Asset-level and supplier-level data empower you to make the best decisions for your brand and your bottom line

PRSM Professional Retail Store Maintenance Association

Challenge

Facilities leaders have proven that sweating the details in two areas -- suppliers and assets -- can produce outsized results, both financially and in improved quality support for your operations partners.

Once your portfolio reaches a certain size, it's impossible to be present on site or on the phone every day with your suppliers to make sure everyone is working as you expect to the standards you want.

In order to ensure that the criteria that you have established in your Service Level Agreement (SLA) for your suppliers is in fact being adhered to, you must have a system in place that can measure their performance.

As well, getting to the data to guide good repair/replace decisions when an individual asset ages or breaks is either difficult to find or is not available. Lack of data about individual assets also makes it very difficult to prepare capital project forecasts. It is entirely too time consuming to visit every location and stand next to the asset and assess its condition. Getting a feel for each store--its demands, profitability, and lease term--will further impact your reinvestment decisions.

To make effective capital/expense projections in your asset planning, across your entire asset portfolio, reliable data has to take the place of your eyes and ears. The same is true for effective day-to-day supplier management. How do you get that data, and how do you use it?

Best practices Implemented

The most effective way to collect and understand your supplier's performance is through the use of a CMMS tool that measures things like on time arrival, length of time on site, and the manager's impression of the quality of work and how it was performed. Use CMMS to measure compliance to the standards that you have in place that are codified in a Service Level Agreement with your supplier base.

Collecting asset condition data at the time of each repair, consolidating that data in a uniform manner, applying other factors such as lease term, book value and overall location profitability to guide you in your decisions and projections. This data can be validated and updated during an annual assessment process.

Here's a key connection between suppliers and assets. If every supplier is capturing and updating asset condition routinely throughout your portfolio, the annual facilities survey can become much less intensive.

By leveraging both suppliers and staff to maintain asset condition data, and keeping the data maintained in CMMS, your capital plan will always be based on data vetted by professionals who have recently seen the asset so better spending decisions are made.

Ensuring that your team and repair suppliers see the asset condition through the same set of eyes is an ongoing challenge as well. For example, does the condition warrant a "poor" rating or a "needs replacement"? Conducting a site survey with your entire team and then coming back together to share the information collected can help everyone align on the "right" answer.

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Results of best practice

Efficiency is easily measured through the data captured in a CMMS tool. You can compare one supplier's performance against another's for the same type of work and determine what your targeted outcome should be. After establishing that target cost number for a task, apply it to your entire portfolio and determine how much money you are leaving on the table and with who. This will lead to conversations with your suppliers who are not performing, to ensure that their SLA is understood, and with your leading suppliers to understand their best practices and reward success. Obviously, changing suppliers is on the table when communication and data do not lead to the desired levels of performance.

Another outcome that is truly low hanging fruit is to compare the suppliers billing hours against how long the system verified them on site.

By having asset data at your fingertips, the capital planning process will go much more quickly.

Verification of efficiency and/or savings captured

R&M costs are driven down by spending capital dollars when needed vs. continuing to repair something that is beyond its' useful life. Further there is a sweet spot in terms of ownership as depicted in the graph below:

X Replace Asset

Useful Life
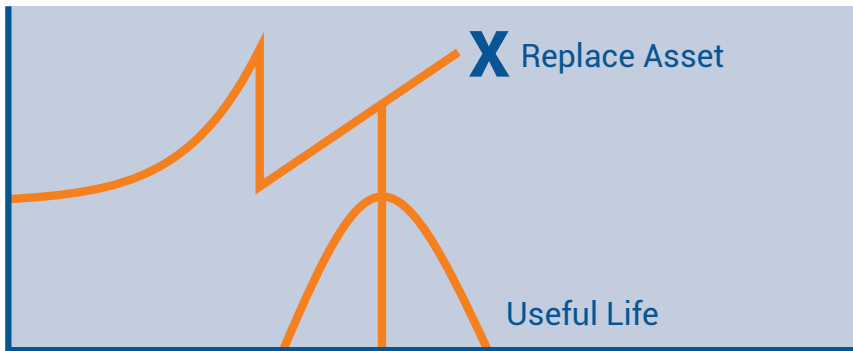
Depreciable Life   5   7   10 Years

You will find many circumstances where suppliers will be on site one hour and 15 minutes and in the bill they have rounded that to two hours. It is a huge opportunity. Pizza Hut and many other companies have repeatedly informed us that just by establishing criteria for rounding on billing the CMMS system will pay for itself. Sometimes several times over.

The hardest part of the exercise is aligning the team and ensuring that data is entered when the condition of the equipment changes. You can ultimately identify gaps in your condition data are creeping in when you see higher repair dollars being spent on older equipment.

Success of this best practice is also measured by the improved accuracy of your capital/expense projections. It is also measured through the results in R&M spend being reduced, perhaps a slight increase in depreciation and capital being allocated to the right stores.

About Corrigo

The world's most successful facilities management companies and facilities management teams choose the Corrigo platform to improve their own results year after year. Corrigo provides a new approach to facilities maintenance that can improve the P&L at every location you manage.

More than just CMMS, the powerful Corrigo Enterprise platform, mobile apps and advanced analytics get paperwork out of the way of your productivity.

Facilities teams trust Corrigo Enterprise to manage vendor relationships, technicians, and assets with equal ease. The platform enables visibility and control over repair and maintenance (R&M) costs, and managing cost against impacts to operations and the brand experience.

Keeping locations open, equipment in service, and the physical environment on-brand, the Corrigo platform delivers operational and P&L improvement for multi-location clients across industries including restaurant, retail, property management, retail petroleum, healthcare, and many others.

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