MANUFACTURING

Maintenance improvements deliver €7.8 million in benefits

Our client is the global leader in aggregates and a key player in the field of cement, concrete and other downstream activities, making them one of the world's largest manufacturers of building materials. The company employs some 65,000 people worldwide across 2,700 operations located across 50 countries. With their maintenance costs running 40% above those of their competitors, the CEO recognized that action was required. Aware of Alexander Proudfoot's expertise, he gave the green light for an evaluation of maintenance procedures across five of their European cement works with the objective of reducing maintenance and repair costs by 15%.

WHAT WERE THE ISSUES

During the business review a number of issues were identified

- Management lacked the system and tools to effective manage their resources. For example, no work to time relationship was used to plan work, simple statistical tools for problem solving were not utilized and work hours were only partially reported. Non value added time was in excess of 50%.
- There were significant gaps in performance between actual and maintenance best practice, with issues not being addressed.
- Management behavior was inappropriate. There was no active supervision and little was being done to improve performance.

WHAT WE DID

To establish a world class maintenance function, the first step was the development of a centralised organizational structure. To deliver the required uplift in performance, three separate workstreams were identified; maintenance management, contractor management and spare parts management.

Within maintenance management, employees were trained on the core building blocks of the maintenance pyramid i.e. inspection, planning and execution. A maintenance management operating system was devised and installed across the 5 plants. This provided management with the tools, controls and resource scheduling to manage more effectively. A maintenance handbook was designed and developed to provide a reference model of best practice. Roles were clarified and subsequently job descriptions produced. Key performance indicators were installed to drive the desired behavior.

Having conducted a review of all communication and work flows relating to maintenance, a new weekly work plan was developed, with clearly defined processes between production and maintenance. This is to be rolled out across all German plants using a new SAP based tool.

Within contractor management, significant cost savings were made from managing external contractors more effectively, improved planning and increased utilisation of in-house staff. Various frame contracts were also analyzed and renegotiated on better terms with some put out to tender.

Within spare parts management, the work flows were analyzed and potential areas for improvements identified. Now when tenders for spare parts are called, maintenance is automatically included directly in the contract.

WHAT WERE THE SUSTAINABLE RESULTS

The combined impact of the changes has already delivered over €7.6 million in savings. As Project Team Leader Thomas Kolbe said, "We are greatly pleased that the cost savings have already begun to show, especially through efficient use of external service providers." Working practices and behavior have much improved and a more positive mindset is now visible on the job floor.

As Plant Manager Stephan Wehning said, "the pilot phase benefitted everyone because of all that we learned from the critical appraisal of our own processes and procedures together with Proudfoot." Given the success of the pilot phase and the tangible results delivered, the intention now is to roll out the improvement project across all European plants.

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