



# 4 Ways to Cut Maintenance Costs



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## THE CHALLENGE

Budgets are smaller, buildings are aging and maintenance and operations teams across the country are shrinking.

And statistics confirm these concerns:

- **The average age of a building in the US is 41 years old<sup>1</sup>**
- **50% of facilities management personnel are expected to retire in the next 10 years<sup>2</sup>**

Today's facility manager does more with less, and this often goes without recognition.

## THE OPPORTUNITY

Maintenance and operations teams are the ideal group to empower to reduce operational costs because the team members:

- Communicate regularly with an organization's most expensive resource: their employees
- Maintain valuable assets like heating, cooling, plumbing, fire, safety and other systems
- Prepare and execute long-term planning to ensure there are no budgetary surprises in the foreseeable future

Gaining more efficiency with daily operations can lead to increased budget dollars, decreased time wasted and an overall improved working environment with more satisfied employees.

## THE SOLUTION

Over the past decade, software-as-a-service (SaaS) solutions, essentially web-based tools, have emerged to support maintenance and operations teams with:

- **Coordination:** A one-stop shop to provide insight into what is going on, where and why in their buildings
- **Remote access:** Access to their system anywhere with an internet connection
- **Visibility:** Dashboard metrics on key performance indicators (KPIs) and status provide information for decision makers

Operations management software can help your day-to-day work orders, preventive maintenance and capital planning tasks all work together to make your operations more strategic and cost effective.

## 4 WAYS TO CUT FACILITY COSTS

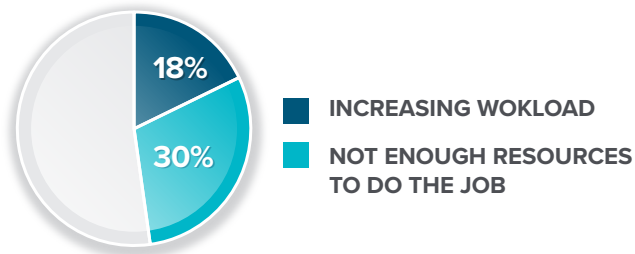
- 1 INNOVATE MAINTENANCE
- 2 TRACK INVENTORY MORE EFFICIENTLY
- 3 IMPROVE LONG-TERM PLANNING
- 4 OPTIMIZE ENERGY TRACKING

### 1 INNOVATE MAINTENANCE

There are many unique facets to managing maintenance (whether you work at a school, manufacturing plant, hospital or government building), and the landscape of maintenance and operations is continually changing. Increasing workload and lack of resources are facility managers' top concerns, according to an industry survey.<sup>3</sup>

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## TOP 2 FACILITY MANAGER CONCERNS



Many maintenance management teams use a combination of paper, spreadsheets, sticky notes, whiteboards and voicemails to receive work orders, compile reports, schedule preventive maintenance, manage inspections and more. These manual processes invite in error with open arms and provide little visibility to outstanding requests, status, overall spend and other key metrics. In addition, there's no consistent recordkeeping, which can lead to a host of issues.

### INNOVATIVE TOOLS

What if keeping track of work orders was the easiest part of your day? What if pulling reports and keeping other departments in the loop was just a click or tap away? And what if all of these "what ifs" didn't have to be "what ifs" anymore?

A computerized maintenance management system (CMMS) can allow your team to:

- **Plan:** Create, assign and manage recurring preventive maintenance tasks
- **Communicate:** Receive work orders electronically and email updates on pending requests
- **Report:** Track detailed metrics on building maintenance, repair spending, regulatory compliance and more
- **Ensure continuity:** When a team member is out for some time, [retires or takes another job](#), it's easy for others to pick up where they left off

## 2 TRACK INVENTORY MORE EFFECTIVELY

### NOBODY LIKES DEAD INVENTORY

Inventory is one of an organization's most costly assets. Managing it with manual and paper systems can contribute to shortages, inventory shrinkage, dead inventory and waste.

