

CASE STUDY



Undermanaged Contracts



THE CHALLENGE

Undermanaged maintenance contracts can result in increased costs and lack of information. Unfortunately, a billion-dollar FI with 32 branch locations encountered this scenario firsthand.

The FI had no central location for maintenance contracts or an accurate equipment inventory. Maintenance costs were included in many budget line items, leaving the FI unaware of aggregate maintenance costs. Some equipment items were included on multiple maintenance contracts (M/C). Additionally, branch personnel and corporate operations were unable to answer internal questions on maintenance related issues.

A recent acquisition of eight branches in seven months added new equipment to the equation, and an additional merger was in the works. It was imperative that a solution be reached quickly in order to foster a seamless transition.



THE SOLUTION

First, we assessed the current service provider's technical capabilities and geographical limitations and negotiated discounts on hourly labor and parts.

Equips provided separate agreements for each merging entity. Post-merger, we created a single agreement and pro-rated equipment pricing.

We simplified the entire process via our central equipment management platform, Equips.com. Equipment inventory management – including the ability to add and remove items through acquisitions and mergers - is easily accomplished through Equips.com. The FI also experienced lower equipment maintenance costs and improved related efficiencies.



THE RESULT

Equips delivered direct and measurable cost savings of 20%+ compared to the FI's M/C coverage. This savings resulted in lowering the FI's operating costs and eliminating more than \$11,000 in redundant M/C costs.

Equipment was inventoried by location, increasing the accuracy of their records, and a single service dispatch for all equipment and service providers was put in place.

