



Pistons, Pumpkins, Skins, Slacks, & Trannies...

Fleet Maintenance White Paper

This white-paper is the first (1) of eight (8) segments of the essential principles of the Preventative Maintenance Process enabling organizational success. The Preventative Maintenance Process is the most widely used fleet maintenance process in the transportation and service sectors.

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<https://www.mcbfleetmanagementconsulting.com/maintenance-essentials-whitepaper/>

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MCB Fleet Management

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The Starter

Does controlling your variable costs keep you up at night or make you cringe at the thought of reviewing your next set of key performance indicators (KPI's) ? The purpose of this white paper is to momentarily seize the mind of the President/CEO and provide them with the tools required to effectively evaluate the preventative maintenance process which is essential in controlling both fixed and variable cost as well as key service indices. In most cases, in this highly competitive industry with paper-thin margins, in the attempt to provide exceptional cost-effective service to its customers, the maintenance team is stuck in a the proverbial tug of war with operations in order to perform timely repairs. The success of the organization is predicated on the monitoring and the advancement of the preventative maintenance process as well as the key safety indices. The cost incurred with a wishy-washy and/or inconsistent Preventative Maintenance Process comes straight off the bottom line and can be depicted only as "sunk" cost. Moreover the expense required to reverse the process amidst this extremely sparse technician climate, the PMI compliance can easily become delinquent placing the organization at undue financial risk to stay afloat in this highly-competitive market. Do you often wonder what the proper "*Preventative Maintenance Process*" should look like for your operational demands? It must be noted at this juncture that low cost & high quality maintenance are **Not** mutually exclusive and a cogent preventative maintenance process will enable you to reach your goals. If you're not totally comfortable with your current fleet maintenance proclivities then please read on, if not thank you for your time and please retain for future use or share with someone who could potentially benefit. The Maintenance Essentials for organizational success are as follows:

Low Cost & High Quality Maintenance are Not Mutually Exclusive

Pistons, Pumpkins, Skins, Slacks, & Trannies...

The procurement of assets that are spec'd properly are as important to the success of the organization as the basic needs of oxygen, water, salt, sugar, minerals, and vitamins are to the human body. If the equipment is not spec'd to the operational needs of the organization cost, service, and utilization will suffer throughout the lifecycle of the asset due to the demands placed on it by the driver, customer, operations or a combination thereof. Just purchasing what the vendor has on-hand or what is being offered at the lowest price will in most cases lead to disastrous results to include increase variable maintenance expense and lower that anticipated asset utilization. The first and most important step that must transpire is

The equipment must be spec'd properly or cost, service, and utilization will suffer throughout the lifecycle if the asset.

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a pragmatic agreement between senior-leadership, operations, safety, and maintenance on the maximum speed based on operational needs, customer requirements, and most importantly safety must be determined. (I'd be remiss if I didn't mention this speed should be at or below 65 miles per hour due to the laws of physics.) The engine, transmission, and differential must then be spec'd to this exact speed and **NOT** some adjustment to the software. If this is accomplished the equipment will operate in the sweet-spot and perform to maximum efficiency which is critical with sensitivity of the after-treatment systems on today's engines. Some of the most common obstacles/ opportunities that will enable the organization to capture maximum ROI on their capital investment are as follows:

Just purchasing what the vendor has on-hand or what is being offered at the lowest price will in most cases lead to disastrous results.

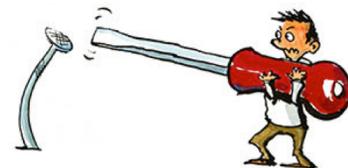
- * Pragmatic agreement between senior-leadership, operations, safety, and maintenance on the maximum speed based on operational needs, customer requirements, and most importantly safety must be determined.
- * **DO NOT** approach a potential supplier until the specifications have been outlined and agreed upon by the team. If not, they will invariably attempt to sell you what they have or what best benefits them rather than what you need.
- * Communicate the basis and rationale behind all capital equipment expenditures. (Any member of the management team who demonstrates poor leadership by communicating anything other than full-agreement should be terminated immediately. (Uses the term "they" made the decision rather than we.) I hate to sound blunt but you can not afford leadership inconsistencies in a industry with paper-thin margins that is a leading not a lagging economic indicator.
- * The same due-diligence in determining the spec should be agreed upon for all rolling-stock assets essential to the success of the operation. Once the spec is set for each asset they should remain fixed unless operational or customer demands change or it is deemed the current spec could be enhanced.
- * Obtain a documented statement from manufacturer stating the engine, transmission, and differential(Pumpkins.), ratios are spec'd to the agreed upon speed. **Again, not an electronic adjustment!**
- * Vendor / Supplier Qualifications - Prior to the use of any vendor it should be determined if they meet criteria in order to fulfill the needs of the organization. The vendor should be required to sign the qualification list. If service problems arise this should be reviewed and determined if they still meet the outlined criteria or if the qualification list should be revised.
- * Develop a business affiliation where the manufacturer proactively rather than reactively informs you of these problems/opportunities.
- * Evaluate your vendor base with an annual spend of 250K or greater should be evaluated quarterly using a Vendor/Supplier Balanced Scorecard.

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- * Telematics - develop total organizational spec and determine what can be provided by the equipment manufacturer and GPS provider. Ensure which provider best fulfills the total requirements of the organization to ensure duplicity services are not procured. (They will attempt to sell you a preponderance of services.)
- * The total cost of ownership methodology must be applied during the selection process not just acquisition cost. A lower total cost of ownership will bring greater inherent value to the organization. Some of the factors in this equation are percentage of proprietary parts and repairs as well as software in order for the technicians to delve into the root cause of problems.
- * Variable asset depreciation - Depreciate the assets based on usage rather than straight-line depreciation. Invariably when new assets are placed into service they will be used excessively beyond the straight-line depreciation formula. This will cause assets to be on the books for X when market & condition value is substantially lower at Y, especially if the asset is improperly spec'd.
- * Don't purchase a Caddy when you only need a Chevy and vice-versa, if you need that Cadillac. then go for it. This thought process must be applied to all aspects of asset procurement process. The challenge from my experience is getting operations to state what they really need rather than what they want. Kinda like your wife needing that 88th. pair of shoes, I'll leave that call up to you.

The engine, transmission and differential must be spec'd exactly to the agreed upon maximum speed.

In short, specing must be right down to the proper tires (Skins), slack-adjusters (Slacks), batteries, alternators etc... You've relinquished the capital investment and you need to move freight or provide services to your customers, not making costly repairs to your newly acquired assets impeding asset utilization. This process will prevent you from having a hodgepodge of assets with a multitude manufacturer specific issues and software quarks that will drive up maintenance cost, breakdowns, create undue stress, and drive a wedge between departments all attempting to satisfy the customers. Moreover, initiating a process of this nature will enable the organization to capture all the current synergies and will set the groundwork for additional operational and cultural advancements. Cohesive teamwork begins at this point. Following these recommendations you will have captured the key initiatives required for the foundation of your fleet maintenance process.



The next section will offer the key steps in required to develop a tire process which will solve many cost, service and morale issues facing the transportation and service sectors.

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MCB Fleet Management Consulting

MCB Consulting was formed after a very successful career of twenty-five (25) years with UPS (United Parcel Service) which included the development and implementation of UPS Fleet Professional Service consulting subsidiary. Through the implementation of cost effective fleet asset and leadership processes, it is our goal to make the global marketplace a safer place to live and do business. We will accomplish this by lowering your operating cost, increasing efficiencies, improving fuel mileage, lowering vehicle emissions, and training your team to sustain these results in order to improve the environment in which we live.



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