Ten Pitfalls To Avoid When Selecting A CMMS/EAM (Part 2)

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This is part two of a two-part piece. Part one can be found here *[1].*

Mistake #6 – You are focused solely on how the CMMS/EAM will satisfy your current needs.

Many companies make the mistake of selecting a CMMS/EAM that addresses the short-term needs of primarily the maintenance department. This is not the best approach given the number and degree of changes that most companies go through over a relatively short period of time. CMMS/EAM requirements should cover a minimum of three years out, and span requirements of departments other than maintenance, including operations, engineering, purchasing, finance, IT and other stakeholder groups. There should be specifications that ensure flexibility to make changes to the software as needs of each stakeholder group changes.

One of the key criteria to look for in a CMMS/EAM that ensures flexibility is configurability, which is ranked #7 out of 21 on the *Plant Services* survey (see Exhibit 1). The CMMS/EAM should allow quick and easy configuration at any point in time, to meet the specific needs of any given user among a diverse and ever-changing pool of stakeholders over the longer term. Other features discussed above that support flexibility include a workflow engine for quickly redefining key maintenance processes, and configurable KPIs for easily changing priority measures for analysis and reporting.

Mistake #7 – You tend to focus on how the CMMS/EAM benefits your location, instead of what benefits the organization overall.

One common mistake that occurs when large, multi-site companies select a CMMS/EAM system(s) is that either corporate resources do not adequately consider the needs of individual sites, or individual sites select software without regard for the needs of the total enterprise. The key is to select a CMMS/EAM package that can accommodate the needs of each plant, as well as the organization overall.

For example, if multiple sites have common suppliers of spare parts, the corporate purchasing department might be able to obtain national accounts and significant discounts for all sites. However, some parts may be cheaper and more accessible to procure locally. In other cases, plants within close proximity of each other may be willing to reduce their inventory on hand if they were given read-only visibility into the inventory levels of the other sites, and a means of tracking parts transferred between them. The CMMS/EAM system should accommodate all combinations that

might encourage enterprise-wide thinking.

It is interesting to note that although Exhibit 1 shows “multi-site” was ranked #20 out of 21 criteria in terms of relative importance, Exhibit 2 shows “multi-site” was ranked 4th in terms of how well their current CMMS/EAM package performs. As most survey respondents were from individual sites, it comes as no surprise that they ranked “multi-site” so low in importance. However, this speaks to the critical need to involve stakeholders from both individual sites and corporate, to select software that best accommodates enterprise thinking. In turn, this will maximize benefits for the company overall.

Similarly, Exhibit 1 shows “strategic asset management” was ranked #16 out of 21 criteria. This low importance ranking is perhaps explained in the same way as above, i.e., individual plant personnel attach less importance to enterprise thinking. However, it is extremely limiting for a multi-site organization to ignore the huge benefits associated with enterprise thinking, both to the individual sites and the company overall. Strategic asset-management functionality implies the CMMS/EAM can handle the diverse needs of all levels in your company, from corporate to the shop-floor, along the entire asset life cycle (i.e., design, procurement, installation, maintenance, disposal), and for any asset class (i.e., plant equipment, facilities, fleet, infrastructure or linear assets, and IT). This can translate into millions of dollars in savings for a large, multinational corporation.

Mistake #8 – You think implementing a single vendor ERP/EAM solution translates into the most “fully integrated” solution.

There is a common misconception that a single ERP software solution that has a CMMS/EAM module is superior to best-of-breed CMMS/EAM software that is integrated to the corporate ERP package. This may be the case if there are many best-of-breed CMMS/EAM software packages that must be integrated and supported, however, if the corporation selects a single, best-fit, enterprisewide, best-of-breed CMMS/EAM system that integrates well with the corporate ERP suite, you are likely to enjoy the best of both worlds.

The key is to select a best-of-breed CMMS/EAM software package that has strong “open systems” functionality. Exhibit 1 shows “open systems” was ranked #9 of 21 criteria in terms of importance. However, Exhibit 2 shows “open systems” was ranked third worst in terms of how well their current CMMS/EAM package performs. This shows the importance of finding a CMMS/EAM vendor that can demonstrate open systems capability – the ability to integrate seamlessly with many other vendors’ software applications and add-ons – to provide greater value and flexibility when configuring your CMMS/EAM to fit your needs.

Effective decision-making may require access to information and processes outside of the core

CMMS/EAM functionality, such as:

- aligning maintenance and production schedules,
- integrating labor data entry for both asset history and payroll purposes,
- integrating with applications specific to mobile devices,
- handling chargebacks for third-party billing and
- accounting properly for large capital projects involving maintenance.

Some companies have discovered that certain best-of-breed CMMS/EAM software packages are easier to integrate than the suite solutions because they are more open and flexible. After all, by definition, best-of-breed CMMS/EAM vendors have always had to integrate with corporate and other systems.

Mistake #9 – You think it is always better to own and control your hardware, software and support services.

When purchasing a CMMS/EAM system, do not make the mistake of assuming the most economical approach is to buy the software outright and run it on your own premises. One of the latest alternatives that might be more cost-effective and/or preferable from a cash-flow perspective is called “SaaS” or “Software as a Service.” Although there are many variations on the theme, SaaS provides you with the flexibility to pay a monthly subscription rate, per named user, that covers hosting, training, consulting and other start-up costs.

One caveat if you’re thinking about SaaS: Make sure you know who is providing the service. Some CMMS/EAM vendors offer this only through third-party relationships that might not be viable in the long term. This is a risk, especially with mission-critical data.

Although Exhibit 1 shows “payment cash flow flexibility” ranked least important out of 21 criteria, this is probably because survey respondents were from technical areas such as maintenance, engineering, and operations, as opposed to finance. Regardless, a typical mistake in selecting a CMMS/EAM system is ignoring other payment and deployment options that might lower the total cost of ownership (TCO).

Another factor affecting TCO that is equally misunderstood by most technical users is the importance of a web-architected solution. As seen in Exhibit 1, “web-architected solution” ranked #19 of 21 criteria in terms of importance. As above, this is most likely because respondents are from technical areas within the plant, as opposed to IT. It is for this reason that stakeholders from IT and Finance should be part of the selection committee to ensure options are evaluated in terms of total cost of ownership, including:

- licenses,
- implementation,
- training,
- upgrades,

- ongoing maintenance and support and
- hardware.

Web-architected solutions tend to lower these costs and facilitate ongoing system enhancements.

Mistake #10 – You celebrate the day the CMMS/EAM system goes live.

When would you consider the CMMS/EAM system successfully implemented? Most companies would argue that the system is implemented after a successful go-live, when it is up and running with minimal interruptions, and the system has stabilized. However, this is flawed in that the basis for selecting and implementing a CMMS/EAM system was presumably to realize benefits, not simply install a system.

Success must be defined in terms of performance measures and targets, and the CMMS/EAM system can then be used to track progress in achieving them. This is not well understood by most companies, as shown in Exhibit 1 where “benefits realization” is ranked only 8th of 21 criteria in terms of importance.

In conclusion, I would argue that the most important criterion in the selection of a CMMS/EAM vendor and its software solution is the ability to facilitate achievement of target benefits. All other criteria discussed in this article must then align and support benefits realization. Your CMMS/EAM vendor is an important partner in ensuring success in the long term.

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