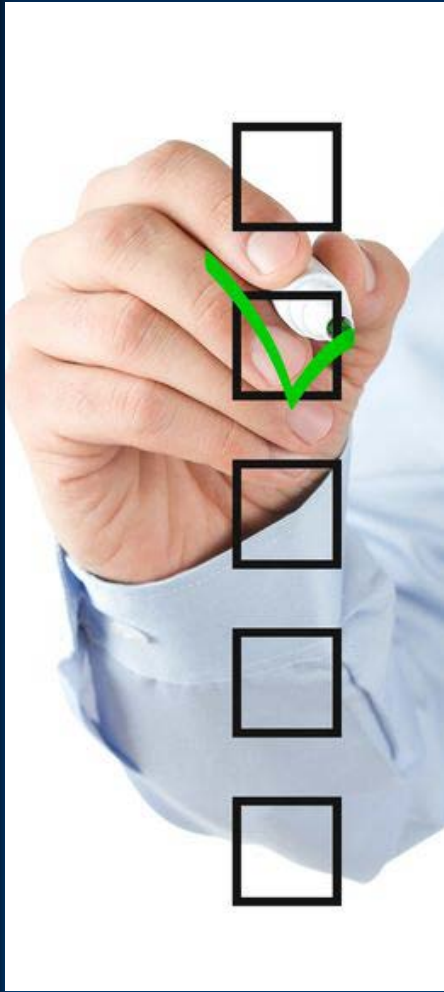The Road to Better
Facility Management

Agenda

- State of the State

- *Digging Out* through Capital Renewal Planning (CRP)

- *Moving Forward* with Robust Operations & Maintenance

- *Stay Ahead* – Selling & Marketing

- Additional Resources

- Q&A

Poll #1

How reactive is your facility management department?

A. <20%

B. 20% to 40%

C. 40% to 60%

D. > 60%

E. I have no idea...

F. Pleading the 5th...

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Our Own Worst Enemy

- Most maintenance organizations operate between 10% to 40% efficiency (MT-Online)

- Nearly 70% of failures are self-induced (MT-Online)

- Most spend >50% time on emergency work (FacilitiesNet)

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No More Firefighting

Cost of Reactive Maintenance

- RM Costs 3X to 5X more than PM (MT-Online)
- DOT Study found 8X higher costs

Value of a Robust FM Program

- Increase Production by 28% (IFMA)
- Double Productivity of Staff (IFMA)
- Reduce Maintenance Costs by as much as 50% (Piper/FacilitiesNet)
- Reduce Energy Use by 15% - 20% (Piper/FacilitiesNet)

Feeling the Squeeze...

- Equipment "EOL"
  - At or Beyond End of Life
  - No Long-Range Planning
- Reactive Firefighting
  - Not completing PMs
  - No time to be Proactive
- Insufficient Resources
  - No data to justify
  - Poor selling & marketing
  - Decisions vs. Consequences

Poll #2

How much deferred maintenance and end of life (EOL) equipment do you have?

A. We're in a hole and digging deeper

B. Lots, but starting to climb out

C. Nice, new building – all is good for now...

D. Scrap the building – it's a goner...

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Capital Planning = Band-Aid Fixes

- "Oliver Twist" Approach

- Growing Laundry List

- Fraction of List Funded

- Top-Down Budgeting
  - Last Year +/- 10%

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Digging Out...

- Need a Plan – Capital Replacement Program (1/3/5/10-Years)

  - No roller coaster budgets

  - No surprises

  - Substantiate Funding

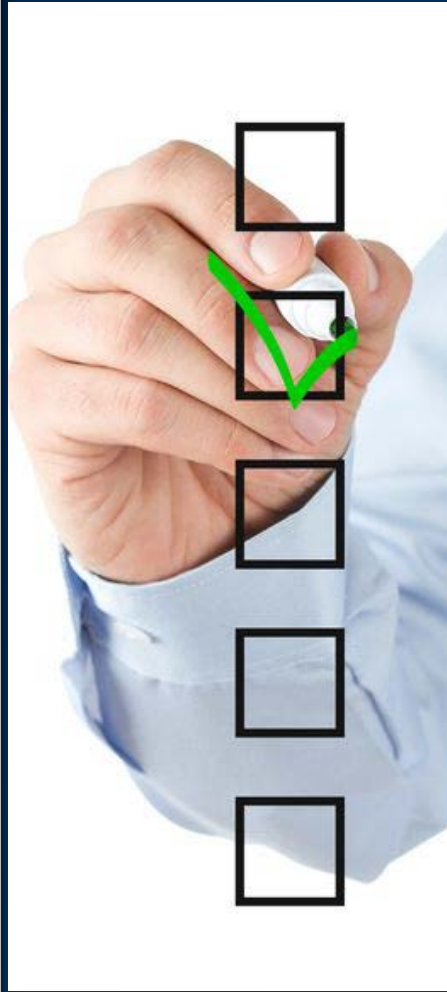 - Realize consequences of decisions

- Something to Manage

Where to Start

- Assess Facility Systems
  - Exterior to Interior
  - Age & Condition
- Define Life Expectancy
- Identify Replacement Date
- Estimate Replacement Costs

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Poll #3

When was the last time you did a facility condition assessment?

A. Within past year

B. < 3 years ago

C. At least 5 years ago

D. Never

E. Don't ask...

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Contract Out or In-House?

- Third-Party
    - Expertise & Resources
    - Pennies / SF
    - Software System
    - Templates
    - Reporting

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In-House Low Budget Approach

- Prioritize Facilities

- Leverage Contractors
  - Assess Systems
  - Provide Estimates

- Utilize CMMS
  - Install Date
  - Life Expectancy
  - Replacement/Install Cost

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Reporting

- 1/3/5/10 Year Forecast
  - 1Yr – Hard Estimates
  - 10Yr – ROM
- Smoothing it out
  - Push/Pull Replacement
  - Consistent Spend
  - Allow for Inflation
- Facility Condition Index (FCI)
  - Σ Deferred Maintenance $ / CRV

Moving Forward…

- Leverage CMMS
  - Capture all work
- Prioritize Work Orders
  - PMs vs. CMs vs. SRs
- Dedicate Resources to PMs
  - Staff or Days
- Track Performance
  - KPIs (PM/CM, PM Comp, etc.)
- Manage Expectations
  - Not Johnny on the Spot…

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Stay Ahead…

Selling & Marketing Facilities

- Identify Touchpoints
- Develop Marketing Plan
- Tout Successes
- Celebrate/Promote Team
- Build Relationships (up/out/down)
- Justifiable Budgets
  - Capital Replacement Planning
  - In-Your-Face Business Case

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