The Most Productive Tool You Will Ever Use!

MAPCON

# Maintenance Management Software Cost Justification

## What is it?

**The MAPCON® Maintenance System** is a fully functional computerized maintenance management software package that combines work requests, work orders, preventive maintenance, inventory control, maintenance purchasing, service contract management, work planning and scheduling, project management, failure analysis and reporting.

## What are the savings or other justifications for buying the program?

Savings come in the form of (1) increased maintenance productivity, (2) increased uptime, (3) reduced inventory cost and (4) lower material/contractor cost.

### 1. Increased Maintenance Productivity

Studies have shown that an effective CMMS will improve productivity 10 – 20% due to better work planning and scheduling. Using a conservative 60 minutes (12.5%) saved per day for each worker in a six person maintenance crew and a $25/hr labor rate, the annual labor savings would look like this:

$25 x 60 minutes x 6 workers x 250 days/year = $37,500/year.
(Apply your own crew size and labor rates)

***PRODUCTIVITY***
*Increase uptime and improve maintenance efficiency*

### 2. Inventory Savings

Assuming a 10% reduction in inventory, a 10% interest rate and $750,000 inventory, the annual savings would be:

$750,000 x 10% x 10% = $7,500 annual savings.

### 3. Increased Production Capacity

Studies have shown that a 1% improvement in productivity results in 10 times the positive impact that a 1% reduction in cost provides. Nowhere is this more evident that in a production facility that runs 24 hours per day. Using a conservative gain of 24 hours of production per year the impact to the bottom line would be:

$2,583/Hour x 24 hours = $61,992 annual profit increase. (Apply your own "cost-not-to-run" figure.)

### 4. Reduced Material and Contractor Cost

Material savings are realized on the basis of less demand and reduced need for expedited freight. Contractor costs (another form of maintenance labor but purchased like material) are also lowered. Savings calculations are based on actual material and contract costs of $675,000. Studies show savings in this category from 10 to 15%. However, we will use a conservative estimate of 5% savings for this example:

$675,000/year x 5% reduction = $33,750

**1-800-922-4336**
**www.mapcon.com**

The Most Productive Tool You Will Ever Use!

# MAPCON

## Savings Summary:

| | |
|---|---|
| Improved maintenance productivity | $ 37,500 |
| Inventory savings | $ 7,500 |
| Increased production capacity | $ 61,992 |
| Reduced material/contractor cost | $ 33,750 |
| Total savings and cost avoidance | $140,742 |

The MAPCON Maintenance System works for your company to track work orders, contracts, accounting methods and manage your projects. Companies are utilizing this service for its user-friendly, low cost functionality. MAPCON is a mature maintenance management software product with **25 years** of development and is installed across America and in over 20 countries around the world.

## Frequently Asked Questions:

### Will I need to hire additional personnel to run the system?

A person must be identified and held responsible for the day to day system operation and data management prior to the implementation of the system. This may or may not require an immediate increase in headcount. However, if we apply the rule that productivity is improved 10 – 20%, then a 16% productivity improvement is the equivalent of one person in a six person maintenance crew.

### Does Mapcon Technologies offer training?

Mapcon Technologies, Inc. offers both on-site and off-site training. Formal training can be conducted by MTI's experienced professionals at your facility with sessions tailored to the individual needs of administration, maintenance or operating personnel. In addition, employees can attend the Mapcon System Managers Course in Des Moines, Iowa.

### How will the system integrate with our accounting and general ledger system?

The MAPCON system has a full selection of cost reports. Cost information can readily be obtained using these reports or custom made reports as required. Information can then manually be entered in the external system. Cost information can also be exported in Excel format. An automated interface has been developed for the Great Plains accounting software package and is available as an extra cost option. Interfaces to other external systems can also be designed at an extra cost.

### Will the system support barcoding and handheld PDAs?

Yes, the MAPCON system offers optional barcoding and PDA modules called *ScanMaint* and *PocketMaint* that can be purchased separately from MTI.

**1-800-922-4336**
**www.mapcon.com**

©2006 Mapcon Technologies, Inc. All rights reserved.
MAPCON ® is a Registered Trademark of Mapcon Technologies, Inc.