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Deriving Maintenance Strategies for Cooperative Alliances – A Value Chain Approach

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For my parents

and all supporters of my studies.

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Key to abbreviations

AHP	Analytic Hierarchy Process
C.R.	Consistency Ratio
C.I.	Consistency Index of matrix
R.I.	Consistency of randomly filled matrix
ECM	Effectiveness Centred Maintenance
EU	The European Union
IT	Information Technology
MADM	Multiple Attribute Decision-Making
MCDM	Multiple Criteria Decision-Making
MODM	Multiple Objective Decision-Making
OEM	Original Equipment Manufacturer
PdM	Predictive Maintenance
PLM	Product Lifecycle Management
PM	Preventive Maintenance
R&D	Research and Development
RCM	Reliability Centred Maintenance
SM	Scheduled Maintenance
TPM	Total Productive Maintenance

Key to symbols

λ_{\max}	Maximum eigenvalue of matrix
A	Set of actions
a_n	Action n
$e(a,z)$	Function, combining scenario z and action a
g	Preference function
I	Indifference
J	Incomparability
n	Order of matrix
N; C	Number of all criteria
P	Preference
R_i	Rank of alternative i
U	Utility function
$w_j ; v_j$	Relative weight of j
x	Consequence of a decision
Z	Decision environment
z_n	Environmental scenario n

Introduction

Partnering with other companies, or even with competitors, to tackle arising maintenance challenges, can be a source of sustainable competitive advantage. This is the outcome of two expert interviews based on the derived decision-helping framework proposed by this diploma thesis.

In Germany, maintenance is regulated by standards such as DIN 31051 and DIN 13306. Most maintenance workgroups are formed by associations such as the Verein Deutscher Ingenieure (VDI) and the Verband Deutscher Maschinen- und Anlagenbau e.V. (VDMA). As a consequence maintenance is often regarded as an engineering topic. Because of this, it does not always get the management attention needed to unleash the power to create competitive advantage. This paper aims to link the engineering-based subject with contemporary management theory, enabling an excellence performance through the selection of a suitable maintenance strategy.

Strategy in this context is the “art of creating value” (Norman & Ramirez, 1993, p. 65). It involves “identifying and exploiting the resources and capabilities of the firm in the marketplace for the purpose of gaining competitive advantage and superior financial performance” (Tallman & Yip, 2003, p. 318).

The contribution of this work is to propose a decision-supporting framework of how to choose a maintenance strategy for firms forming a cooperative alliance. Thus, the research question is formulated as follows: “How can maintenance strategies be derived that fit the requirements of Value Chain oriented companies”?

Related work in the literature is discussed throughout the paper. The following, however, will provide an overview. Strategic alliances are thoroughly described by Sydow (2004) and Schonert (2008). Picot (2003, 2008) provides insight into how networks function. Porter (1985) first introduced the notion of the Value Chain and combined the concept with that of competitive advantage. Bovet & Martha (2000) proposed the Value Net, which is closely related to the modern concept of the Value Chain, as put forward by Walters & Rainbird (2007).

Garg & Deshmukh (2006) provide a good overview of contemporary literature in maintenance management. Ahuja & Khamba (2008) offer a literature review of Total

Productive Maintenance, an approach suggested by Nakajima (1988). Sherwin (2000) introduces different maintenance concepts. A series of three books by Kelly (2006) present a detailed introduction into selecting, implementing and controlling maintenance strategies. Mishra, Anand & Kodali (2007) provide an introduction to world-class maintenance and an overview of maintenance techniques.

Multiple criteria decision-making is outlined in books by Keeney & Raiffa (1976), Steuer (1986), Vincke (1992), Zimmermann & Gutsche (1991), Dinkelbach & Kleine (1996), Bamberg (2006), and Habenicht (1984).

