

PLAN, PERFORM, PINPOINT

Evaluating your equipment's performance and utilization is vital to maximizing ROI



By MICHAEL WAGNER, CSP

From the time we identify that a certain piece of equipment can be purchased to boost production, generate revenue or improve efficiencies, a focus must be placed on its utilization, costs and operator feedback. As equipment procurement and operations experts, you must understand how to effectively spec, train, analyze and purpose assets. Here's a road map of best practices for all snow equipment specialists.

CHECKPOINT #1

Converse, Spec and Build

Whether you're purchasing equipment for the first time or cycling out highly utilized equipment, it's important to identify what type of equipment you need to get the job done. This involves getting input from operators and winter maintenance specialists. Be sure your company can answer the following questions:

- What type of snow or ice do we need to clear or remove from the site (heavy, light, ice, how thick, etc.)?
- Do you have skilled operators to use the equipment properly?
- How much training will be involved?
- Are you able to use the equipment for multiple purposes?
- What are the anticipated lifecycle costs and utilization?
- What safety features does the equipment have?

After you answer these questions and you've built a short list of potential options, sit down with the decision makers and choose the best equipment for the job. Once you've decided on the specific piece of equipment you need, discuss the estimated delivery time, service and warranty support, and final pricing with the supplier prior to placing your order. In the meantime, it is beneficial to start planning your implementation process prior to the arrival of the equipment.

CHECKPOINT #2

Train and Implement

You should have your implementation strategy in place prior to taking delivery. How you decide to use it will influence your training program because you will need to make sure you train operators on the equipment, including its operation, safety features, PPE required during use and limitations. You want your operators to use the equipment properly for it and them to be most effective and productive.

Once you've completed your training, discuss how you plan to implement the equipment in your new or existing processes, as well as consider site-specific requirements or standards you must adhere to in order to align your client, contract and company requirements and expectations.

CHECKPOINT #3

Perform and Utilize

Now, let's move some snow! At this stage you're going to be putting your plan into action, and it's time to utilize the equipment as much as possible. You should already have the following equipment utilization processes determined and be able to use them on the sites:

- Where will the equipment be used?
- What are the site requirements for snow and ice thresholds?
- Which operators will be using the equipment?
- Where will the equipment be stored?
- If the equipment will be moved from one site to another, who is responsible for transporting it and how many hours prior to the snow event will it be moved?

Once you're moving snow with the equipment and have an opportunity to track its usage during storms, make sure you have a way to document how many hours or miles the equipment was used on site for a given event, as well as an avenue to solicit comments and performance feedback from operators.

CHECKPOINT #4

Analytics and Feedback

Don't get so granular with your utilization and operator feedback that you're constantly trying to develop new solutions for concerns or underutilized equipment. Document the required information, but if you run into operator concerns or notice underutilization of the equipment, it's best to work with the field staff to understand their perspective.

A best practice in this area is to review your equipment usage and comments once a month to make short-term decisions. If you notice you've had five moderate snow events and have just 5-10 total hours of utilization on the equipment, it might be best to revisit your implementation plan and determine if there's another site where this equipment might be more useful. Mark it on your calendar, don't forget it, and make it one of the most important aspects of your snow removal program. Although the end of snow season varies by market, you have a general idea of when the average last snowfall occurs.

While it's important to make small adjustments to your equipment usage and implementation plan during the season to focus on short-term planning and goals, at the end of the snow season you have an opportunity to focus more on long-term goals and planning. This means evaluating the utilization records, performance and operator feedback related to that equipment in their entirety.

Conduct a post-snow season evaluation meeting. Allow ample time to cover the pros and cons of the equipment with all key individuals, as well as the successes, challenges and financials throughout the season. Involve these individuals or teams to gather the greatest amount of feedback: Operations managers, equipment operators, salespeople, workforce, and equipment or procurement managers.

Although you've been tracking comments and feedback throughout the season, you'll get even more insight at season's end. Once people have time to reflect on previous events, there's an opportunity for a more thorough cognitive analysis of what happened and why, as well as potential solutions.

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You can see how important it is to develop a way to track all usage and feedback throughout the snow season since this information is what you'll use to make decisions about the equipment's ROI.

The best way to track this information is to create a very basic spreadsheet. You need four columns to gather the necessary information, including (1) equipment asset number, (2) date of use, (3) hours or miles used, (4) feedback and comments. While you can always expand your spreadsheet to add details such as the location of use, operator name, snow totals or specific obstacles, etc., I would suggest starting small if this is a new process, and working toward more depth as a long-term goal.

THE FINISH LINE

Purpose or Repurpose

This is where you'll focus on your utilization data as well as your return on investment. Chances are you've spent a fair amount of money on the equipment you purchased, and you need to determine the most viable solution to get a financial return and profit on it.

Begin by identifying your utilization numbers. If the equipment is solely dedicated to snow removal operations, are you utilizing it 60-80% of the time when performing snow removal operations? You always want to reach higher percentages since this is how you'll get a greater return on your investment. It's not often you see equipment that's utilized near the 100% mark, but always strive to increase your utilization each season. If you notice numbers below 50%, evaluate if you can use the equipment on a different site.

If you're underutilizing equipment to the point that you're not recouping the money you've spent through generated revenues, this is a detrimental cost to the company and a tremendous decrease in your ROI. If you don't completely understand the data behind the decisions, partner with a specialist to help you make an informed decision. You don't want your equipment to cost you money with a lack of



ASSET TRACKING

At minimum, you should be tracking the following for each piece of equipment in use during the snow season: Dates of use, hours or miles used, location of use, operator, snowfall totals and any feedback from operators on performance.

revenue; you must ensure your revenues are great enough to cover the costs of operating the equipment, as well as generating a profit.

Make sure you look at these numbers and if you need to repurpose equipment to meet ROI goals and operation objectives, restart the process at checkpoints #2 and #3. You'll want to make sure you're developing a new implementation plan in the off-season as well as training individuals on the equipment, whether it be a refresher for experienced operators or a complete training for new operators.

Following this you need to begin performing operations with the equipment and tracking progress just as you did the prior season. It's vital to be involved in this process and keep an open line of communication so that you can make the most informed decisions that will create the most positive impact to your snow operations. **SB***

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