



Justifications for Improving Asset Reliability!

Every company and organization in the world has the desire to improve the reliability of their assets. We all know it is the right thing to do and...we know it will save us money in the long run. The dilemma for most asset and maintenance professionals is how to justify it to their management teams.

Let's use an example common to all of us; your personal car or truck.

- Why do you change the oil on a regular basis?
- Why do you check tire inflation and alignment?
- Why do you check fluid levels and hoses?

The answer: The vehicle will be more reliable, cost less to maintain, and have a longer life. So simple but we have a hard time explaining it to our management. But if you can equate it to actual dollars and cents...then they may take notice. Read on...

Any asset you maintain in a 'like new condition' will give you the same results as your vehicle(s). So, let's come up with an economic justification for maintaining your assets which doesn't use engineering or maintenance terminology or buzz words.

The example I will use is a \$50,000 air compressor. I will give you the highlights now, but you can view the detailed spread sheet if you are interested in the details. ([Spreadsheet](#))

You buy a \$50,000 air compressor which should have a life of 15 years. If you calculate in the annual maintenance costs and the depreciation, it will cost you around \$40,000 over the life of the asset if you maintain it as it should be. But, if you do not maintain the air compressor and have to replace it every five years then the net loss to the organization will be \$143,000.

When you see it in black and white, it is hard not to believe; and justifying the effort to change your culture from a *reactive asset care* to one of *proactive or high performance maintenance* becomes easier.