

Case Study

Facilities | Retail | Making informed decisions, saving cost, increasing efficiency



“The On Key EAM system and Pragma’s Application Management Service helps us transform to a strategic approach to facility and asset management and realise cost savings.”

Richard Taylor, Store Design and Construction, Pick ‘n Pay

R31m

Realised savings

47%↓

Faster MTTR

42%↓

AirCon plant room costs

Key challenges

- ▶ Looting, loadshedding and retail sector-related challenges keep teams busy, creating the need to outsource to Pragma’s Application Management Service.
- ▶ The critical challenge lies in the complexities around managing an extensive network of facilities and assets (HVAC, refrigeration, generators, etc.) with a substantial pool of contractors.
- ▶ Keeping the asset register up-to-date in the large and dispersed network of stores.
- ▶ The high number of work orders required that every step of the workflow process had to be streamlined with great care.

Our intervention

- ▶ Value improvement plan: From best practice retail experience, Pragma recommends value improvements for the Pick n Pay team to prioritise.
- ▶ Governance: A one-hour monthly meeting ensures efficient decision-making where Pragma presents findings and recommended actions and tactics for consideration.
- ▶ Bottom line results: From the agreed actions and tactics, Pragma makes the system configuration changes typically on asset type level to rolling out to thousands of assets within minutes to realise bottom-line savings.
- ▶ The Optimum Maintenance Mix dashboard measures in realtime the cost of planned preventive maintenance versus reactive work per asset type, region, store, contractor and asset to control the **realised** savings (R31m) and the **potential** savings (R28m) where tactics could be applied.

Value add

- ▶ 42% reduction on air conditioning plant room cost by applying the best practice planned preventive maintenance tactics
- ▶ 45% reduction in overall breakdowns
- ▶ 47% reduction in MTTR (mean time to repair)
- ▶ 43% reduction in MTTR on refrigeration resulting in improved customer experience
- ▶ Control of the planned preventive maintenance tactics versus reactive work ratio to be on target for air conditioning plant rooms 95:5
- ▶ Control of the average planned preventive maintenance work order cost to be 34% lower than the reactive maintenance cost
- ▶ Continual cost saving of 9% on total repairs and maintenance spent
- ▶ Increased overall planned preventive maintenance as a tactic by 13% within 18 months
- ▶ Improved fact-based scope and price negotiation reductions: lifts 35%, diesel 18%, plumbing 10%
- ▶ Streamlined workflow process to increase efficiency: 20% time-saving
- ▶ Air conditioning savings covers On Key EAM system cost

Client background

Pick n Pay (PNP) is a fast-moving consumer goods retailer based in Africa. They operate a lean and efficient business and aim to provide customers with a tailored range of high-quality food, grocery and general merchandise products at competitive prices.

PNP’s strong growth plan benefits from flexible formats and a leaner operating model. There are currently 1925 stores in the group across seven African countries.

PNP had the vision to digitise facility and asset management processes, increase control over cost, increase efficiencies and reduce risk. PNP contracts Pragma to provide an Application Management Service to recommend best practices and provide information towards making informed decisions. Pragma configures the On Key EAM system improvement tactics PNP prioritises towards realising cost savings.

