

# A Perspective on Contemporary Lift Maintenance

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The lift industry is led day to day by the glamour and focus on new installations. The images of gleaming buildings and the excitement of new technologies such as Machine Room Less Lifts, Destination Hall Call control systems and Double Deck lifts have captured industry headlines and employee interest. However the industry survives primarily upon the income it derives from its maintenance and repair activities. This work is the industry's "bread & butter" supporting as it does all the fixed costs of most lift companies' operations and under-pinning their value.

At Lerch Bates we have watched with some dismay during the past twenty years as the value placed on good maintenance by clients and the prices charged by the industry have dwindled year after year.

There have been many economic forces at play here, these include:

- a) New solid state equipment requiring little or no maintenance
- b) Reduction in moving parts requiring lubrication e.g. sealed for life bearings
- c) Servicing and maintenance of lifts has become commoditised with facilities managers, property managers having bulked up all their equipment to tender for the lowest price

In response, many organisations have attempted to differentiate themselves by emphasising their service quality and customer focus, others have adopted a market share strategy in order to gain economies of scale. Regardless of the response the fact remains that prices are still under pressure, especially in the current economic climate. What is apparent as a result of this pricing is that the industry, typically, is now seeking to find a way to charge the client for every visit made and every repair undertaken regardless of the terms and conditions of the contract in place. This often places them in conflict with their client.

Running contrary to these price pressures is the shortage of qualified and experienced staff, cost increases in relation to fuel, insurance and many other costs. The continued downward pressure on prices is, in practical terms, unsustainable. The result is that planned visits are often cut back in favour of "firefighting" breakdowns etc with the result that the client often gets the worst of all worlds in that fewer visits and less time spent on site will result in the perceived value of the service by the client being further eroded. Thus, the vicious downward price spiral, has every chance of continuing to drive "pricing" even further south.

Efficiency improvements with the introduction of Shared Help, usage based maintenance regimes and technology driven routing have enabled margins to be protected only to some degree.

Random attempts to increase contract prices without a clear connection to improved value is likely to be rejected by the market, therefore any changes in price structures will need to be supported by quantitative and qualitative improvements in service. But what does this mean?

What counts as an improvement? The answers may vary, but common themes exist and can be summarised, perhaps, by the following points:

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- Maintenance regimes that meet the requirements of the equipment under contract
- Visit schedules that meet the clients requirements for equipment availability
- Reliable callout response meeting clients (realistic) expectations
- “Time to Fix” timescales that meet client (realistic) expectations
- Timely compliance and clearing and confirming clearance of LOLER safety defects
- Clear audit trail confirming actual works undertaken on site
- Risk assessments and method statements that reflect site specific equipment and conditions
- Open and timely communication

Many would say that this list is obvious and is exactly what is offered within their current maintenance offerings. The question is whether it is delivered to the satisfaction of the client and can be demonstrated accordingly. Without proof of delivery, the marketing efforts of any organisation will fail and the sales literature will sound hollow.

The industry has, for whatever reasons, had a poor reputation, particularly in relation to the delivery of maintenance and callout services and for its communication with customers generally. This will need to be addressed in the process of selling additional value.

Part of the problem is doubtless the lack of understanding, on the clients part, of the costs associated with delivering the service. Fielding appropriate resources to meet response times, reduce breakdowns to a minimum and provide sufficient maintenance activity to ensure anticipated life expectancy, is a labour intensive commitment. Combine this with the cost of parts, to what can be specialised and expensive equipment, means that covering ageing units under comprehensive contracts comes with considerable financial risk.

If nothing else the current economic climate has shown that endless growth and ever expanding profits are not sustainable if true value is not being added to the client's equipment.

Reversing the current downward spiral in maintenance contract prices is challenging and not going to happen overnight but addressing some of the perceived shortcomings highlighted in this article might well be a start in the right direction. At Lerch Bates we intend to continue to assist the industry in promoting the value of good lift maintenance with building owners and managers. □