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ESTIMATING POTENTIAL LABOR SAVING

1. Time wasted by personnel looking for equipment parts (average)

No inventory system	(=15-25%)	
Manual inventory system	(=10-20%)	
Work order (WO) system and inventory system	(=5-15%)	
Computerized inventory and WO system	(=0-5%)	-----

2. Time spend looking for information about a work order

Manual WO system	(=5-15%)	
No WO system	(=10-20%)	-----

3. Time wasted by starting "wrong priority" work orders

Manual WO system	(=0-5%)	
No WO system	(5-10%)	-----

4. Time wasted waiting for equipment (still on production)
To be ready to be worked on

Manual WO system	(=0-5%)	
No WO system	(=10-15%)	-----

5. Total of all percentage of wasted time (#1+#2+#3+#4) -----

6. Total number of craft workers -----

7. Multiply this figure (line#6) by 2080 (normal hours worked by Employee for a year) -----

8. Multiply the percentage total (line#5) by the total number of hours

- For all craft workers(line#7) -----
9. Enter the average labor rate including benefits (burden rate)
For a craft worker. -----
10. Multiply the potential saving in hours by the average labor rate
(#8x#9) -----
11. Multiply the figure on line 10 by the percentage from the table
Below that best describes your facility.
- | | |
|---|-----------------|
| No WO or inventory system | (=75-100%) |
| Manual WO system | (=50-75%) |
| Manual WO and inventory system | (=30-50%) |
| Computerized inventory and manual WO system | (=25-40%) ----- |
12. TOTAL POENTIAL SAVING (#10 x #11) -----

This will represent the potential saving from Labor Productivity

This is only the Labor saving still need to do the Material Saving, downtime saving, major project and overhaul savings, and total saving maintenance evaluation.