Some authors described the selection of a maintenance strategy by using the Analytic Hierarchy Process. Labib et al. and Wang et al. described an AHP model with fuzzy criteria (Labib, Williams, & O'Connor, 1998; Wang, Chu, & Wu, 2007). Bertolini & Bevilacqua (2006) provide a combination of goal programming and AHP. Carneo (2006) provides a tool for managers, concentrating on the strategic selection of predictive maintenance rather than the underlying decision-making model. Other works modelled the organisational decisions associated with maintenance using AHP (Bertolini, Bevilacqua, Braglia, & Frosolini, 2004; HajShirmohammadi & Wedley, 2004).

In contrast to the works noted above, this paper will introduce a new dimension to maintenance strategy, namely that of maintenance reach. This describes why it could be advantageous to develop a maintenance system for the whole Value Chain, rather than concentrating on a single firm. The methodology used includes a literature review and discussion. The derived results were then tested in the form of expert interviews.

In order to answer the research question, this paper will construct a decision-helping framework. The first three chapters build the theoretical foundation for the decision-making process.

Chapter 1 is concerned with the different forms of cooperative alliances between independent companies. It starts by outlining the organisational forms of market and hierarchy and goes on to then delineate a concept that is of growing importance: business networks. Why such networks evolve and what forms are distinguished in the literature, is subsequently discussed. A modern approach to networks, the concept of virtual organisations is introduced. Integrating both, supply chain management and demand chain management, the Value Chain Approach is then outlined and discussed; showing that to achieve sustainable competitive advantage is the goal of Value Chain

networks. How a company can gain such advantage by aligning customer value drivers and industry value drivers with its capabilities to satisfy stakeholder expectations concludes the chapter. An industry value driver, technology management can be a source of competitive advantage and is therefore put under further scrutiny. Being a part of technology management, a sound strategy for equipment maintenance could be a source of superiority over competitors.

Chapter 2 goes on to introduce the several different dimensions of maintenance strategies. First, the importance of maintenance is illustrated. Second, possible maintenance objectives are discussed. Lastly, the paper scrutinises the three dimensions of maintenance technique, maintenance organisation and maintenance reach. Putting the three dimensions together constitutes the alternative maintenance strategies the decision-maker can choose from.

Chapter 3 explains how decisions are made in a business context. Intuitive decisions are not sufficient; hence the decision has to be made based on a decision-making process. It is shown that decisions concerning technology management are complex and multiple criteria decision-making models need to be applied. The work commences in introducing models of multiple objective decision-making and multiple attribute decision-making. In discussing the advantages and shortcomings of those models for the given research question, the Analytic Hierarchy Process is selected to evaluate maintenance strategies in a Value Chain context.

Chapter 4 makes use of the previous three chapters and builds a decision-supporting framework by defining criteria, subcriteria and alternatives for selecting a maintenance strategy. The derived criteria and subcriteria are closely related to value drivers, capabilities and stakeholder expectations. This will enable the company making the decision to use the selected maintenance strategy as a source of sustainable competitive advantage.

Using the German wind turbine industry as an example, chapter 5 tests the derived decision-helping framework in the real world. The results from the expert interviews conducted with a wind turbine owner and a third-party service provider, are discussed and compared. An industry outlook concludes this section.

On the one hand, teaming up to expand internationally or to complement product offerings has become more viable today, due to advances in communication technology lowering transaction costs (Walters & Rainbird, 2007, p. 7). On the other hand, mergers and acquisitions are commonplace, using synergy effects and economies of scale.

This chapter will show the different forms of collaboration, why they have emerged and what implications they have. The organisational forms of market, network and hierarchy illustrate the strategic decisions, as suggested by Figure 1.

1.1.1 Market: Loosely involved transaction partners

The traditional representation of the “buy” decision is a market organisation. Schonert (2008, pp. 80-81) describes the aims, characteristics, advantages and limitations of this form of collaboration. Two or more business partners conduct transactions, while price is the only determinant of a successful settlement. Each company is pursuing individual interests: the buyer to minimise cost, the seller to maximise profits. The foundation is a (standardised) legal contract stating technical details, quality standards and delivery conditions. After the transaction, ties between the organisations disband, although further transactions may follow. Information asymmetries, free choice of partner and a short-term relationship are characteristic for market transactions. Typically, it involves the trade of standardised mass products.

