



Getting Back to Basics Through Benchmarking and KPI Analysis

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Many companies today use the terms Benchmark and Key Performance Indicator (KPI) interchangeably; however, they are not the same. Many companies often mistake “Best Practice Benchmarks” as an end goal that if reached, means their business process is satisfactory or even excellent. In reality, once a company identifies an opportunity for improvement, they must then set initial targets for advancement through proper benchmarking. Then more specific performance indicators can be developed for charting the course between the present level of performance (as-is) and the desired benchmark level (to-be).

As progress is made, the performance indicators track such improvement. Once the benchmark is realized, the continuous improvement process dictates that such benchmarks and subsequent performance indicators should be revisited. This is done through an internal audit conducted around the entire process and the progress made in attaining the initial benchmark level. Once completed, the performance indicators are changed and/or modified to track the progress toward meeting and exceeding a new benchmark goal.

Is there a particular benchmark area that interests you as a manager? Then why not discuss it with others in your company to see if it has merit as an improvement goal? If the consensus is positive, begin the benchmarking process by conducting an internal analysis to see how your company is actually performing in the identified area including, if possible, comparisons to market leaders in the area(s) you are measuring. If an opportunity for improvement exists a benchmarking project can and should be launched.

Benchmarking – KPI Success

When it comes to maintenance and reliability, the use of a Benchmark or KPI should not be a new “fad” or “program of the month” but rather a method for getting back to the basics of responsible equipment and process improvement designed to achieve sustained levels of world-class performance. An analysis to examine how an organization is performing in this area starts with the organization and its equipment, then addresses the basics of work order planning and scheduling, and moves on through the total organization focusing on improvement efforts and plant equipment reliability.





The two fundamental components for success with maintenance and reliability are the people and the plant equipment. If proper input flows are provided to the production process, all properly designed equipment will produce at optimum levels of performance if the skilled and knowledgeable people are working together effectively and focused on equipment improvement. To achieve this level of success, five key elements must be core to any improvement program:

1. Improving overall equipment effectiveness
2. Improving maintenance efficiency and effectiveness
3. Training for all employees involved
4. Involving operators in the daily maintenance and upkeep of the equipment
5. Early equipment management and maintenance prevention design

When these five key elements are the focus of improvement, companies experience increasingly better equipment availability, rates of performance, and rates of product quality. They also benefit from improved safety and environmental performance and timely product deliveries to their customers.

In advanced companies, what makes these five elements so powerful is that everyone in the plant is focusing on a specific KPI: overall equipment effectiveness (O.E.E.), which in turn improves overall process effectiveness. When all benchmarking and KPI improvements are focused on improving O.E.E., the measurable improvement will be seen in:

- Equipment reliability
- Production throughput
- Controlled expenses

At Vesta, we believe in the essentials of good, sound equipment care and upkeep. The basics of preventive maintenance, proper spare parts management, documenting equipment work and changes, planning maintenance, and tracking performance are so fundamental to equipment reliability that we often wonder why many companies rate them as low priority. Without these basics in place, no matter how hard people try, the equipment and processes will never achieve world-class levels of performance, by either performance or financial measures.

Our Benchmarking and KPI Analysis reviews the current state of the maintenance organization and compares it to our proprietary "Best Practices" and KPI database. We will then apply our proven methodologies to deliver a comprehensive plan that includes specific KPI's to track and quantify the recommended improvement initiatives.

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