

€ 70 Billion wastage due to Maintenance

Companies waste billions due to inefficient maintenance management. Projected onto the direct maintenance costs of 450 billion Euros in all European production plants, a savings potential arises of around 70 billion Euros a year. Alone in Germany 14 billion Euros are spent too much on maintenance every year. This is proved by the current ConMoto study “Value Oriented Maintenance - The strategic dimension of the spanner”

Considering only business assets in production facilities and related machinery, out of all investment goods in Europe, a value of around 9.7 trillion Euros in 2008 is reached. Alone in Germany the equipment replacement value amounted to about 1.9 trillion Euros. Calculating cross sector maintenance cost rate of 4.8 %, direct maintenance costs in European production locations add up to over 4.5 billion Euros per year. This study confirms impressively that quick and sustainable successes are realisable. One of the central cost effectiveness Key Performance Indicators (KPIs), the maintenance cost rate, was on average reduced by 23 % for all projects. Projected onto the influenceable maintenance cost of 300 billion Euros a savings potential of circa 70 billion Euros would arise in Europe. Thus alone in Germany 14 billion Euros are spent too much on maintenance services. And in this, the drastically falling costs of production down-time are not considered.

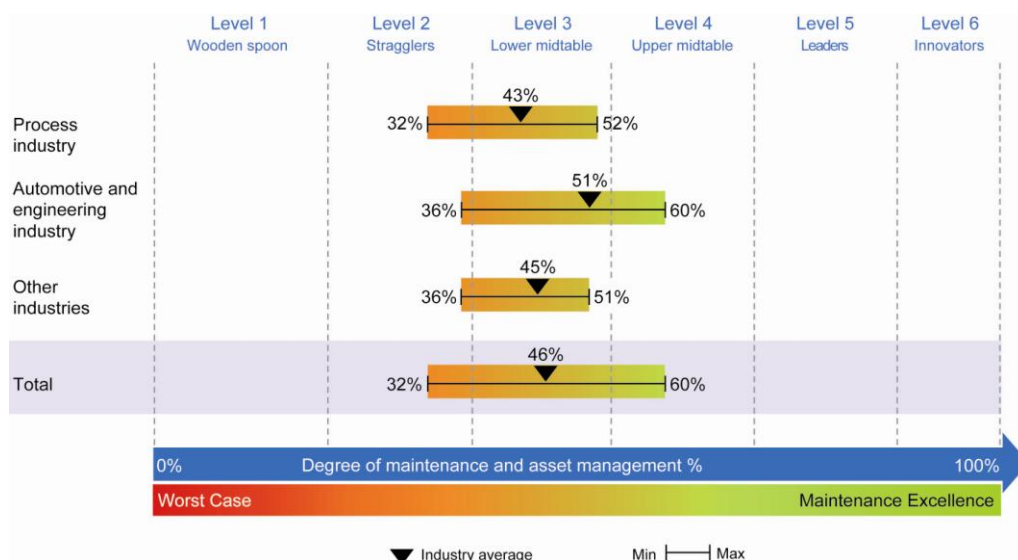
Analysis of 83 companies from different industrial sectors – Process industry as the wooden spoon

The study documents systematically the strengths and weaknesses in the maintenance management of 83 European companies and production plants. The study covers the following industrial sectors:

- Process industry (chemical, steel, pharmaceutical, food, textile industries, etc.) with a total of 47 enterprises or 57 % of the total;
- Automotive (car, car components suppliers industry) and mechanical engineering industry with 19 enterprises or 23 % of the total;
- Other industries (semi-conductor industry, aerospace industry, medical technology, etc.) with 17 enterprises or 20 % of the total examined companies.

It becomes clear that many companies are currently a long way from first class maintenance management. If school marks were given, the companies examined would get marks only between “poor” and “satisfactory” for their maintenance management systems. The industry average lies only at 46 %. The rear light of the study, a company of the chemical industry sector, has considerable potential to catch up with a maintenance maturity of merely 32 %. Even the best company at 60 %, an automobile supplier, has plenty of room for improvements. In an overall comparison, surprisingly it was the most investment intensive and security sensitive process industry that was weakest with an average of 43 %. But also the best in class industrial sector “automotive and mechanical engineering” is only in the midfield of the graduated model with an average of 51 % (See figure 1).

The potentials show that maintenance is more than a “necessary evil” on a purely operational level, as it is still seen in many companies. The quality of maintenance and asset management is decisive for the costs and efficiency level of companies. Decision-makers who recognise this and draw the right conclusions will have a clear advantage over their competitors.



Status quo - maintenance maturity according to industry sectors and overall