

Using a maintenance contribution model to predict the impact of maintenance on profitability

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Abstract

The purpose of this paper is to study and present the impact of maintenance as one of the competitive factors in the business strategy. A financial maintenance contribution model is developed to illustrate that maintenance can have a significant impact on a firm's profitability. The model incorporates return on capital as a means to measure the effectiveness of maintenance activities. The results from simulation analysis indicate that variations in maintenance policies can impact return on capital and profitability of a business.

Keywords : Maintenance, return on capital, simulation.

Journal of Information & Optimization Sciences

Vol. 27 (2006), No. 1, pp. 21–34

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0252-2667/06 \$2.00 + 0.25