

## MCP Deutschland

## Maintenance is also dependent on economic activity

It is undisputed that a sensible maintenance strategy saves money. However, according to the Salzburg management consultant Dr Andreas Dankl, the problem many companies still have is presenting costs of this nature transparently. This leads to the wrong decisions being taken. Several factors determine whether maintenance is ideal or not, not least the company's own order book. With a view to the rapidly worsening economic situation at the current time, maintenance costs will certainly be under scrutiny.

In an interview with *ipw* he introduces his registered tool Best Practice-SCAN System for the (self)evaluation of maintenance performance.

*ipw:* The paper industry has been exposed to considerable pressure on earnings for a long time. In view of the price and cost development this situation is likely to intensify. You recognise savings potential in maintenance costs and are therefore offering the industry your Best Practice-SCAN System. But is it not difficult to make general statements about savings potential?

**Dankl:** That is true. If a company has full order books, the aim is to extract the maximum from the existing plant capacity. The focus in this case is on the greatest plant availability and avoidance of losses of quality in production.

But if there is an attempt to save costs, as is the case in the current economic climate, the approach with regard to high repair costs, for example, is to prevent or reduce damage to plant components by a targeted analysis of weaknesses and the use of condition monitoring techniques. Another example is to reduce the costs of external services by making changes to the procurement strategy which, for example, envisages a move from short-term allocation to longer-term cooperation models and thereby achieves better procurement conditions. In the question of savings potential the aim is there-



Dr Andreas Dankl

fore to always identify the lever with which the company can achieve results as quickly as possible, and this is where Best Practice Scan comes in.

*ipw:* Do your customers actually know which allocable maintenance costs make economic sense?

**Dankl:** It is a fact that for many companies the transparent and correct presentation of maintenance costs remains an inadequately resolved matter. After all, maintenance is still a "useful" item on the operational accounting sheet when assigning diverse general costs and concealed investments. In addition the order process for maintenance similarly interferes with the correct cost allocation to plant.

This leads to the very consequences referred to above: the wrong investment decisions are taken and optimisation approaches (weaknesses) are not detected; but maintenance staff also have to bear responsibility for costs, the majority of which they cannot influence. It can in general be established, however, that great improvements have been made here in recent years.

*ipw:* What is the significance of maintenance costs within overall production costs, and is the ratio less favourable than in other industries?

**Dankl:** Some specific key figures for the industry have been shown to be effective when assessing maintenance efficiency: these are the maintenance intensity (maintenance costs/plant replacement value), the maintenance cost quota (maintenance costs/production costs) and the specific maintenance costs (maintenance costs/production volume). We have globally applicable benchmarks for these key figures in our AMIS database. These enable us to state that the paper

### Specialised partners

The analysis is offered by dankl+partner consulting gmbh together with MCP Deutschland GmbH. These companies are affiliates, whereby dankl+partner consulting GmbH primarily operates in Austria and Eastern European countries while MCP Deutschland GmbH mainly operates in Germany. Both companies belong to the globally active consultancy network MCP International and specialise in the areas of maintenance, facility management and asset management. A feature is that, in addition to classic consultancy and accompaniment during implementation, they are able to offer an extensive training programme – the so-called "House of competence" – which can be provided for all relevant maintenance function personnel with interim function.

Dr Andreas Dankl, whose professional career practically defines maintenance issues, is also among other things the Managing Partner of dankl+partner consulting GmbH and MCP Deutschland GmbH and operates two internet information portals on maintenance ([www.instandhaltung.at](http://www.instandhaltung.at) and [www.ifis.at](http://www.ifis.at)).

industry exhibits similar cost structures to other plant-intensive industries such as chemicals, pharmaceuticals or steel. For example, the maintenance cost quota for these industry sectors is in the range 6 to 9.5 per cent; it is, however, significant that the best practice companies identified demonstrate considerably better key figures in all industries. Therefore in the paper industry the average maintenance intensity for the industry is 3.9%, but is only 1.8% for the best practice companies.

*ipw: How much time does your analysis take?*

**Dankl:** We claim to assess maintenance performance based on the 100 most important criteria concerning the organisation, processes and methods used. To this end a method audit is performed which takes one whole day; this on-site inspection reviews work processes, the use of data processing or application of maintenance methods at the plant, in the workshops and at the work stations of maintenance staff. On the second

day a moderated self-audit with selected employees from maintenance and production evaluates the 100 criteria. Our task here is to mediate the presentation and possibly correct the evaluation. The results of the method and self-audit are amalgamated. Priorities for identified improvement measures for the assessed company can then be derived in a direct comparison with the best practice company. Three days are required for the Best Practice Scan. A further two days are required if the company additionally requests benchmarking on costs, performance and characteristic values for plant.

*ipw: Is it possible for a company to also concentrate on individual areas only?*

**Dankl:** The Best Practice Scan tool can be used to analyse both an entire maintenance department and a differentiated analysis of individual areas, e.g. the paper production and equipment maintenance team or the central EMR group. As a general rule, the evaluation of individual maintenance areas delivers more concrete improvement measures.

*ipw: What costs must companies expect if they want to take advantage of your service?*

**Dankl:** As explained above, the costs depend on the desired content: the costs for a best practice analysis amount to around EUR 5,000 and results provide a current maintenance positioning in a global comparison as well as real concepts for boosting efficiency.

*ipw: How many customers from the paper industry have you now advised?*

**Dankl:** In conjunction with the AMIS analysis which has been established for many years but is more comprehensive in terms of time, we have advised around 70 production locations in the paper industry in the past ten years. These actually include almost all well-known companies in the industry.

*ipw: Thank you for the interview!*

**M. Lier )**