Inventory is tied to these common reasons frontline technicians can't complete maintenance work:

- Lack of parts
- Work orders don't identify required parts
- Parts cannot be found

*"Preventive maintenance is important for our budget. We'd rather change a **\$40** air filter than spend **\$5,000** on a major repair."*

*-Theresa Garcia, Sandusky County (Ohio)*

### INVENTORY TOOLS

Inventory software has advanced quickly over the last decade, making it easier for maintenance and operations teams to:

- **Track:** Use barcode and radio frequency identification (RFID) technology to number parts, maintain accurate records, link parts to work orders and count inventory instantly
- **Report:** Gather key data automatically to keep executives informed and simplify annual audits, while identifying inconsistencies to create opportunities for greater efficiency
- **Optimize:** Eliminate inaccuracies caused by human error, manual systems and paperwork, while validating the need for on-hand inventory

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## COST SAVINGS<sup>4</sup>

Streamlining inventory management can save most departments 10-20% of annual inventory. Considering that a typical maintenance-parts inventory has a value of about \$1 million to \$10 million, this could result in an estimated savings of \$100,000 to \$2 million a year.

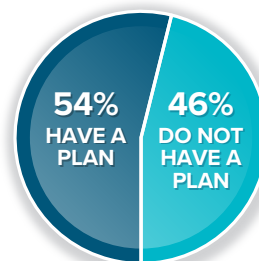
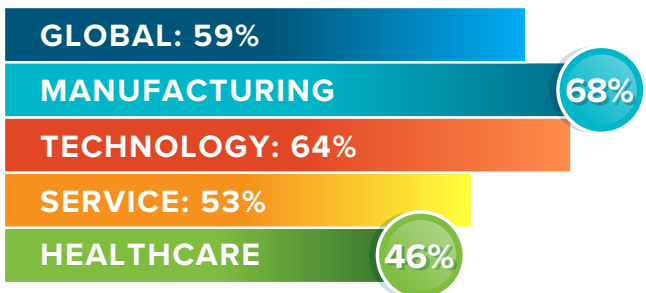
ESTIMATED SAVINGS  
**\$100K-\$2M**  
PER YEAR

Forecasting tools along with a CMMS can bridge the gap between capital planning and maintenance and operations programs by helping facility managers:

- Justify funding and budget requests by tracking the cost of correcting deferred maintenance deficiencies
- Facilitate the creation of long-range capital plans by accounting for major equipment and building replacements and renovations
- Associate needed corrections with equipment to enable comparison of maintenance costs versus replacement costs

Implementing a capital plan can provide a boost of efficiency to your operations by eliminating future issues, as well as help you anticipate your needs during an emergency situation. A mobile CMMS can help you and your team members have the safety protocols and procedures they need when and where they need them, whether it's a natural disaster, active shooter or employee injury.

## MOST DECISION MAKERS HAVE EXPERIENCED A CRISIS...



YET, MOST DO NOT HAVE A CRISIS PLAN

## 3 IMPROVE CAPITAL PLANNING

### SEEING THE FUTURE

Even though we know that facility managers can't see the future, they're often asked to do just that. Forecasting future operational needs is a daunting task, but it has to be done. Whether it is replacing old equipment or planning for future renovations, it all needs to be taken into account.

A large piece of capital planning comes down to an organization's equipment and infrastructure. While a [facility condition assessment](#) provides good information, it often lacks details that would come from a CMMS to help put everything into action. These could be details on repairs that have happened, issues that regularly arise and the day-to-day of how a machine is functioning.

### FORECASTING TOOLS

Capital forecasting tools can provide access to an inventory of structures and assets, along with a record of their age and condition.

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## 4 ENERGY TRACKING

### CONTROLLABLE COST

For most facilities, energy is the largest but most controllable fixed cost. Increasingly, building managers with few resources are turning to energy efficiency to cut fixed operational costs.

But when maintenance and operations teams make retrofitting efforts, how do they know they worked? Was the money spent on new light bulbs and the time spent installing them worth it to the organization? And how do you effectively show the outcome to leadership in your organization?

*The savings are so dramatic, at one point our utility costs at one building were down 74%.”*

*-Brendan Ganser, Rawhide Boys Ranch*

### TRACKING TOOLS

Energy tracking tools have advanced and expanded to allow organizations to track retrofitting efforts quickly and with minimal training.

Utility tracking tools allow maintenance and operations teams to:

- **Decide:** Review energy consumption to identify unusual spikes in usage. A spike in water consumption with no obvious reason could mean you have a leak.
- **Measure:** Watch and compare pre- and post-retrofitting effort usage, then follow up on repair projects to see if your team's repairs fixed a spike in consumption.
- **Report:** Analyze and compare energy usage data to previous years to justify the time and money spent on energy efficient changes made by your team.

