



Why work with an SKF Authorized Distributor?

What is the SKF Documented Solutions Program?

The SKF Documented Solutions Program uses powerful software to show you how much SKF products, services and knowledge help you reduce your total costs. The software calculates Return on Investment (ROI) to justify your investment in a particular SKF solution.



How can you trust the forecasted savings? Because your SKF Authorized Distributor will help you plug your numbers into the Documented Solutions software – for materials, labour, downtime, energy costs, inventory, lubrication, replacement costs and up to 248 other variables that may affect your business.

You'll see actual, bottom-line results of solutions implemented in your industry and others, and learn what facilities with challenges similar to your own have achieved.

Two words: more profit!

As a recent survey conducted by *Purchasing* magazine reveals, 73% of industrial purchasing managers are now pursuing a “partnering” strategy with their suppliers, 43% have adopted “lean manufacturing practices” and 31% have embraced “technology” as a way to streamline internal processes.

These numbers indicate that plants are recognizing the need to buy on a “total cost of ownership” (TCO) purchasing approach – one that considers the costs of a product over its entire lifecycle. More important, the numbers suggest that more plants are looking to their suppliers for the technical expertise and advice to deliver on the TCO promise. The *Purchasing* survey also shows that when making strategic purchasing decisions, managers rank TCO twice as important as unit price, as price is only part of the story.

That's exactly what SKF and an SKF Authorized Distributor can bring to your operation. Rather than just taking and delivering orders, an SKF Authorized Distributor has the training and the time to uncover your unique challenges and goals as well as improvement opportunities.



Drawing on a century of SKF application experience in virtually every major industry, your SKF Authorized Distributor can help you discover opportunities for reducing overall operating costs throughout your plant. Ultimately, this can help make you more profitable.

And the SKF Documented Solutions Program can prove it

Using the SKF Documented Solutions Program, SKF and your SKF Authorized Distributor can actually show you the effects of a given SKF solution before it's implemented. Combining powerful software and over 100 years of “best practices” experience SKF has accumulated in virtually every industry, the SKF Documented Solutions Program can confirm the viability of any SKF product or service, and actually quantify its bottom-line results, based on your numbers.



Industry reports like the 2008 PURCHASING magazine survey and the 2007 Strategic Account Management Association study reveal that plant managers are recognizing the importance of a TCO purchasing approach.

For more information about SKF products or to have an SKF expert walk you through the Documented Solutions Program, contact your SKF representative.



Increase the return on your maintenance investment with SKF

The whole idea behind the SKF Documented Solutions Program is to help you get more out of your plant machinery and equipment investment. This may mean lowering your maintenance and operating costs, raising your productivity, or both! Here's an example of how the SKF Documented Solutions Program proves the value of using SKF products, services and knowledge.

The real value of working with SKF and an SKF Authorized Distributor



Consider the following scenario. Your facility's annual maintenance budget is \$6 million in mechanical parts and repairs. The average lifecycle of your machines is three years, your annual unplanned downtime costs are \$2 million.

Currently, you're working with an SKF Authorized Distributor and spending approximately \$400,000 on bearings, seals, and other SKF supplies. A distributor for a competing bearing manufacturer approaches you with a tempting offer: we'll sell you the "similar" products for 35% less, or approximately \$260,000.

It sounds like you could save \$140,000, so you ask your SKF Authorized Distributor to run the numbers in the Documented Solutions software. Based on what you agree are safe assumptions – that the quality of the "similar" bearings will not match SKF's, nor will the new distributor's level of service and depth of knowledge – the question becomes: what is the maximum machine life reduction that can occur before the switch will end up costing you a lot more?

According to the DSP software, a mere 6.3 days, or a 0.58% drop in average asset life. Suddenly that 35% "price" savings doesn't sound like such a great savings after all, and you realize that it will probably never reach your company's bottom line. If by chance you're already running with the lesser bearing brand, talk to your SKF Authorized Distributor and make the switch today - you'll only need to realize a 1% life increase in your machines to justify the investment in SKF - just 6.3 more days of operation!

SKF Documented Solutions: Calculating the value of partnering with an SKF Authorized Distributor

Annual maintenance repair and operation expenses	\$6,000,000
Annual unplanned downtime cost	<u>\$2,000,000</u>
Total annual maintenance expenses	\$8,000,000
Annual cost of buying SKF	\$400,000
Discount offered by lower cost competitor	35%
Annual possible reduced price for option B	\$140,000
Possible price for option B	\$260,000
Average MTBR for all assets	36 months
Monthly maintenance expense	\$666,667
Cash flow break even	36.21 months
Increase of MTBF required	0.21 months
Minimum change needed between SKF and option B	6.30 days
Minimum lifecycle change of assets required	0.58%

Working with SKF can help you turn real savings into real profits.

An average asset life increase as low as 1% can boost profitability. Ask your SKF Authorized Distributor to prove it to you with Documented Solutions software today.



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Publication XXXX EN • December 2008

Printed in Sweden on environmentally friendly paper.

