

# UNPLANNED DOWNTIME

## Did You Know?

**Our Mission: Bring awareness and support to maintenance personnel to reduce downtime and extend the life of their legacy GE equipment**

82% of companies have experienced unplanned downtime over the past three years



Unplanned downtime can cost a company as much as \$260,000 per hour

70% of companies lack complete awareness of when equipment assets are due for maintenance



Estimated cost of downtime to the U.S economy due to power outages exceeds \$150 billion annually

## Cost is High and Rising

In 2016, Aberdeen reported that the average cost of downtime was \$260,000 per hour, and that cost was up 60% from 2014

### Cost Break Down

LOST PRODUCTION

LOST REVENUE

RECOVERY COSTS

INTANGIBLE COSTS

#### Resources:

Bourne, V. (n.d.). After The Fall: Cost, Causes and Consequences of Unplanned Downtime. Retrieved from

<https://lp.servicemax.com/Vanson-Bourne-Whitepaper-Unplanned-Downtime-LP.html>

Grainger Editorial, S. (Ed.). (n.d.). Preventive Maintenance: Understanding the Dollar Value - Grainger Industrial Supply. Retrieved

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Immerman, G. (n.d.). The Impact of Predictive Maintenance on Manufacturing. Retrieved from

<https://www.machinemetrics.com/blog/the-impact-of-predictive-maintenance-on-manufacturing>

The actual cost of downtime in the manufacturing industry. (2018, December 17). Retrieved from

<https://reai.ca/en/2018/12/17/the-actual-cost-of-downtime-in-the-manufacturing-industry/>

Wires, R. N. (2010, August 09). How to prevent costly downtime from power outages at petrochemical plants. Retrieved from

<https://www.reliableplant.com/Read/25998/Power-outages-petrochemical-plants>

Downtime is the single largest source of lost production and when struck with downtime that was not planned, a company could lose millions of dollars in a matter of hours. Unplanned downtime is any unplanned event that causes production to stop for a given amount of time and 82% of companies have experienced this problem over the past three years.

## Causes:

Unplanned downtime costs industrial manufacturers an estimated \$50 billion annually. Equipment failure is the cause of 42% of unplanned down time and other causes include human error and poor maintenance.

## Costs:

Unplanned downtime brings unwanted costs. The total cost breakdown of unplanned downtime includes lost production, lost revenue, recovery cost, and intangible costs.

Machinery malfunction causes decrease in production, in return lower production leads to wasted labor costs. Also, less product means less sales and lost profit.

Unplanned events are followed with recovery costs which include maintenance costs, replacing parts or the machine all together, and extra labor costs for overtime that must be worked to catch up on lost production.

Lastly downtime can cause intangible costs such as a decrease in your company's goodwill. Customers need may not be met in a timely manner and they could take their business elsewhere.

## Solution:

To avoid unplanned downtime, it is important to ensure that you have the mind set of preventative maintenance rather than reactive maintenance. It suggested that you plan routine maintenance checks and have spare parts on hand if a problem arises. Once the machine breaks, it is too late.

Preventative maintenance allows for minimization of downtime, optimization of equipment lifetime, optimization of employee productivity and an increase in revenue in the long run. It is estimated that you would pay 2-5 times more with reactive maintenance than preventative maintenance.

Would you rather pay for an oil change for your car every 3000 miles (preventative maintenance) or buy a whole new engine once it fails due to lack of oil changes (reactive maintenance). The same goes for machinery!

Preventative maintenance includes keeping spare parts on hand in case of an emergency to reduce downtime and get machinery up and running as fast as possible. This is where Parts Super Center can help! We have over 125,000 items on our web shop to aid you in your preventative planning.

## Resources:

Bourne, V. (n.d.). After The Fall: Cost, Causes and Consequences of Unplanned Downtime. Retrieved from <https://lp.servicemax.com/Vanson-Bourne-Whitepaper-Unplanned-Downtime-LP.html>

Engineering, O. (2018, November 15). Reactive Maintenance vs. Proactive Maintenance: You're Paying 2-5X More for Maintenance. Retrieved from <https://www.omega.com/en-us/resources/proactive-maintenance-vs-reactive-maintenance>

How Manufacturers Achieve Top Quartile Performance. (2017, March 06). Retrieved from <https://partners.wsj.com/emerson/unlocking-performance/how-manufacturers-can-achieve-top-quartile-performance/>

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The actual cost of downtime in the manufacturing industry. (2018, December 17). Retrieved from <https://reai.ca/en/2018/12/17/the-actual-cost-of-downtime-in-the-manufacturing-industry/>