

MICA Ratios – Questions and Answers

What is MICA Ratios?

MICA Ratios is a benchmarking programme comparing maintenance at your factory with other UK factories. The comparison is based on business ratios applied to maintenance, covering the four areas of finance/spending, staffing, work planning & control and materials management. Twenty two ratios are used in all, five or six in each category. For example, one of the financial ratios lets you compare your maintenance spend as a percentage of manufacturing conversion cost with other factories.

What use is MICA Ratios to me?

MICA Ratios gives you a yardstick for comparing what you are achieving in the maintenance area with what other factories are achieving. This may help you to identify areas where there is potential for improvement and the level of improvement likely to be achievable. Alternatively, the ratios may show that your maintenance outcomes are in line with industry norms. This in itself is worth knowing.

What data is required for MICA Ratios?

The data items required to calculate the ratios are listed below. Definitions of these data are available on request. We also ask for a rough quality ranking on the data provided, plus information on factory size, industry sector, level of automation and operation type, which we use for determining the best comparison groups. All of this fits easily on one page.

- Factory replacement value (£)*
- Conversion cost (£)*
- Maintenance expenditure (£)*
- Maintenance direct labour (£)*
- Labour % on production support & projects (%)*
- Ex-stock maintenance materials (£)*
- Directly purchased maintenance materials (£)*
- Maintenance contracts total (£)*
- Maintenance stores inventory value (£)*
- Number of craftsmen*
- Number of operators*
- Maintenance supervisors*
- Number of support staff*
- Overtime level (%)*
- Unplanned work level (%)*
- Preventive maintenance work level (%)*
- Scheduled work level (%)*
- Work schedule compliance (%)*
- Jobs per week*
- Stockouts in maintenance stores (%)*

What if I don't have some data?

Experience has shown that some people cannot supply all of the data that we ask for because they don't have the data themselves or (rarely) because some numbers are considered too sensitive to disclose, even in confidence. We ask clients to provide as much data as possible, but if some numbers are missing, we can still proceed with the analysis. However, it does mean that some ratio results will be missing from that client's report because the data is not available.

Can we participate without providing any data?

Generally not. Part of the cost of participation in MICA Ratios is going to the trouble of collecting the required data. The only exception in six years was a newly built factory where the required information wasn't yet available.

Are results provided by industry sector?

Where there are enough factories participating in a given sector, the MICA Ratios report will provide results specific to that sector and use those results as the primary basis of comparison for those factories. The report will also include the results for other sectors as well as overall results for all participants.

How comparable are factories in different sectors?

From a maintenance point of view, we believe there is a lot of commonality between factories in different sectors. If you are a maintenance manager, ask yourself how much of your experience and expertise you would expect to find just as useful if you moved to a factory in a different industry sector. We would expect the answer to be 'quite a lot'. Similarly we believe that most of the ratios used in MICA Ratios give useful information irrespective of sector. However, sector specific information is likely to be even more valuable where it is available and the report design caters for providing this.

Our product or manufacturing process is unique, so is MICA Ratios relevant to us?

We believe that the ratios comparison information is useful and relevant to every UK factory. In fact, if there is nobody comparable to you, then we would suggest that the only way you are going to know how well you might do is by looking at the results for other UK factories across a number of sectors. It certainly can't hurt to know what is happening elsewhere.

Is our data secure?

*Absolutely so. Information supplied to us is strictly confidential and used solely to calculate maintenance ratios. In addition, results specific to **your** factory only appear in **your** report and we take steps to ensure that aggregate comparisons are based on groups large enough so that individual site results cannot be inferred from the group results. Also, we take precautions when e-mailing data or results - this is only done by us in password protected files. We also provide a password protected file for you to use if you are sending us your data by e-mail. We will also accept data by fax or post if this is considered preferable.*

For MICA Ratios, the data required is generally not of great commercial sensitivity. Nonetheless, we treat all client data as strictly confidential and are happy to give whatever guarantees a client requests in this area, including the signing of confidentiality agreements. In addition, if one or two data items are considered sensitive by a client, we will consider leaving these out of the comparison.

What do we have to do to sign up?

Enrolling is very simple. You can do so by phone, email, fax or post. As long as we have contact details (ideally including an e-mail address) and know that you want to participate, we will include you. Confirming quotations will be sent out on receipt of your order to facilitate the raising of purchase orders where required.

What's the process once we have signed up?

There are three steps to the process once you have signed up.

First we send you a password protected Excel file which can be used for filling in the data and sending it back in a secure fashion. If you prefer, we will send you a form to fill in and return by fax or mail. (This option is rarely requested nowadays).

In the second step we review the data supplied (as a quality control measure) and identify any issues arising before the data is added to the comparison database. If necessary, we will contact you with queries on the data.

The third step is generating and sending out the reports and this is done once we have got the data from the participants and have validated it. The reports are sent by email with copies sent by post (unless requested otherwise).

What is the time frame for completing MICA Ratios?

We aim to complete the MICA Ratios campaign on a time scale of approximately three months. The initial campaign is intended to achieve a critical mass of participating factories (50+) so that the first comparison reports can be issued. Allowing 6-8 weeks for the marketing and sign-up process and 4-6 weeks for data collection and validation. This timeframe may be extended if additional time is required for data collection, which is not completely under our control. Once the initial campaign is completed, the timescale will shorten for new participants since their reports can be issued without delay..

Are the results accurate (and do people provide honest data)?

So far, the results appear to have been quite accurate and there has been no evidence of cheating in order to manipulate the results. We check any unusual or extreme results with the factory involved which helps to eliminate mistakes. We also consider that the incentive to cheat is reduced because the data on which the MICA Ratios report is based is included in the report and can easily be checked by people looking at the results.

Will I see the results before the report is issued?

You can download a free ratios calculator from our website which will allow you to see the results of the ratios calculation for your factory. On request, we can send interim results for review before the final report is issued.

What if I don't like the results or don't want to publish them because they could cause me difficulties?

We would not wish to cause any difficulty to clients participating in the MICA Ratios programme. If you decide, after seeing the interim results, that you do not want a report to be issued, we will certainly comply with your wishes. We would expect to be paid for work done but we would discuss this with you before issuing any invoices.

What do we do with the results of MICA Ratios and, in particular, what we do if our results show that improvement is possible?

MICA Ratios may raise questions about performance and highlight areas where improvements are achievable. However, we would advocate caution about rushing to judgement on the basis of these results alone. We see MICA Ratios primarily as a high level tool to identify areas worth looking at.

If your results are out of line with the norm for your comparison group and you can't identify factors specific to your factory that explain the differences, then there may very well be an opportunity for improvement worth exploring. Over the years, many of our clients have found that to be the case but additional analysis was often required to identify what had to be done to achieve the improvement.

What kind of factories usually participate in MICA Ratios?

MICA Ratios has up to now only been available in Ireland (with a handful of exceptions) and our experience has been that participants tended to be the larger and better managed factories. About half the participants have been pharmaceutical companies and about one third food and dairy processing companies, with a small number of others. You can see a typical client list in a sample report from 2004 which we will be happy to send you on request.

How much does it cost?

MICA Ratios is available as a once off comparison report for £950 (excluding VAT) per factory.

We already do benchmarking, why should we do this as well?

We consider it highly unlikely that you are getting the same information from any other source even if you are involved in other benchmarking. In any case, MICA Ratios is a useful additional string to your bow. In fact, a number of our multinational clients benchmark against sister factories internationally but they also find the local comparisons in MICA Ratios extremely useful.

Does this only apply to maintenance?

At the moment, yes.

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