

# HOW YOU CAN USE EQUIPMENT MANAGEMENT TO IMPROVE MARGINS

The cyclical nature of the construction industry makes maintaining margins a constant challenge. In lean times like today, margins are squeezed as more companies bid for fewer jobs. The rising costs of capital and materials, along with the shortage of skilled operators, also chip away at potential profits.

One way to combat these pressures is through effective equipment management. Equipment management can do a lot to reduce costs, boost efficiency and substantially improve your bottom line.



## WHAT IS EQUIPMENT MANAGEMENT?

Regardless of the number of machines you run, the equipment management equation is pretty simple—it boils down to monitoring and using your equipment to ensure that it delivers the maximum amount of work for the lowest possible cost.

It sounds simple, anyway, but achieving that goal requires focusing on several key factors:

- **MACHINE PERFORMANCE** — Well-maintained machine systems work to the best of their capabilities, delivering more work at lower operating costs.
- **MACHINE HEALTH** — A healthy machine spends less time in the shop and delivers more reliable performance, when you need it, without surprises.
- **PLANNED MAINTENANCE AND REPAIRS** — Adhering to a recommended maintenance program helps you identify and fix small problems before major failures occur, reducing unscheduled downtime and disrupted production.
- **SAFETY AND SECURITY** — Equipment that's well managed has less risk of being involved in accidents, and carefully tracking machine locations and usage ensures that machines aren't stolen or used without authorization.

Traditionally, equipment management data has been collected with checklists, spreadsheets and human memory—all of which can be tedious, expensive, error-prone and slow to get acted upon. But now, there's a better way to get the facts you need to manage your equipment for maximum value.

## TECHNOLOGY MAKES IT SIMPLE

Technologies built into today's construction equipment make it easy to gather accurate, up-to-the minute information about your equipment. Where it is. How well it's working. When it's due for service. If there's something wrong with a machine system. If it's being misused somehow.

And that information, in the form of electronic equipment data, can be transmitted right to you via VisionLink®, web or mobile. You don't need to have someone go get it. And you don't have to spend precious time crunching numbers because a lot of the analysis is done automatically by advanced VisionLink software.

In the end, what you get is useful information that lets you make decisions faster. Decisions based on facts, not guesswork. Decisions that can help you improve your business.

## EQUIPMENT MANAGEMENT BENEFITS

The benefits of equipment management help your company achieve four important business objectives:

- **CONTROL COSTS** — When you can see what your real costs are, you can take steps to bring them down. Monitoring technologies can help by:
  - Precisely identifying problems
  - Prioritizing and streamlining tasks
  - Providing data that helps you better manage direct expenses such as labor, fuel, maintenance and repairs
  - Offering reporting functions, where you can find and eliminate excess idle time to reduce your total fuel costs

Accurate cost tracking can also give you the foundation for analyzing repair and maintenance and determining the optimum time for major overhauls or replacements.

- **IMPROVE OPERATIONS** — When you know exactly where your machines are and when they're due for maintenance, you can make better, more informed operational decisions. Equipment management helps you:

- Improve efficiencies by monitoring productive work time, machine utilization, logistics, equipment wear and tear, and the responsiveness of your team
- Determine when to bring a machine in for service or preventive maintenance
- Decide how you should move your fleet around between jobs so your equipment is in the right place at the right time, and whether you might be able to take a machine off a job and still meet your deadline

- **MANAGE PEOPLE** — Any equipment management program has to take into account the knowledge and habits of the people most aware of the needs of the machine—the operators. As the first line of defense for your equipment, operators need to be fully aware of how their actions impact your fleet.

Information from Cat® Product Link™ can:

- Tell you how your operators are working and if they are operating your equipment responsibly
- Show the frequency of operator events, so you know when additional training is a good idea
- Help you manage other groups within your organization and more easily see how to allocate service personnel, for example, so they stay busy without becoming overtasked

Attention to training and company culture can also yield measurable results in how well your people take care of all your business assets and how motivated they are to help your company build long-term success.

## EQUIPMENT MANAGEMENT BENEFITS (CONT.)

- **REDUCE RISK** — The National Insurance Crime Bureau reports that the construction industry loses more than \$1 billion annually from equipment and tool theft, a figure that grows by approximately 20% each year. And the National Equipment Register notes that only about 10% of those stolen assets are ever recovered.

Theft is just one of the risks that equipment management technology helps you avoid. Cat technologies also help reduce your risk by:

- Helping you maintain maximum fleet availability for fast response to unexpected delays such as weather
- Keeping equipment in proper working condition so that accidents and injuries are reduced
- Replacing machines at the most advantageous time for your business
- Helping you comply with regulations

## CAT® EMSOLUTIONS

Cat **EMSolutions** (Equipment Management Solutions) can show you how easy it is to put the latest technologies to work for your business. Plus, **EMSolutions** offers specialized advice and targeted services that will help keep your business a step ahead of most of your competition.

Visit [www.cat.com/EMSolutions](http://www.cat.com/EMSolutions) or contact your Cat dealer to learn how **EMSolutions** can help you get more value from your equipment on every job, every day.

[www.cat.com/EMSolutions](http://www.cat.com/EMSolutions)



EQUIPMENT  
MANAGEMENT



PRODUCTIVITY



SAFETY



SUSTAINABILITY

CAT CONNECT | EMSOLUTIONS

**BUILT FOR IT.™**

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