



Preventative maintenance for profitability

Another great article from *The Rooms Chronicle*, the #1 journal for hotel rooms management! ***Important notice: This article is copyrighted by *The Rooms Chronicle* and may not be reproduced without permission of the publisher.*** College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036. Phone: 866-Read TRC. E-mail: editor@roomschronicle.com

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Lodging managers are responsible for ensuring a successful, smoothly running property. Guests and their satisfaction are obviously a top priority and there are a number of recent resources and articles that address how to ensure existing guests become repeat customers. Unfortunately, this current focus on customer service and marketing programs overshadows the back-of-the-house operations which can ultimately determine if a property is profitable or not.

The term preventative maintenance (PM) may be explained as essentially performing work to avoid a negative future consequence. It is generally accepted that taking proactive care of equipment will ensure, if not extend, the equipment's useful life while avoiding excess costs due to downtime, labor, parts, and energy usage.

It is therefore important for a hotel or resort, with assets that can be worth millions, to spend an appropriate amount of resources on the care and maintenance of those assets. Yet, the difficulty for lodging managers lies with identifying and presenting the cost/benefit relationship to property owners or senior management in a way that will justify expenditures on something that *might* happen soon or even several years down the road.

This article will briefly highlight the main cost factors of PM and PM's importance in guest satisfaction, and illustrate that a piece of equipment's useful life may be enough to justify implementing a PM program for an asset type.

Costs

The major lodging assets are inclusive of heating, ventilation and air conditioning systems, electrical distribution, kitchen facilities and all public areas and guestrooms. The cost package of ineffective preventative maintenance includes:

- Reduction in useful life of assets as a result of additional equipment damage
- Additional vendor costs for parts and labor to repair equipment
- Employee overtime costs incurred to troubleshoot and repair equipment
- Decreased guest satisfaction due to nonfunctional equipment

It must be noted that unique to lodging is the "soft" cost of guest satisfaction. To fully justify PM one usually would take all four of these factors into account for each asset class.

Consider this ...

"A slipping gear could let your M203 grenade launcher fire when you least expect it. That would make you quite unpopular in what's left of your unit." — August 1993, *PS Magazine*

This quote from *PS Magazine*, published by the U.S. Army, summarizes the importance of preventative maintenance in the military. In fact, throughout history, the U.S. military has long believed in establishing extremely proactive maintenance processes. However, using this quote on the general manager will probably not get the chief engineer too far in pleading his case for the importance of PM expenditures.

Pictured below: The "bathtub" curve which graphically displays the typical life-cycle of equipment.



