

Equipment management is both critical and cumbersome – without an appropriate partner. When lab personnel need outside help, either for specialized expertise or extra resource capacity, the three most common equipment management strategies are:

- **No contract (time & materials basis):** Equipment managers procure technician support on an as-needed basis for break/fix support and manage the post-service administrative tasks.
- **Traditional service contracts:** Usually the original equipment manufacturer (OEM)'s warranty or a limited-scope service contract by a third-party Independent Service Organization (ISO).
- **Equipment Maintenance Management Programs (EMMP):** This full-service program includes both corrective maintenance and preventative maintenance and provides administrative efficiencies while costing less than traditional service contracts.

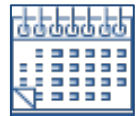
What are the advantages and opportunity costs of each strategy? And which strategy is best for your needs? Consider these topics and their associated datasets when deciding how best to equip your mission-critical operations.

## Equipment Age and Lifecycle

In a 2020 survey of equipment managers, the leading causes of unscheduled equipment downtime were:

1. Aging equipment (34%)
2. Mechanical failure (20%)
3. Operator error (8%)
4. Lack of time for maintenance (9%)

*(Plant Engineering, 2020)*



Sourcing parts and service for aging equipment can be a challenge, both financially and administratively. Extending the economic life of an asset (the period when the equipment still offers value) past its suggested service life (the age at which the manufacturer suggests replacing the item with a newer model) saves significant time and money. If you'd like to postpone replacing your functional equipment with new assets, you'll need a network of multiple qualified independent service providers who can prolong the useful life of your equipment beyond the period of manufacturer coverage.

Access to multiple vendor options can help you reduce your downtime and overall cost through data-driven vendor management: selecting the highest-rated provider with the quickest response time for your need. Some EMMPs provide a digital inventory of your equipment and related performance, which can help you make decisions about workload, preventative maintenance schedules, and total cost of equipment ownership. This kind of data allows you to budget and replace assets at the optimal time.

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## Administration and Staffing

Managing separate equipment service contracts through multiple manufacturers and service providers can quickly become a full-time job. Consider your unique business needs and staffing model with questions like these:



- How many hours per month can your staff devote to sourcing repair vendors, monitoring their performance, processing service reports and invoices, and negotiating contract renewals?
- What special payment terms do you need for annual contract administration?
- Is it important to easily add or remove equipment from contracts as your funding changes?
- Would an online inventory management system help you manage your asset portfolio and equipment performance?

Selecting your best equipment management strategy requires a strong understanding of your human capital and their opportunity costs. Can you dedicate staff to managing end-to-end service events, or do your team members already hold multiple roles and responsibilities? Do you have capacity for non-value-added clerical tasks, or are you looking for ways to free your staff to focus on mission-critical work? If you currently have equipment on multiple service contracts, [request a free quote](#) to consolidate those contracts into a single agreement and calculate the time savings for your team. Use this data to decide which strategy optimizes your effort and expense.

## Budget and Total Cost of Maintenance

In addition to equipment life extension and administrative flexibility for funding changes, total cost is a key factor when selecting an equipment maintenance strategy.



Do you need to forecast your total equipment maintenance cost for a fiscal period, or can you absorb wide variation and unpredictability in costs? In an analysis of traditional contracts and time & materials invoices collected in 2022, Remi found that labor and travel rates increased 25%, parts increased 5-10%, and traditional service contract rates increased by 10-45%. During this same period of high volatility, clients on EMMP contracts were shielded from the full effects of inflation, receiving only small annual contract adjustments or no increase at all – depending on the equipment covered.

What national benchmarks do you use to evaluate your contract terms and pricing? Do you have dedicated staff to research and onboard local service vendors on a time & materials basis, or can you afford to pay a premium for manufacturer technicians to travel long distances to you? An EMMP offers a third alternative: equipment portfolio management with a dedicated vendor solutions team curating a network of qualified providers with competitive pricing and high customer ratings. Businesses using this data-driven approach to equipment service with Remi saved an average of 20% off their traditional contracts and gave the Remi service dispatch team a rating of 4.79 (out of 5) across over 70,000 service events in 2022.

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## Equipment Management Considerations by Partner Strategy

Now that you've considered equipment maintenance components that matter most to you and your operational goals, let's see which equipment management strategies best align with your needs.

Repair and Service Components	No Contract / Time & Materials	Traditional Contracts from OEM or ISO	Equipment Maintenance Management (EMMP)
New equipment coverage by original manufacturer	No	YES	No
Corrective maintenance and repairs by qualified technicians	YES	YES	YES
Fixed contract cost includes preventative maintenance and calibrations	No	YES	YES
Parts, technician travel and taxes included in price	No	YES	YES
Maintenance done to OEM specifications	YES	YES	YES
Use of parts meeting OEM specifications	YES	YES	YES
Single, consolidated contract and renewal date for all covered equipment	No	No	YES
Fixed annual maintenance contract expense	No	YES	YES
Unified online asset inventory for multiple equipment types & manufacturers (included)	No	No	YES
One phone number/online portal for all equipment service requests	No	No	YES
Average 20% savings vs traditional service contracts guaranteed over contract duration	No	No	YES
Service available beyond equipment's traditional end of service life to extend asset economic life	YES	No	YES
Vendor-neutral network of service providers for client's choice	YES	No	YES
Vendor-neutral parts marketplace for competitive pricing	YES	No	YES
Option to "roll-on" equipment to existing contract	No	No	YES
Option to cancel equipment coverage with no penalty	YES	No	YES

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## Downloadable Checklist

Equipping your mission-critical operations is a team sport. Now it's time to involve your team in this conversation and collect additional data to drive your equipment management strategy. Remi has provided the [FREE TO FOCUS Checklist](#) to help you continue this conversation in your organization.



Use this framework in combination with your department's goals and budget to assess your equipment portfolio investment, including:

- **Investing your funding:** Are you optimizing your expenses relative to your needs and re-investing the savings into your operational priorities?
- **Investing your resources:** Could you free your staff to focus on strategic work versus administrative tasks?
- **Protecting your equipment investment:** Do you have the best level of service support at the lowest total cost of ownership for the longest equipment life? How do you know?

## Ready to get started?

If you'd like to compare your current equipment service contracts to benchmarked national pricing, Remi can help.



Remi's EMMP offers superior, data-driven service management based on over 90 million data points over two decades of equipment maintenance management. Managing risk across healthcare, higher education, public health, and commercial industries allows Remi to provide more accurate – and more affordable – contract pricing. As a PartsSource company, Remi provides access to over 5,000 qualified service providers and over 4 million parts and products to maintain your mission-critical operations.

Contact [Remi](#) ([info@theremigroup.com](mailto:info@theremigroup.com)) for a free contract review to see how much time and money you could save while managing your portfolio of critical equipment.

## [About Remi](#)

Remi is a leading provider of Equipment Maintenance Management Programs (EMMPs) for healthcare, higher education, government and commercial organizations nationwide. Our EMMP solution reduces a client's cost of maintaining equipment while delivering improved equipment performance, reduced equipment downtime, and enhanced customer satisfaction.

Since 1998, our mission has been to empower our customers to outperform, by providing cost effective and innovative equipment care solutions delivered with passionate and dedicated service.