Such transactions are relatively cheap, since no individual agreements need to be made. However, costs may increase, based on the availability of information about products and suppliers. The consequences of an unsatisfying transaction are rather short-term, since other suppliers can be used for further business. Unequally distributed power between organisations may, however, induce high efficiency pressure.

This organisation form may be ideal for goods that are strategically insignificant to the buyer (e.g. C-parts; such as lubricants, pressurised air, screws, etc.).

1.1.2 Hierarchy: Highly involved corporations

The other extreme is the “make” decision, which will be described in the following based on Schonert (2008, pp. 81-83). Within this organisational form, an organisation decides to produce goods and services on its own, rather than sourcing them from a third party. Based on orders, social relationships and standardised, frequent processes, this option is

Conclusion

The answer to the research question “how can maintenance strategies be derived that fit the requirements of Value Chain oriented companies?” was given by the introduction of a decision-helping framework, based on the Analytic Hierarchy Process.

How business networks are formed to overcome some of the problems of the traditional organisational forms of market and hierarchy was shown at the beginning of Chapter 1. While it remains vague as to how to distinguish the several forms of business networks, its advantages are evident: The overall capital requirements decrease, while network-wide knowledge, output and flexibility increase. To respond to the disadvantages inherent in networks, the virtual organisation or Value Chain approach was examined. This model suggests using transparent information and a close relationship between all network partners to tackle potential opportunistic behaviour. It emphasises that a partner only performs those activities it can do better than anyone else in the network.

Value Chain oriented companies require strategies to strive for sustainable competitive advantage. Integrating supply chain and demand chain analysis, Value Chain based networks ensure sustainable competitive advantage by aligning customer value drivers and industry value drivers with its capabilities in order to satisfy stakeholder expectations. Technology management is a value driver in many industries and often a source of competitive advantage. It was argued that equipment maintenance is an important part of technology management, and hence a maintenance strategy could be a source of superiority over competitors.

Following an outline of the importance of maintenance and its objectives, Chapter 2 introduced the components of maintenance strategies.

In general, three forms of *maintenance techniques* can be distinguished: reactive maintenance, proactive maintenance and aggressive maintenance. Whereas reactive techniques wait to perform maintenance tasks until the system broke down, proactive techniques try to predict the upcoming maintenance demand to reduce failure cost and time lost. Aggressive maintenance not only manages the equipment, it also strives to improve it. Team-oriented and trying to design-out maintenance requirements, it considers the whole lifecycle of a machine. A study in 2003 found that 11% of all

manufactures in the UK engaged in aggressive maintenance, whereas 61% use preventive techniques (*World Class Manufacturing*, 2003, p. 25).

How to respond to occurring maintenance demands is the domain of *maintenance organisation*. Maintenance can either be conducted in-house with an own, rather large maintenance department. Peak demands could also be contracted to a third party service provider, lowering the fixed costs of the business. Outsourcing in turn implies maintenance is not considered a process that should be performed by the company at all. The responsibility and tasks associated with the equipment upkeep is therefore moved to the outsourcer. A study in 2001 found that 10% of Germany's manufacturers outsource their maintenance (Brinkmann, 2001, p. 182).

This work argued that a third dimension should be introduced: *maintenance reach*. This ensures that possibilities open to companies as a part of a network are exploited. The selected strategy could be implemented on a single-plant level. This is the option with the least cost for coordination. In contrast, company-wide strategies can make use of economies of scale while implementing a strategy. Strategies for all companies along the Value Chain bear the advantages of equipment standardisation and production process stability.

Putting the three dimensions of maintenance technique, organisation and reach together constitutes the alternative maintenance strategies the decision-maker can choose from.

