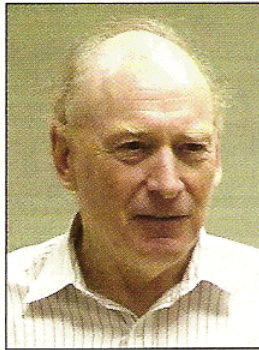


VIEWPOINT



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From RAM To ROI: Improve Maintenance Credibility

What do our corporate leaders want? Their major KPI (Key Performance Indicator) is ROI (Return on Investment). What do we deliver? RAM (Reliability, Availability and Maintainability). This reflects a serious disconnect that minimizes our voice at the executive table.

From RAM to ROI requires three intermediate steps—*RAM to Capacity Assurance to Delivered Output to Value to ROI*. It's the proof of "Value" that causes us problems.

Let's start with two very practical basics. First, if it adds no value, stop doing it. Second, failures are not necessarily bad maintenance.

**Does the PM cost exceed
the failure cost? If so,
then the PM reduces value, which,
in turn, reduces the company's ROI.**

"More PMs" is the mantra. Yet experience shows that about 70% of PMs add no value; and only 27% of PMs issued are actually completed.

When completing the v failure mode to it. Failure then easily analyzable. If th knowledge and experience or failure mode), create a t later RCM validation.

Finally, an unexpected fai equipment calls for several *equipment, PLUS the RCM r logic, AND all records using t their PM Work Orders.*

Now back to the questio PM cost exceed the failure cc reduces value, which, in turr ny's ROI. So let the equipmen on the cost of doing the PM doing it. The PM cost has 1) the cost of the work; 2) value during the outage; 3) a loss of market reputation tl Failure cost has three simil *emergency repair cost, the lo and the penalty costs.*

Next, consider risk, som easily defined as the Cost o ability of Failure over a giv before the next outage). 7 prompts a simple business spend \$5000 on a PM or ru with a 25% probability in t