**\$15 BILLION** ESTIMATED COST SAVINGS OVER **10 YEARS** IF ALL U.S. HOSPITALS<sup>5</sup>:

- REDUCED ENERGY USE
- DECREASED WASTE
- EFFICIENTLY PURCHASED OPERATING ROOM SUPPLIES



### GOOD MAINTENANCE SAVES ENERGY

Building systems that are properly maintained will perform more efficiently and use fewer utilities, so it's important to pair energy-saving efforts with strong preventive maintenance programs.

## SUCCESS STORIES

**Saint Elizabeth Home** in East Greenwich, Rhode Island has 120 skilled-nursing beds, a rehab building and 186 employees. Its three-person maintenance staff had to make daily rounds to check request binders and ask staff if they needed anything. The team replaced its paper system with Dude Solutions, and staff began submitting requests online, eliminating the need for that time-consuming task. It also has a more complete picture of the department's budget, allowing for better planning and budgeting.

Tracking labor hours and projects was a challenge for **NorthCrest Medical Center** in Springfield, Tennessee. The facility team manages a 43-acre complex with a hospital, four medical office buildings, two satellite facilities, a hospice building and an education center. Using Dude Solutions, the team provides its chief financial officer with a dashboard view of its renovation projects, with drill-down detail on plumbing, electrical, construction and other costs.

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**Rawhide Boys Ranch** in New London, Wisconsin faced a repair-versus-replace dilemma in managing its 600-acre complex with 22 buildings, the oldest of which was built in 1908. Since its five-person maintenance team began using Dude Solutions, the team has recorded significant savings, including reducing utility costs by 74% for one building. It also used our maintenance solution to justify the replacement of a boiler/chiller system and continues to report resulting energy savings to its Board of Directors. [Read their case study.](#)

**Hutchinson Correctional Facility** in Kansas has three facilities with a staff of 35 maintenance technicians and a limited budget. Their facility manager uses Dude Solutions for maintenance and shares detailed reports with the warden to justify staffing. The team can flag high-priority tasks, such as security-system repairs, for fast attention. Maintenance completion rates have increased by 25%.

**Pepsi Bottling Ventures LLC** in Garner, NC switched from a paper-based system to Dude Solutions to submit, organize, complete and report on the 76,000 work orders at their bottling plant. Employees use the solutions on tablets to record information and efficiently complete tasks right at the machines they're working on. [Read their case study.](#)

For **Great Valley School District**, hosting after-hours events was both one of their greatest struggles and a huge opportunity. With Dude Solutions' facility scheduling, they were able to streamline energy usage and maintenance management, increasing their generated revenue from \$49,000 to more than \$150,000 annually through a cost recovery program. [Read their case study.](#)

## GET STARTED TODAY

Web-based maintenance management systems are flexible and can be implemented quickly. They're also easy to use, even for the most seasoned facility manager who is accustomed to using spreadsheets and paper processes to get the job done. Of course, the more quickly an organization gets started, the faster it will realize cost savings.

To learn more about how you can apply online tools to cut costs, create efficiencies and improve reporting, visit [DudeSolutions.com](http://DudeSolutions.com).

## About Dude Solutions

*Dude Solutions, parent company of SchoolDude, FacilityDude and TheWorxHub, is a leading software-as-a-service (SaaS) provider of operations management solutions to [education](#), [government](#), [healthcare](#), [manufacturing](#) and [membership-based organizations](#).*

*The company combines innovative technology with operational insight to transform the places people learn, live, heal, work, and play. Today, more than 9,000 organizations are using Dude Solutions' award-winning software for facilities, energy, safety, IT and a growing suite of related enterprise applications to increase efficiencies, improve service and save money. For more information, please visit [our website](#).*

## FOOTNOTES

1. "Existing Buildings," Institute for Market Transformation. <http://www.imt.org/codes/existing-buildings>
2. Tom Willie, "Facility Realities: CFM as an Inevitable Trend" *Facility Management Journal*, May/June 2014, [http://fmj.ifma.org/publication/?i=209515&article\\_id=1711354&view=articleBrowser&ver=html5](http://fmj.ifma.org/publication/?i=209515&article_id=1711354&view=articleBrowser&ver=html5)
3. *Building Operating Management and Maintenance Solutions magazines*, 2014
4. "Technology that Tames Inventory," *FacilitiesNet*, 2007
5. "Study Finds Hospital Environmental Sustainability Efforts Could Save Health Care Sector \$15B Over 10 Years," *Healthier Hospitals*. <http://healthierhospitals.org/media-center/press-releases/study-finds-hospital-environmental-sustainability-efforts-could-save>