Chapter 3 explains how decisions are made in a business context. It was discussed that decisions concerning technology management are complex and multiple criteria decision-making models need to be applied. After introducing multiple criteria decision-making models and discussing their advantages and shortcomings, the Analytic Hierarchy Process (AHP) was selected as a base to create a decision-helping framework to derive suitable maintenance strategies for cooperative alliances, such as the Value Chain network. The AHP provides a clear structure and an intuitive and comprehensible way of how weights and ratings are derived. To lower the time required for the pairwise comparisons, opting for software support was suggested.

An array of 22 subcriteria and 4 criteria, representing customer value drivers, the capabilities of a company and stakeholder expectations was proposed in Chapter 4. Combined they ensure that the selected maintenance strategy will achieve sustainable competitive advantage.

To test the decision-supporting framework, the German wind turbine industry was selected. Two expert interviews were conducted: one with a wind turbine owner and one with a maintenance-outsourcing provider. Both interviewees selected Option C as best suiting their needs. It represents an aggressive Value Chain wide maintenance strategy that is conducted by in-house personnel. This was interesting since in the industry common-practice is a proactive, outsourced, single-company approach. The results showed a clear effectiveness orientation for the outsourcer and an efficiency orientation for the equipment owner. Surely the two interviews just illustrate how a decision can be made. They are far from being representative for the whole industry.

Nevertheless, the idea behind Option C could be worthwhile examining. Implementing this strategy will be especially successful in maintenance-intensive industries, as the magnitude of the resulting competitive advantage will be high. Hence not only the wind turbine industry, but also the aircraft, energy generation, paper manufacturing and automotive should examine, if their maintenance performance could be improved by cooperating with Value Chain partners. Especially companies that already have trustful, long-term and profit sharing partnerships and a rather small equipment variety could profit from adopting such a policy.

As it was noted, the derived framework is aimed at helping to make a decision. As shown by the case of the wind turbine owner, the difference between the first and second-best alternative may not be very significant. Consequently, the final decision on a strategy will still need to be made by a team of experts.

This work has not been able to test the built decision-making framework based on maintenance data derived during a certain strategy was implemented. Only two interviews with industry experts were conducted, to make use of their experience. Further research should try to validate the framework empirically. Additionally, decisions on a maintenance strategy by more than one decision-maker could be a source of further studies. The dimensions of maintenance scheduling and maintenance control were omitted in Chapter 2, because they are decisions of maintenance tactics, rather than maintenance strategy. To implement a chosen strategy, however, they will need consideration. This can be a starting place for further research in this field.

This paper shows the importance of maintenance, a topic that often does not get the management attention it deserves. It can help a decision-maker to select a strategy that ensures his objective of achieving competitive advantage.

Abstract

Partnering with other companies or even with competitors, to tackle emerging maintenance challenges, can be a source of sustainable competitive advantage. This is the outcome of two expert interviews based on the derived decision-helping framework proposed by this diploma thesis. Three dimensions making up a maintenance strategy are introduced: maintenance technique, maintenance organisation and maintenance reach. Suggesting that the decision about maintenance strategy is made by applying the Analytical Hierarchy Process, this framework builds upon customer value drivers, industry value drivers, capabilities and stakeholder expectations to ensure sustainable competitive advantage for cooperative alliances.

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Appendix

Properties of Option A, Option B and Option C

Subcriterion	Option A	Option B	Option C
Equipment lifecycle cost (per year)	High	Medium	Low
Relevance of investment to capabilities	Low	Medium	High
Availability of spare parts and tools	Low	Medium	High
Inventory holdings	Low	High	Medium
Bargaining power	Low	High	High
Quality of products	Low	Medium	High
Production cycle time	High	Low	Low
Responsiveness to maintenance demands	Low	Medium	High
Flexibility to change strategy	High	Medium	Low
Production process stability	Low	Medium	High
Benchmark with industry best-practice	Low	High	Medium
Amount of equipment	Low	Medium	High
Maintenance probability	High	Medium	Low
Maintenance time (per maintenance task)	High	Medium	Low
Equipment variety	Medium	High	Low
Maintainability of equipment	Low	Low	High
Transaction cost	Low	High	High
Personnel demand	Low	High	High
Safety of staff and environment	Low	Medium	High
Transparency of information	Low	High	High
Dependence on partners	Low	High	Medium
Financial risk of investment	High	Low	Medium

