3 Maintenance Myths That Are Eating Your Cake

By Ryan Brown

Who said, "Let them eat cake?" Marie Antoinette, many people will assuredly reply. This idea was first espoused in 1766, when Jean Jacques Rousseau wrote of an incident he recalled from some 25 years earlier, in which an unnamed "great princess" was told that the country people had no bread. "Then let them eat cake," she replied. When Rousseau wrote of this, Marie Antoinette was an 11-year-old child in Austria (the French Revolution would not begin for another 23 years!)

The myth that she spoke these infamous words was probably spread by revolutionary propagandists, to illustrate her cold indifference to the plight of the French people. Yet the myth persists more than 250 years later.

It's no surprise that myths are common in politics, but they invade every field of thought, including business, even when they have been shown to be false. They spread at lightning speed in these days of social media, 24-hour television news, and instant global communications. Some alternatives facts, like the cake enthusiast Marie Antoinette, are ingrained from years of well-intentioned repetition.

In an operations setting, maintenance managers often succumb to this weakness. Think about the routine act of budgeting for plant maintenance. It is a mix of what you did last year, what the volume expectations are to be, and the big end-of-life moves you expect. But there is a misconception in most executive suites that maintenance is just a cost of doing business; the equivalent of a corporate ball and chain.

Maintenance should be a business to the business itself. In other words, it should always be providing value to the organization. If the maintenance practices are not adding value, they should be eliminated.

Heresy, you say? In cement, concrete and aggregates, maintenance activities consistently comprise more than 9 percent of the business's overall costs, according to 2012-2016 benchmarking data provided by the Portland Cement Association.

Maintenance is the highest individual component cost, exceeding spend in direct labor costs, salaries, purchased materials, and depreciation. Does your company increase headcount or invest in capital unless there is multiple payback of the outlay? Maintenance should be no different.

The first step in taking back control is recognizing there's a problem. Below are three maintenance myths that are costing cement and aggregates companies millions every year.

Myth 1: A stich in time always saves nine. In most maintenance handbooks, a low frequency of failure is touted as a key performance indicator of a well-oiled maintenance program. From this paradigm a belief has manifested than if some preventive maintenance is good, more is better – a better way to flush money down the toilet. What maintenance departments and some accountants typically don't consider is the overall cost of an equipment's failure to the business. This includes the repair costs, lost sales (assuming a sold-out situation) and costs of customer defections. Because this data is difficult to obtain it's easier to give equal attention to all equipment despite the very different overall failure costs. Take a look at what your plants are preventively maintaining: odds are that 70 percent of those tasks are a waste of time.

Myth 2: Operate to Failure is not a maintenance strategy. On the surface, most intuitively don't look at machine failure as a success. But that's fertile soil for another myth. It's critical to analyze each plant item to ensure that you get the right maintenance policy. Ask questions like: what is the cost to the business if this piece of equipment fails? If it is small, then consider "Operate to Failure" as the strategy. Most businesses always talk about "Planned" vs. "Unplanned" maintenance and think that this means they must have planned maintenance for every item – which is just plain wrong. Running certain pieces of equipment to failure is a legitimate strategy.

Myth 3: High OEE is a measure of smart maintenance. Overall Equipment Effectiveness (OEE) seeks to obtain a combined measure of a plant's availability, performance and quality and track how close the plant is running to its "ideal." There are many ways to game the OEE calculations and this metric can become very political, especially when its being used to compare several operations around the globe. And when evaluating how maintenance dollars are spent, it's a dangerous metric to use. There is little correlation between machines that are always available and business profitability. Expenses for improving (or maintaining) OEE should face scrutiny in the form of questions to the impact on cash flow, profitability and payback. Managing to a target OEE number doesn't take into account the degree of the cost of failure. Be wary of frequent maintenance tasks on equipment where failure is not catastrophic.

When times are good, practices are usually far less scrutinized, and this is where some of the most powerful myths and misconceptions can be turned into standards. But don't despair if you can identify with high maintenance costs; with some clear thinking you can have your cake and eat it, too. Just like Marie Antoinette.

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