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ABB survey reveals unplanned downtime costs R724 000 per hour

* **Global survey commissioned by ABB underscores the close relationship between uptime and reliability**
* **It emphasises the importance of effective maintenance strategies and service partnerships**
* **88% percent of respondents are interested in how outcome-based maintenance agreements can boost business success**

According to the new ‘Value of Reliability’ survey from ABB, 72% of industrial businesses experience unplanned outages at least once a month, compared to 68% globally. This costs the typical South African business close to R724 000 per hour, compared to R2 350 000 globally. Despite this, 18% of South African businesses surveyed still rely on run-to-fail maintenance.

The survey, conducted by Sapio Research in July 2023, gathered responses from 3 215 plant maintenance decision-makers globally across the energy generation, plastics and rubber, oil and gas, wind, chemicals, rail, utilities, marine, food and beverage, water and wastewater, and metals sectors. It is part of a report that provides insights into how businesses currently manage maintenance and how they can reduce unplanned downtime.

The findings demonstrate the importance of equipment reliability and maintenance. Globally, 92% reported that maintenance has increased their uptime in the last year, with 38% reporting an improvement of at least a quarter. Also, three-quarters of respondents said that reliability positively impacts their business reputation and financial performance, and helps them meet contractual obligations, prevent waste and secure repeat business. Reliability was rated by respondents as the top priority when purchasing new equipment.

Looking forward, 60% plan to increase their investment in reliability and maintenance in the next three years, with a third planning to boost spend by more than 10%. Nine in ten respondents expressed interest in outcome-based maintenance agreements. Under these, operators pay service partners based on achieved outcomes, such as increased uptime or energy efficiency. This results in efficient and effective service delivery with predictable cashflow.

Speaking about the results of the survey, Kenneth Naicker, Motion Services Manager, ABB South Africa, said: “There’s no typical length for an outage but consider one that lasts a working day of eight hours – based on the median hourly rate, it would cost a business one million dollars. With this in mind, industrial businesses should aim to progress from a high-risk run-to-fail maintenance approach to a long-term outcome-based strategy. This will improve reliability, business reputation, competitivity, cut costs, and provide peace of mind – empowering businesses to focus on their core competence.”

This new, outcome-based model to maintenance will help industrial businesses meet incoming emissions targets and regulations as the world fights against climate change. In addition, it will help overcome the industry skills gap as experienced technicians reach retirement age.

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