Table 9: Properties of the three alternatives from an outsourcer's point of view (own design)

Subcriterion	Option A	Option B	Option C
Equipment lifecycle cost (per year)	High	Low	Medium
Relevance of investment to capabilities	Low	High	Low
Availability of spare parts and tools	Low	High	Medium
Inventory holdings	Low	Low	Medium
Bargaining power	Low	Medium	High
Quality of products	High	High	High
Production cycle time	High	Low	Medium
Responsiveness to maintenance demands	Low	Medium	High
Flexibility to change strategy	Low	Low	High
Production process stability	Low	High	High
Benchmark with industry best-practice	Low	High	Medium
Amount of equipment	Low	High	Medium
Maintenance probability	High	Medium	Low
Maintenance time (per maintenance task)	High	Low	Low
Equipment variety	Medium	High	Low
Maintainability of equipment	Low	Medium	High
Transaction cost	Low	Medium	High
Personnel demand	Low	Low	High
Safety of staff and environment	Low	High	High
Transparency of information	Low	Low	High
Dependence on partners	Low	High	Medium
Financial risk of investment	High	Low	Medium

Table 10: Properties of the three alternatives from a wind turbine owner's perspective (own design)

Results of interview with an outsourcer

Asset Management

Equipment lifecycle cost (per year)				
	Option A	Option B	Option C	Rating
Option A	1	1/2	1/4	0,143
Option B	2	1	1/2	0,286
Option C	4	2	1	0,571
Inconsistency (C.R.) = 0,00				

Relevance of investment to capabilities				
	Option A	Option B	Option C	Rating
Option A	1	1/2	1/4	0,143
Option B	2	1	1/2	0,286
Option C	4	2	1	0,571
Inconsistency (C.R.) = 0,00				

Availability of spare parts and tools				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/9	0,059
Option B	7	1	1	0,451
Option C	9	1	1	0,490
Inconsistency (C.R.) = 0,01				

Inventory holdings of spare parts and tools				
	Option A	Option B	Option C	Rating
Option A	1	5	7	0,731
Option B	1/5	1	3	0,188
Option C	1/7	1/3	1	0,081
Inconsistency (C.R.) = 0,06				

Bargaining power				
	Option A	Option B	Option C	Rating
Option A	1	1/8	1/9	0,054
Option B	8	1	1/2	0,357
Option C	9	2	1	0,589
Inconsistency (C.R.) = 0,04				

Performance Management

Quality of products				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/9	0,055
Option B	7	1	1/3	0,290
Option C	9	3	1	0,655
Inconsistency (C.R.) = 0,08				

Production cycle time				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/9	0,057
Option B	7	1	1/2	0,346
Option C	9	2	1	0,597
Inconsistency (C.R.) = 0,02				

Flexibility to change strategy				
	Option A	Option B	Option C	Rating
Option A	1	5	1	0,481
Option B	1/5	1	1/3	0,114
Option C	1	3	1	0,405
Inconsistency (C.R.) = 0,03				

Responsiveness to maintenance demands				
	Option A	Option B	Option C	Rating
Option A	1	1/6	1/8	0,062
Option B	6	1	1/3	0,285
Option C	8	3	1	0,653
Inconsistency (C.R.) = 0,07				

Production process stability				
	Option A	Option B	Option C	Rating
Option A	1	1/6	1/8	0,062
Option B	6	1	1/3	0,285
Option C	8	3	1	0,653
Inconsistency (C.R.) = 0,07				

Benchmark with industry best-practice				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/2	0,098
Option B	7	1	4	0,715
Option C	2	1/4	1	0,187
Inconsistency (C.R.) = 0,00				

