How a Major Oil & Gas Company

Reduced Maintenance Annual Labor Costs on Mainline Units $228k

Challenges:

Reduce Annual Maintenance Labor by 8778 Hours

Nexus Global was engaged by the client to conduct an on-site strategy review of the Planned Maintenance activities for the client's mainline units. The client recognized that the existing PM strategy was in need of review and were looking for a robust and cost effective method of improving it's existing strategy.

The main requirement of the review was to maximize the equipment uptime and minimize the maintenance costs for the mainline units without negatively impacting the reliability or safety of the equipment. There were 33 identical mainline units, so the new strategy and any maintenance cost reductions would be applied to all. The following challenges needed to be met in order for the review to be successful

- The same failure modes were being addressed by more than one maintenance activity resulting in duplication of effort
- Many maintenance activities were being performed too frequently (overservicing)
- Work units operating in isolation without visibility of each others maintenance related activities

nexus global

Solution:

Strategy Optimizer Was Used to Review and Optimize the Existing Maintenance Strategy

The existing maintenance strategy was reviewed over a five day period. Non-value adding and duplicate tasks (tasks addressing the same failure mode) were removed. Many maintenance activities were being performed too frequently, and we were able to safely increase the interval. Other tasks were added to address failure modes not yet identified. The new maintenance strategy was rolled out to all 33 units.

- 20% of tasks were removed from the maintenance program as they were not adding value or were duplicated tasks
- Interval increased on 25% of tasks
- 3% tasks added to capture failures that were not currently addressed

Results:

Maintenance Cost Savings and Improved Labor Utilization

Reduction in maintenance labor on mainline units of 8778 hrs p.a. ($228k p.a. savings) enables the company to divert resources away from non-value adding maintenance activities and towards improvement/value added activities.

$228k	**20%**	**25%**	**43%**	**8778 HOURS**
Annual Cost Savings Increase	Tasks Removed (non-value adding)	Task Intervals Extended	Improved Resource Utilization	Increased Equipment Availability

Strategy Management

Zero tolerance for unexpected failures.

Think of your assets as the value delivery engine of your business. The most important function of these assets should be to operate as engineered for their intended design life so the business can generate a greater return on capital employed (ROCE). The goal should be to strategically manage your assets for optimum returns regardless of uncontrollable external factors like macroeconomic conditions, monetary policy, or fiscal policy.

+1.919.488.0068
info@nexusglobal.com