

# By the Numbers: The Importance of Data-Driven Decision-Making



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## **About MPulse Maintenance Software**

At MPulse, we believe that maintenance software should make your life easier and your organization more productive. We provide equipment and facilities maintenance solutions with scheduling, tracking, and reporting tools you can depend on.

From small maintenance shops in public schools and commercial laundries to large maintenance departments in global enterprises like IKEA and Caterpillar, we've become a trusted maintenance management partner. MPulse Maintenance Software gives you the control you need to get things done and the accuracy you demand to report your results confidently.

For over 16 years, MPulse has been an industry leader in maintenance management software. Founded in 1995 as a division of SpecTech, Inc., MPulse is led by a group of veteran high tech and software experts with deep experience in the maintenance world.

With our easy-to-use EAM/CMMS software, MPulse customers reduce maintenance expenses, minimize downtime, extend equipment life, and boost productivity throughout their organizations. With MPulse, your maintenance department truly becomes a profit center.

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## By the Numbers: The Importance of Data-Driven Decision-Making

written by: Maria Breaux, with Steve Brous



### Getting “Experitive” with the Maintenance Maven

“Maintenance Maven” Steve Brous provided some strong advice in his blog post, *Good Data & Bad Decisions: Winging it in the Maintenance Department*:

*In business as in life, using anything other than complete, accurate data to make decisions can be both dangerous and costly.*

Steve’s point is important to re-iterate. He coined a term around it—*experitive*. A combination of “experiential” and “intuitive,” it describes a form of decision-making that relies on instinct instead of data. In reality, it often means working with *no data*.

As Steve mentions in his post, this kind of decision-making is less than optimal. Sometimes it gets you the results you’re looking for. However, without consistently good data, a business can’t make consistently good decisions. And without the ability to make sound decisions, a business can’t produce consistently good results.

Ultimately, only data-driven decisions can drive the results necessary for your business to thrive and grow. Consider the following example.

## A Man Walks into a Bar...

...or rather, an employee, Dave, walks into the cold storage area of Sam's Saloon, and he thinks, "I can save the bar some money by upgrading the old store room refrigeration condenser." Based on the energy rating of the system's compressor, it's supposed to keep the storage area cooled for about \$400 per month. Dave knows the condenser's getting old, though, very likely leaking, and probably not living up to its original performance potential. How can he make the case to Sam that the bar's wasting money unnecessarily, so he can buy a new condenser? If the purchase is approved, how will he prove to Sam that the investment's paying off?



Dave could take two routes to prove his point:

**The experientive route:** Dave tells Sam, "I can save you lots of money," but doesn't say exactly how much. The new condenser (hopefully) gets approved and purchased, and through observation, Dave proclaims, "Seems better to me!" Might sound crazy, but this is often how maintenance decisions are made—usually because people don't think they can measure results, or don't understand how.

**The data-driven route:** Dave installs a meter to monitor and measure energy consumption by the system. He discovers it's actually costing \$600 a month—\$200 more than it should. He can now clearly back up his claim with numbers and get his



purchase request approved. With a new condenser installed and energy usage back to what it should be, Dave is generating \$200 per month in savings. That'll pay for the new \$1,000 condenser in five months, and add \$200 to Sam's bottom line every month thereafter. But the benefits don't end there. Dave can continue to monitor usage from now on. If it climbs back above \$400, he can quickly fix the problem and avoid future waste.

Having hard numbers not only helps you run your business, it allows you to measure (and use) a whole host of key performance indicators. It provides you the ability to say, for example, "We were 12,000 kilowatt-