Table 11: Pairwise comparison of alternatives (own design)

Cost Management

Amount of equipment				
	Option A	Option B	Option C	Rating
Option A	1	1/3	1/7	0,081
Option B	3	1	1/5	0,188
Option C	7	5	1	0,731
Inconsistency (C.R.) = 0,06				

Maintenance probability				
	Option A	Option B	Option C	Rating
Option A	1	1/5	1/7	0,072
Option B	5	1	1/3	0,279
Option C	7	3	1	0,649
Inconsistency (C.R.) = 0,06				

Maintenance time (per maintenance task)				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/9	0,057
Option B	7	1	1/2	0,346
Option C	9	2	1	0,597
Inconsistency (C.R.) = 0,02				

Equipment variety				
	Option A	Option B	Option C	Rating
Option A	1	3	1/3	0,231
Option B	1/3	1	1/9	0,077
Option C	3	9	1	0,692
Inconsistency (C.R.) = 0,00				

Maintainability of equipment				
	Option A	Option B	Option C	Rating
Option A	1	1/3	1/9	0,066
Option B	3	1	1/7	0,149
Option C	9	7	1	0,785
Inconsistency (C.R.) = 0,08				

Transaction cost				
	Option A	Option B	Option C	Rating
Option A	1	9	9	0,818
Option B	1/9	1	1	0,091
Option C	1/9	1	1	0,091
Inconsistency (C.R.) = 0,00				

Personnel demand				
	Option A	Option B	Option C	Rating
Option A	1	7	8	0,785
Option B	1/7	1	1/2	0,085
Option C	1/8	2	1	0,129
Inconsistency (C.R.) = 0,07				

Risk Management

Safety of staff and environment				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/9	0,055
Option B	7	1	1/3	0,290
Option C	9	3	1	0,655
Inconsistency (C.R.) = 0,08				

Transparency of information				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/9	0,055
Option B	7	1	1/3	0,290
Option C	9	3	1	0,655
Inconsistency (C.R.) = 0,08				

Dependence on partners				
	Option A	Option B	Option C	Rating
Option A	1	7	9	0,785
Option B	1/7	1	3	0,149
Option C	1/9	1/3	1	0,066
Inconsistency (C.R.) = 0,08				

Financial risk of investment				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/3	0,088
Option B	7	1	3	0,669
Option C	3	1/3	1	0,243
Inconsistency (C.R.) = 0,01				

Table 12: Pairwise comparison of alternatives (cont'd) (own design)

Asset Management						
Equipment lifecycle cost (per year)	Relevance of investment to capabilities	Availability of spare parts and tools	Inventory holdings of spare parts and tools	Bargaining power	Weight	Sensitivity threshold
Equipment lifecycle cost (per year)	1	1/7	1	1/9	0,038	n/a
Relevance of investment to capabilities	7	1	5	1/3	0,209	n/a
Availability of spare parts and tools	7	1	7	1/3	0,224	n/a
Inventory holdings of spare parts and tools	1	1/5	1	1/9	0,040	0,352
Bargaining power	9	3	9	1	0,488	n/a
<i>Inconsistency (C.R.) = 0,02</i>						

Performance Management						
Quality of products	Production cycle time	Responsiveness to maintenance demands	Flexibility to change strategy	Production process stability	Benchmark with industry best-practice	Sensitivity threshold
Quality of products	1	1/9	1/3	1/9	1	0,032
Production cycle time	9	3	5	1	9	0,346
Responsiveness to maintenance demands	5	1	5	1/3	5	0,174
Flexibility to change strategy	3	1/5	1	1/5	3	0,070
Production process stability	9	3	5	1	9	0,346
Benchmark with industry best-practice	1	1/9	1/3	1/9	1	0,032
<i>Inconsistency (C.R.) = 0,03</i>						

