

# THE SPARK

## Sourcing and Procurement Flash Report

JANUARY 2021



FACILITIES

### *Preventative Maintenance in the COVID-19 era: 'If it ain't broke, it will be.'*



In today's business environment, few companies have extra money in their budgets to spend on anything other than necessities. When sales are down, it's common for companies to seek internal cost savings. In the facilities world, that can include scrutinizing the need for any form of preventative maintenance (PM). The temptation to cut costs around PM for a quick profitability boost can be too great for any business to resist when times are tough. Among the many reasons businesses put PM programs on hold, in our experience, there are three primary justifications leaders offer:

1. The location is temporarily closed
2. Sales are down, the business can no longer afford it
3. Less foot traffic equals less wear-and-tear on assets

These are valid considerations, but the real problems arise when your business is ready to resume full occupancy again. When that time comes, you need to be ready. The worst thing for a business resuming normal operations would be to have assets fail or look uncleaned, resulting in either costly repairs, potential lost sales, and damage to your brand's reputation among consumers. If PM services were reduced due to COVID-19, it's almost unavoidable that any business will have more repair and maintenance costs for the coming year.

**In other words, if it ain't broke, it will be. And your budget needs to be prepared to fix it.**

Rather than budgeting for increased repair spend, some businesses that opted to reduce PM services show no urgency to start them up again in the near future. And so their PM budget has been cut for 2021. While this seems prudent given the uncertainty of our current reality, it may be ruinously short-sighted. A study conducted by Jones Lang LaSalle determined that for certain assets, a repair model with zero PM service can increase repair frequency by 20% while even a PM program below industry benchmarks can increase some assets' life expectancy by 10% versus a plan with no PM service.

That doesn't mean you have reason to panic if your business did not perform PM service this past year. Whatever you do, just make sure you understand that there remains a need for PM services whether you budgeted for them or not. Make sure you sit down and make informed decisions about what assets need what kind of attention so that you can be ready when the world returns to normal. The alternative of simply turning the entire program back on at some point needlessly risks the efficacy, agility, and reputation of your business. At a time when the world around us seems to be breaking down, there's a certain wisdom in repairing what we can.



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**We want to hear about your business challenges.**

Contact [thespark@logicsource.com](mailto:thespark@logicsource.com) to start the conversation.

