JDEtips on Enterprise Asset Management (EAM)

Standing Work Orders – The Black Hole of the Maintenance Budget

By Scott Hollowell

W E1 *Editor's Note: This article brings to mind that "miscellaneous" folder in our filing cabinets. It was so convenient when it was established years ago, but now? Who knows what's even in there? Scott Hollowell has found the same thing happening with the use of Standing Work Orders and has taken the time to show us how we got there, how to get out of it, and more importantly – how to keep from getting there in the first place. This article contains some fine guidelines for effective use of Standing WOs without having them fall into that black hole.*

Introduction

You know it's going to be an interesting phone call when the first words you hear after the introduction are "We have some standing Work Orders that have been open since 1998 and we're having some problems." This wouldn't have been so interesting in 1999, but since this phone call occurred only three weeks ago, it did cause me to reflect on how often I have seen problems with organizations trying to utilize Standing Work Orders in support of their Maintenance Department.

Unfortunately, a Standing WO is like nuclear power – it can be used for good or evil, but either way you need to control it or you will have a problem. If you open and ignore them, they will become the black hole of your Maintenance budget, becoming the "catch-all" for labor and materials charges. If you use too many of them, you lose a lot of the valuable statistical information that can be gleaned from the proper use of other WOs. But when used effectively, they can simplify the tracking of routine maintenance accounting and improve the efficiency of the maintenance and inventory functions.

After reading this article, you should have a better understanding of some uses for Standing WOs and how to effectively use them to support your maintenance organization.

(*Note* – all screen shots in this article are from EnterpriseOne® 8.10, and may differ slightly from the screens in your current release)

Standing WOs are like Nuclear Power – They can be used for good or evil

What is a Standing Work Order?

A standing work order is used primarily by the Maintenance Departments to capture labor and material costs that are either not readily associated to a particular Asset/Equipment, or where the cost of the maintenance is minimal compared to the administrative cost of WO processing. The standing WO is opened in the system and is typically left open for a pre-determined period of time.

The general best practice is that a standing WO should be used when the cost of performing the job or task is less than the cost of documenting the task would be. Another view is that Standing WOs are used for repetitive or mundane tasks that do not require a historical record.

However, their benefits can also lead to the main problem with using Standing WOs in JD Edwards®, which is that most people don't remember to close and renew their standing WOs on a routine basis. Because Corrective and Preventative maintenance WOs also display in the WO Backlog, Standing WOs can become "a lone tree in a thick forest", not really standing out and saying "Close me, I've been open too long."

Standing WOs for Shop and Departments

Many organizations will utilize a Standing WO for a Department or Maintenance organization to capture costs at the BU/Cost Center level. Typically the charges to these involve more Labor than Materials, often accounting for time spent on Safety Meetings, Janitorial, or general Shop work that is not easily tied to a single asset. Figure 1 illustrates a typical Standing Work Order for General Maintenance.

Many organizations use a rule of thumb such as anything 15 minutes or under is charged to a Standing WO, since the cost of the time to enter and close a Corrective WO would probably exceed that of the work that was done. Material issues for light bulbs, safety glasses, etc., are also routinely charged to a Standing WO.

If you are going to use Standing WOs for this purpose, it is important that you fully define the ground rules under which these will be used.

1. How long will the WO remain Open and be eligible for charging?
2. What types of parts will be allowed to be charged to a Standing WO?
3. How will the WO be closed and a new one opened at the end of its interval?
4. Will there be any audit process in place to review Standing WOs and correct improper use of them?

It is usually recommend that Standing WOs be closed monthly, and at a minimum quarterly, in parallel with your financial month or quarter closes. This helps keep a manageable number of transactions against the WO.

One rule of thumb is anything less than a 15 minute job is charged to a standing WO.

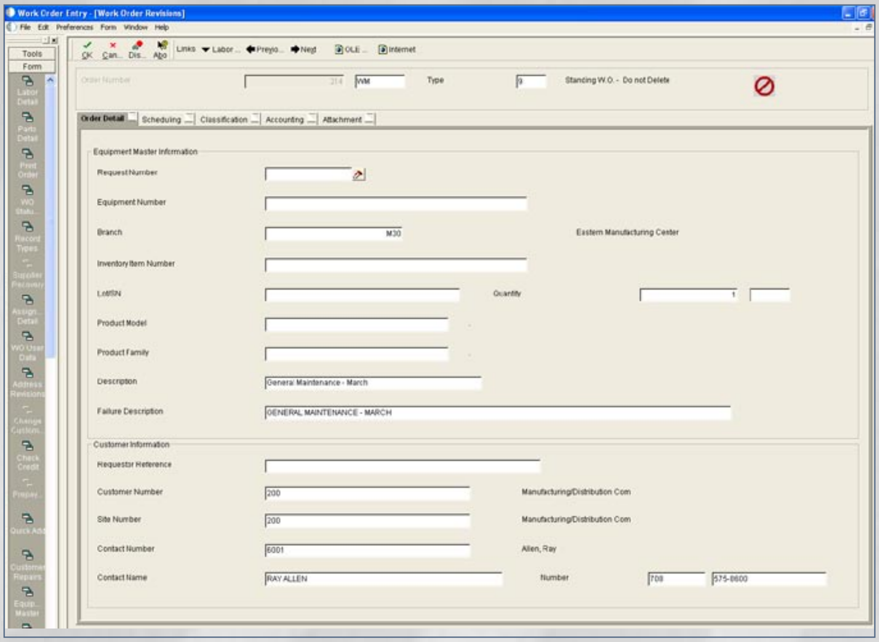

Figure 1 – Standing WO for General Maintenance, month of March

Standing WOs for Equipment

There are some clients, typically those that have fleets of vehicles, that choose to open a Standing WO for each piece of equipment each month. They do this typically for one of two main reasons:

- They perceive the WO Entry process to be too complex, or too time consuming for their organization to manage.
- The off-shift Maintenance and Inventory Stores personnel don't want to think about which WO to use; they simply want to say they are working on Loader 26 and issue the parts to the Standing WO for that equipment.

This process will help keep the costs of maintenance tracking back to the asset, but the problem with using Standing WOs for Equipment comes down to the inability to capture significant repair and failure history for the equipment, which is enabled by opening Corrective WOs at the time of failure.

Standing WOs for Burden and Overhead

Another common use for the Standing WO is for organizations that want to track all mechanic time during the day to a WO. Many customers who track mechanic utilization will set up Standing WOs to capture many of the common overhead type activities such as safety meetings and training, as well as labor Burden categories such as Sick Time and Vacation.

Standing WOs for burden and overhead are treated the same as all other Standing WOs in terms of Charging to the appropriate department or overhead account, and will most often be left open for periods of three months or a year.

One trick to assist in minimizing the time spent on managing the Standing WO status is to set up its Activity Rules to minimize the num-

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