

# HOW TO USE EQUIPMENT MANAGEMENT TO IMPROVE MARGINS

The cyclical nature of the construction industry makes maintaining margins a constant challenge. In lean times like today's, margins are reduced as more companies bid for fewer jobs. The rising costs of capital and materials, along with the shortage of skilled operators, also cut potential profits.

This pressure can be combatted by exercising effective equipment management. Equipment management makes a considerable contribution to reduce costs, boost efficiency and substantially improve your bottom line.

## WHAT IS EQUIPMENT MANAGEMENT?

Regardless of the number of machines you run, the equipment management equation is pretty simple – it boils down to monitoring and utilising your equipment in a manner which ensures that it delivers the maximum amount of work at the lowest possible cost.

It actually sounds quite, easy, but achieving such an objective requires focusing on several key factors:

- **MACHINE PERFORMANCE** – Well-maintained machine systems work to the best of their capabilities, delivering more work at lower operating costs.
- **MACHINE HEALTH** – A healthy machine spends less time in the repair shop and delivers more reliable performance when you need it, without unpleasant surprises.
- **PLANNED MAINTENANCE AND REPAIRS** – Adhering to a recommended maintenance programme helps you to identify and fix small problems before major failures occur, reducing unscheduled downtime and disrupted production.
- **SAFETY AND SECURITY** – Equipment which is managed properly carries less risk of being involved in accidents, and careful machine location and usage tracking ensures that machines aren't stolen or used without authorisation.

Traditionally, equipment management data has been collected with checklists, spreadsheets and human memory – all of which can be tedious, expensive, prone to errors and frequently acted upon slowly. Now, however, there's a far better way to get the facts you need to manage your equipment for maximum value.

## TECHNOLOGY MAKES IT SIMPLE

The technology incorporated in today's construction equipment makes it easy to gather accurate, up-to-the-minute information regarding the equipment: where it is, how well it's working, when it's due for service, if there's something wrong with a machine system and if it's being misused somehow.

Precisely this information can be transmitted right to you via VisionLink® on the web or mobile as electronic equipment data. You need not send someone to collect it. Moreover, you need not spend precious time crunching numbers because advanced VisionLink software automatically carries out most of the analysis.

In the end, you are provided with useful information which enables you to make decisions faster: decisions based on facts, not guesswork. Decisions which can help you to improve your business.

## EQUIPMENT MANAGEMENT BENEFITS

The benefits of equipment management help your company to achieve four important business objectives:

- **CONTROL COSTS** – If you can see what your real costs are, you can take steps to reduce them. Monitoring technologies can help by:

- Precisely identifying problems
- Setting priorities and streamlining tasks
- Providing data which helps you to manage direct expenses such as labour, fuel, maintenance and repairs better
- Offering reporting functions where you can find and eliminate excess idle time to reduce your total fuel costs

Accurate cost tracking can also provide you the basis for analysing repair and maintenance and determining the optimum time for major overhauls or replacements.

- **IMPROVE OPERATIONS** – If you know the exact status of your machines and when they're due for maintenance, you can make better, more informed operational decisions. Equipment management helps you:

- Improve efficiencies by monitoring productive work time, machine utilisation, logistics, equipment wear and tear and the responsiveness of your team
- Determine when to bring a machine in for service or preventive maintenance
- Decide how you should move your fleet around between jobs so your equipment is in the right place at the right time and whether you might be able to take a machine off a job and still meet your deadline

- **MANAGE PEOPLE** – Any equipment management programme has to take the knowledge and habits of the people most aware of the needs of the machine – the operators – into account. As the first line of defence for your equipment, operators need to be fully aware of how their actions impact your fleet.

Information from Cat® Product Link™ can:

- Inform you how your operators are working and if they are operating your equipment responsibly
- Show the frequency of operator events, so you know when additional training is a good idea
- Help you manage other groups within your organisation and to see more clearly how to allocate service personnel, for example, so that they remain busy without becoming overworked

Attention to training and company culture can also yield measurable results in how well your people take care of all your business assets and how motivated they are to help your company establish long-term success.

## EQUIPMENT MANAGEMENT BENEFITS (CONT.)

- **REDUCE RISK** — The National Insurance Crime Bureau reports that the construction industry loses more than \$1 billion annually from equipment and tool theft, a figure which grows by approximately 20% each year. And the National Equipment Register notes that only about 10% of these stolen assets are ever recovered.

Theft is just one of the risks that equipment management technology helps you avoid. Cat technologies also help reduce your risk by:

- Helping you maintain maximum fleet availability for fast response to unexpected delays such as weather
- Keeping equipment in proper working condition so that accidents and injuries are reduced
- Replacing machines at the most advantageous time for your business
- Helping you to comply with regulations

## CAT® EM SERVICES

Cat EM Services (Equipment Management Services) shows you how easy it is to make the latest technologies work for your business. Moreover, EM Services offers specialised advice and targeted services which will help keep your business a step ahead of most of your competition. **BUILT FOR IT.**

Visit [www.cat.com/EMServices-en-gb](http://www.cat.com/EMServices-en-gb) or contact your Cat dealer to learn how EM Services can help you to gain more value from your equipment on every job, every day.

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EQUIPMENT  
MANAGEMENT



PRODUCTIVITY



SAFETY



SUSTAINABILITY

CAT® EM SERVICES