

Assessment Tool

3 Steps

**Assess the Impacts of Facilities
Repair and Maintenance on the P&L**

Introduction

Facilities Management exists to keep your stores open and running efficiently, with all the tools you need to serve the customer and produce revenue. Of course, this includes being safe, comfortable, on-brand, and in compliance with all local jurisdictions.

Let's set that aside for a moment. When assessing the contribution of facilities repair and maintenance to your P&L, let's focus on two key areas of impact:

- ① Prevent operational interruption.
- ② Predict and avoid equipment failure.

① Prevent Operational Interruption

The #1 most valuable contribution of the facilities program is:

Avoiding operational interruption.

Whether it's loss of refrigeration, HVAC interruption or a host of other scenarios, the cost isn't just the cost of fixing a problem.

The break-fix cost is a fraction of the actual business impact.

Think about a location with aging rooftop units. As the summertime temperature climbs, a unit fails. The remaining units go into overdrive but can't keep up. Customers leave, staff may or may not stick around, and revenue is lost until the unit is repaired. The brand takes a hit. The total cost of the incident is much larger than the cost of the HVAC service call.

The larger the operational interruption, the more significant the P&L impact to that facility.

IN A HURRY?

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② Predict and Avoid Equipment Failure.

The math is pretty straightforward:

If you have the data.

Hands down, this is the hardest part for most facilities repair and maintenance programs to figure out. It's also the part of the program with the most ROI potential.

The two guiding principles are:

- Don't repair equipment that should be replaced.
- Replace equipment on a schedule, not in an emergency.

Someone is doing repair and maintenance work on each piece of equipment that's important to your business, from HVAC to hot water heaters.

That data, if it's accessible, is exactly what your team needs to manage your equipment repair/replace decisions.

3-Step Assessment

The result of your assessment?

A clear picture of the current impact of Facilities R&M to your P&L.

1 Look at your P&L

The costs of operational interruptions are accounted for on your P&L. Can the operations and facilities team demonstrate that facilities and equipment maintenance processes are preventing operational interruption? Or are we focused primarily on reducing direct break-fix and preventive maintenance costs?

Diagnostics:

- 1. Are the number of monthly/annual operational interruptions, by facility and cause, tracked?**
- 2. Are the indirect costs of facilities-driven operational interruptions being estimated and reported?**

For example:

- Lost revenue
- Impacts to same-store sales over time
- Compliance and life safety
- Staff turnover
- Customer complaints on social media

3-Step Assessment

② Look at your capex plan

In your portfolio, is the facilities program providing a three- to five-year equipment replacement plan? Is that plan based on repair and maintenance cost history and the actual condition of each key item? Or simply the age of the asset?

③ Ask your team

What tools are we using to manage our facilities repair and maintenance program today? Just paper and spreadsheets? If we're using a system, what's it doing for us? Do we know what equipment is working well and which items are failing at an alarming rate? How are we using historical data from our facilities to control future costs and reduce high-cost operational interruptions?

Best practices are available to help you optimize the operational readiness, compliance, and brand experience your facilities team can deliver.

3-Step Assessment

Save 3x the Investment You Make to Optimize Repair and Maintenance.

The right tools change the conversation from firefighting to ROI.

“
We've had
measurable savings
by avoiding many
unnecessary repair calls
and unnecessary
payment for work
under warranty.”

Dan Milojevich

Director of Facilities, El Pollo Loco

Most facilities repair and maintenance programs don't really talk about ROI potential. They talk about costs and budgets. Ever wonder why that is? When facilities and store managers don't have the right data and tools, all they can really talk about is incremental cost savings, anecdotes of their day-to-day details, and which location is screaming the loudest at the moment. The right tools make it easy to:

- Track break/fix and preventive maintenance work, regardless of who's doing it.
- Show the frequency and cost of that work on each piece of equipment that's important to your business. And balance that against your repair costs.
- Dispatch and manage staff technicians. Know exactly what they're doing, without standing there watching them do it, and know that they've got the right parts on the truck.
- Find and manage your service providers just as well as you manage internal facilities staff.
- Pay only for facilities work done well, and pay only correct invoices.

3-Step Assessment

Get More Best Practices from Corrigo

Instead of listening to grand promises from software companies, wouldn't you prefer a thinking partner who understands your business?

Get more case studies and white papers to help you realize 3x your investment when optimizing repair and maintenance.

Or skip to the good stuff: just call us for a custom ROI analysis.

- Decades of Corrigo experience supporting restaurant chains, convenience stores, property management companies, and other owners and managers of real estate across the U.S. and around the world.

Evaluate the contribution Corrigo can make toward your P&L TODAY.

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