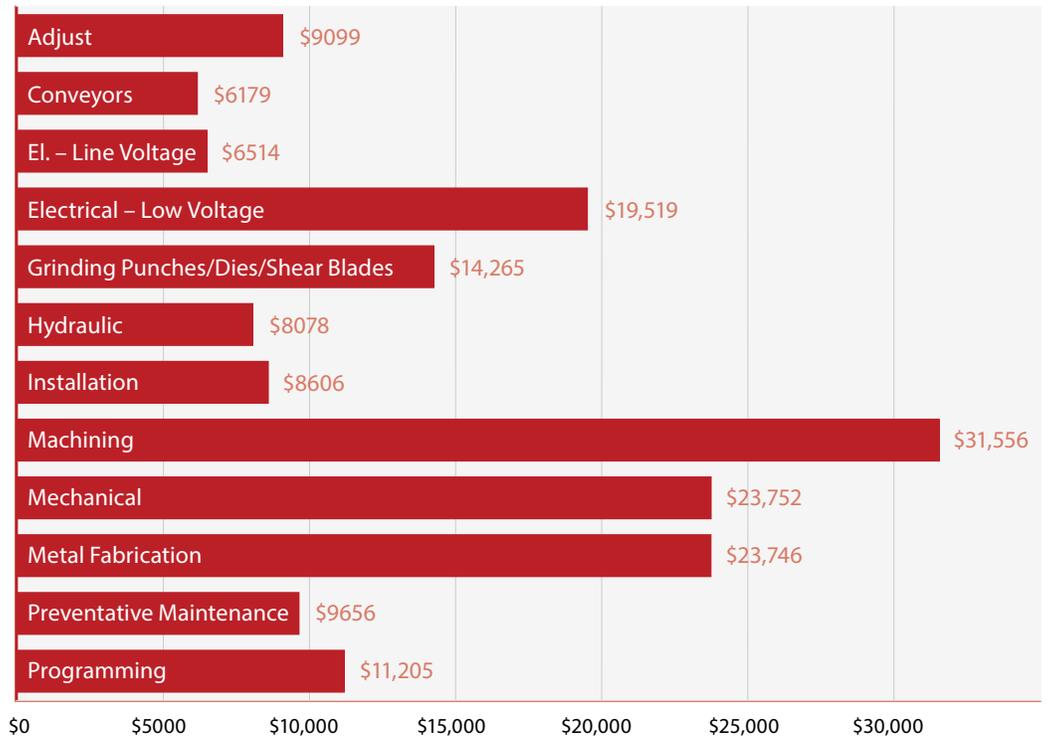
hours over our mean monthly energy consumption" instead of "Boy, looks like we used lots of energy this month." With solid metrics, you can accurately assess the cost-effectiveness of any new equipment installations or facilities improvements.

### Easy (and Accurate) as One, Two, Three

Sam's Saloon provides a simplified example, but the power of good data increases exponentially if you're using a CMMS. A modern CMMS solution will allow you to collect and report on data across your entire asset inventory, providing numerous measures to help you make better decisions and answer business-critical questions. And many contemporary CMMS solutions allow you to connect to meters and gauges directly, eliminating the need for meter readings and manual data entry.

Even simple measures from work order records can provide powerful data. Consider another example. You might wonder, "How much am I spending on maintenance for each of my work order types?" The following graph answers this question.





This type of report can be easily generated from a CMMS. At a glance, you'll know exactly how much money each work order type is costing your business in maintenance for a specified timeframe (in the example provided, a year), and certain questions can be quickly answered.

- **What type of maintenance do I spend the most on?**
- **How does the cost of preventive maintenance compare to repair costs?**
- **If I run this report for a different time period, like last year, are there significant changes by category?**

Beyond general questions, you can formulate precise questions that'll lead to a more informed decision-making process.

- **Why are my machining maintenance costs so high?**
- **What new equipment needs to be purchased, if any?**
- **How much will the new equipment cost compared to the current maintenance expense?**
- **Will I save money over time by purchasing new equipment? How much?**

A CMMS gives you accurate, complete data, and this data can be applied directly to purchasing or other important organizational decisions.

## Moving Beyond Experitive

“Experitive” decisions can work, but they aren’t the best route to take for certain improvement. Don’t rely on intuiting the right answers for your critical business decisions. Begin to ask yourself whether it’s possible to support your decisions with numbers. Then identify opportunities where these numbers can inform your decision-making process. Finally, consider implementing a modern CMMS to help you gather complete and accurate data. You’ll quickly see the results in the most important place of all—your bottom line.

**To learn more about data-driven maintenance and some of the powerful, affordable tools that make it easy, contact MPulse Software today for a free demo at (800) 944-1796.**



### About the Maintenance Maven

Steve Brous, aka The Maintenance Maven, co-founded MPulse Software in 1995, following a 10-year stint with software developer SmartCAM. Steve served as Managing Director of the company’s European office, and helped to catapult the firm from 5–100 employees. Prior to SmartCAM, Steve enjoyed a 16-year career as an educator and administrator in industrial education.

A hands-on leader, he’s chalked up “wrench time” as an auto-mechanic, heavy-equipment mechanic, millwright, welder, and engine machinist. Steve’s industrial know-how and expertise in software development, sales management, and leadership make him one of the most qualified executives in the industry.

Check out Steve’s informative and entertaining blog at [www.maintenancemaven.com](http://www.maintenancemaven.com).

### About the Author

Maria Breaux is a technical writer, copyeditor, and content creator serving multiple industries, including biotech, IT, and entertainment. She’s based in San Francisco, California.

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