

## Maintenance planning for success and profit

*When it comes to allocating budgets and setting rents, you need full details of the property's condition at your fingertips – which is why an up-to-date maintenance plan is essential.*

A maintenance plan is one of the few truly strategic tools available to facility managers.

Many organizations start out full of enthusiasm, with detailed baseline measurements and technical maintenance plans or outsourced contracts. They update some of this information during the second or third year, and then simply lose interest in maintenance planning. The information becomes outdated, and they lose track of their resource requirements and fail to keep contractors in the picture.

Because there are no obvious problems with the building itself, there is seemingly little incentive to update the maintenance plan. And yet without such a plan, there is no budget to deal proactively to clients' needs rather than reacting to problems after they occur, making maintenance a costly, ad-hoc process.

So why do maintenance plans often go out of date so quickly, and how do you stop this from happening?

### **Good planning gives you a competitive advantage**

The purpose of a maintenance plan is to determine how much work is required to maintain a building's value and performance over a period of, say, ten years, and how much this will cost. Depending on your maintenance strategy, you will also need to set specific standards of quality for this work.

Maintenance planning is *not a static process*. It plays an important part in premises policy by giving an overview of the building's condition and the amount being spent on it, and is in turn influenced by changes within the organization. It also allows those responsible for maintenance to respond to increasingly demanding user expectations, rather than simply to replace existing facilities.

In practice, long-term planning is an important component of the property department's annual work cycle, including inspections, budget allocations and related tasks.

An effective maintenance plan is also an essential part of a risk management strategy, since it enables potential hazards to be identified at an early stage, and preventive action to be taken accordingly.

In-house maintenance planning can also be replaced by new forms of outsourcing, such as performance contracts and total facility management. Outside contractors can do just as good a job, if not better, at an affordable price – but if you don't give them the information they need on a regular basis, their maintenance plans may no longer reflect reality, and may involve you in unexpected additional expenditure. It is also easier to negotiate with and

provide guidance to third parties if your maintenance plan is updated on a regular basis.

### **Why do maintenance plans become outdated so quickly?**

There are as many answers to this question as there are organizations, but these are some of the most common reasons.

#### *Reason 1: We'd rather not know how much it costs*

A maintenance plan uses a standard methodology to calculate the cost of ensuring that the building meets users' needs. Sometimes, in the first year, the cost of planned maintenance proves to be so high that the organization immediately switches to ad-hoc, incident-driven maintenance. This is understandable because it costs less in the short term, but there are hidden costs which do not become apparent until later on. Maintenance budgets can fluctuate sharply if management spends money only when things go very wrong, or if other political issues come into play. The bottom line is that maintenance costs money.

#### *Reason 2: Maintenance is not our top priority*

Once a long-term maintenance plan and budget have been drawn up, the pressure is off. There appears to be little point in updating the plan during the first year because so little has changed, and other projects are given priority.

This is an understandable but risky approach. If you treat your maintenance plan as a one-off project rather than something which is regularly updated, planning becomes a static rather than a dynamic process.

#### *Reason 3: Our organization has radically changed direction*

Sometimes, long-term maintenance planning is overlooked because of a major event such as a merger, takeover or change in market conditions. This may lead managers to become short-termist, spending money only on essentials and wholly neglecting long-term maintenance.

#### *Reason 4: Maintenance planning is something you do once a year; you don't have to keep on doing it.*

Many maintenance plans are updated only once a year, making them useless as a management tool. Often, an organization will use a series of advisers, each of whom draws up a plan in a different format, or the technical coordinator will be unable to update the plan themselves. The case study example below shows that well-organized maintenance planning pays dividends.

#### *Reason 5: We outsource everything*

Many organizations use total facility management or outsource their technical maintenance, leaving the planning process to the supplier after carrying out a one-off inventory for the contract. Amendments to the plan to reflect changes of use or alterations are left in limbo, with neither the contractor nor the organization taking responsibility, if this is not managed properly.

