

## CASE STORY



### Facts about API PRO at Milko Östersund

Milko is Sweden's largest Swedish owned dairy association and Sweden's 5th largest producer within the food industry. Milko has about 1,300 members and 950 employees. The association has a turnover of almost 3 billion Swedish kroner. At the moment the maintenance management system at Milko Östersund handles in round figures:

- 26,000 work orders
- 17,000 purchase orders
- 11,000 maintenance objects
- 7,700 spare parts
- 450 suppliers

The benefits of an effective maintenance management system are beyond discussion; faster treatment of work orders, better control of investments and overall more efficient maintenance procedures.

But how do these benefits present themselves in economic terms? In fact hard figures prove effective maintenance management systems to reduce costs and thereby to be a profitable investment.

### Complex Maintenance Management

Milko is the largest Swedish dairy cooperative. In the heart of Milkoland, which covers a large area in central Sweden, you find Milko Östersund - one of Milko's five dairies.

As many other companies in the food industry Milko was confronted with increasing demands for documentation concerning the maintenance of production equipment and in the beginning of the 90'ies they started scanning the market for maintenance management systems. In 1994 the first maintenance management system API2 was implemented.

Lennart Faxbrink, who is responsible for the stock, remembers the implementation of the API2 system: "It was our first IT-based maintenance system. Before that we had to do everything

manually. Today I think it would be almost impossible to handle the complexity of the maintenance management without help from the system. At least it would be extremely resource demanding."

### Reliable System

Although more than 10 years have passed since the system was put into operation it has been running continuously ever since. The system, however, has been upgraded with new versions during this period; the most extensive one being the implementation of API PRO in 1996.

"When the decision to go for API PRO was taken, we managed to copy all the old data into the new system in only four days", says Lennart Faxbrink and continues:

### Facts about API PRO

API Maintenance Systems A/S is the head office of the API group and responsible for the development, sales, implementation and support of the API maintenance management system throughout the world. The software is used by many leading companies worldwide in a variety of industries and organizations to maintain high-value capital assets such as plants, facilities and equipment.

"This was quite an improvement compared with the implementation of API2 where we had to feed the computer with data manually. But once the data was in the system, upgrades have been carried out easily and the system has run smoothly. The system is easy to use and maintain. We use it to the limit with all its basic modules and we have even bought some additional modules."



### Saving EUR 100,000 per Year

In order to assess the cost of ownership of the API PRO system, there has been a thorough control of costs and savings from the start. Up till now the investment in the maintenance management system has generated total savings of about EUR 100,000 per year. The figures are probably even higher if soft values like more efficient stock handling, better documentation, follow-up, statistics and more flexible preventive maintenance were given value. Lennart Faxbrink puts it this way:

"I am a technician and in my daily work I don't think much about the financial figures behind the API PRO system. My ambition is to keep the maintenance work at the highest possible standards and API PRO is a tool that makes my job so much easier. But I am not blind to the fact that an investment such as a maintenance management system has to produce value for money and when I can point out a saving in my department of EUR 100,000 that gives some credit with the CFO".

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