*Reason 6: We like getting our hands dirty*

Contractors are often happier working on the building itself than sitting at their PCs, and regard computerized maintenance plans as a theoretical exercise. However, even if they have a clear mental picture of the building, they don't have a complete overview of all the issues involved. If contractors are not encouraged to contribute their know-how to the plan on a frequent basis, the plan loses its value.

**What are the results?**

If any of these reasons strikes a chord with you, then you probably already know what happens next.

A poorly managed maintenance plan soon ceases to have much value, and even if buildings, fixtures and fittings suffer limited wear and tear, information about them is almost worthless three years down the line. This creates a shorter average planning horizon in which maintenance is carried out hastily when problems occur and it is difficult to share work and expenditure or to combine them in any logical way.

While the physical quality of the building declines, users become more demanding with every passing year. There is more likelihood of complaints that the built environment does not measure up to expectations if maintenance is not properly managed, and this can damage the image of the facilities provider.

**The challenge of a well managed maintenance plan**

Managing a maintenance plan effectively is not just about avoiding adverse consequences; it represents a positive challenge. Good management of the first year's planning investment pays for itself in subsequent years.

*Gain no. 1: Process continuity*

The most important gain occurs in the primary process, since it achieves continuity (the key objective of any facility manager) and ensures that maintenance impacts on this process as little as possible, thus playing a major part in achieving the organization's objectives. This gain is seldom visible, and difficult to express in monetary terms, but the cost of failing to ensure continuity even for 1% of the year, or two working days, is easy to calculate. A well-organized, low-maintenance property is good both for the organization's image and for users' perceptions, and allows the facilities organization to provide additional advice on a more strategic level.

*Gain no. 2: A maintenance plan creates room*

The maintenance department also benefits because work can be tailored to the primary process – for example carrying out school maintenance during the summer vacation – and to available capacity both in the department and in the market as a whole. Spreading large-scale maintenance over several years also makes it easier to budget for, smoothing out premises costs and benefiting the image of the property department. An effective maintenance plan creates additional scope for planning and budgeting.

### *Gain no. 3: Preservation of long-term value*

Another less obvious but equally important goal pursued by property managers is to preserve the value of owned property. As every homeowner knows, timely maintenance increases the value of the home and thus the amount of money available to invest in a new one. Good management in which maintenance planning is based on the organization's objectives and the needs of individual departments maximises the scope for investment.

### **And finally...**

An effective maintenance plan allows managers to go beyond simply maintaining the building, and to adapt it to changes within the organization, making it a better place in which to work and placing an increased focus on energy use and sustainability.

Perhaps the contractors who construct and fit out the building in the first place should be responsible for drawing up an initial long-term maintenance plan in the form of a 'user's manual'. If you're going to invest that much money in a building, surely you shouldn't have to wait until the guarantee runs out to start thinking about maintenance.

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## **Case study**

The estates directorate of the district council in the Dutch town of Breda (population: 171,000), carries out maintenance, management and construction of council-owned property. In 2002, the council set up a long-term condition-based maintenance plan for its portfolio, which has a gross area of 5,520,000 square feet.

The plan is used as the basis for the council's annual maintenance budgets, averaging 8 million dollars a year between 2003 and 2007, and for the maintenance work itself. It is also an important tool in setting estates policy and supporting maintenance activities.

In setting up the plan, the council deliberately adopted a policy of centralised maintenance. It employs inspectors who use condition-dependent methodology to draw up annual plans, and a senior inspector/information manager responsible for the quality of the maintenance plan, which is monitored using the Planon building management system. When alterations and reinspections take place, he liaises between the inspectors and the maintenance coordinator, and also monitors the quality of the data. This structure ensures that Breda district council is ahead of other authorities in terms of access to property information.

The council regards transparent, targeted maintenance as the key component of a well-managed maintenance plan, ensuring that taxpayers' money is spent effectively. The directorate makes an important contribution to Breda's image as a clean, safe town with good transportation links.

*Streamer: "A well-organized, low-maintenance property makes a positive contribution to the image of the organization"*

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