Maintenance Cost						
Amount of equipment	Maintenance probability	Maintenance time (per maintenance task)	Equipment variety	Maintainability of equipment	Weight	Sensitivity threshold
Amount of equipment	1	1	1/2	2	0,175	n/a
Maintenance probability	1	1	1/2	2	0,175	n/a
Maintenance time (per maintenance task)	1	1	1/2	2	0,175	n/a
Equipment variety	2	2	1	7	0,397	0,563
Maintainability of equipment	1/2	1/2	1/7	1	0,079	n/a
<i>Inconsistency (C.R.) = 0,01</i>						

Table 13: Pairwise comparison of subcriteria (own design)

Cost Management					
	Maintenance cost	Transaction cost	Personnel demand	Weight	Sensitivity threshold
Maintenance cost	1	5	1/2	0.319	0.522
Transaction cost	1/5	1	1/9	0.066	n/a
Personnel demand	2	9	1	0.615	0.398
Inconsistency (C.R.) = 0,00					

Risk Management						
	Safety of staff and environment	Transparency of information	Dependence on partners	Financial risk of investment	Weight	Sensitivity threshold
Safety of staff and environment	1	9	5	3	0.581	0.377
Transparency of information	1/9	1	1/3	1/5	0.050	n/a
Dependence on partners	1/5	3	1	1/3	0.114	0.357
Financial risk of investment	1/3	5	3	1	0.255	0.418
Inconsistency (C.R.) = 0,03						

Achieving sustainable competitive advantage						
	Asset Management	Performance Management	Cost Management	Risk Management	Weight	Sensitivity threshold
Asset Management	1	1	1	3	0.300	0.073
Performance Management	1	1	1	3	0.300	n/a
Cost Management	1	1	1	3	0.300	0.390
Risk Management	1/3	1/3	1/3	1	0.100	n/a
Inconsistency (C.R.) = 0,00						

Table 14: Pairwise comparison of subcriteria (cont'd) and criteria (own design)

Results			
	Option A	Option B	Option C
Achieving sustainable competitive advantage <i>Overall inconsistency = 0.02</i>	21,9%	28,3%	49,8%
Asset Management	9,8%	35,8%	54,3%
Performance Management	9,9%	30,3%	59,7%
Cost Management	55,7%	12,3%	32,0%
Risk Management	13,5%	37,3%	49,2%
Maintenance Cost	13,2%	19,0%	67,8%

Table 15: Results of the AHP model for selecting maintenance strategies (own design)

Results of interview with wind turbine owner

Asset Management

Equipment lifecycle cost (per year)				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/3	0,077
Option B	9	1	3	0,692
Option C	3	1/3	1	0,231
Inconsistency (C.R.) = 0,00				

Relevance of investment to capabilities				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1	0,091
Option B	9	1	9	0,818
Option C	1	1/9	1	0,091
Inconsistency (C.R.) = 0,00				

Availability of spare parts and tools				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/3	0,088
Option B	7	1	3	0,669
Option C	3	1/3	1	0,243
Inconsistency (C.R.) = 0,01				

Inventory holdings of spare parts and tools				
	Option A	Option B	Option C	Rating
Option A	1	1	5	0,455
Option B	1	1	5	0,455
Option C	1/5	1/5	1	0,091
Inconsistency (C.R.) = 0,00				

Bargaining power				
	Option A	Option B	Option C	Rating
Option A	1	1/4	1/9	0,066
Option B	4	1	1/4	0,217
Option C	9	4	1	0,717
Inconsistency (C.R.) = 0,04				

Performance Management

Quality of products				
	Option A	Option B	Option C	Rating
Option A	1	1	1	0,333
Option B	1	1	1	0,333
Option C	1	1	1	0,333
Inconsistency (C.R.) = 0,00				

Production cycle time				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/4	0,069
Option B	9	1	3	0,681
Option C	4	1/3	1	0,250
Inconsistency (C.R.) = 0,01				

Flexibility to change strategy				
	Option A	Option B	Option C	Rating
Option A	1	1/3	1/9	0,077
Option B	3	1	1/3	0,231
Option C	9	3	1	0,692
Inconsistency (C.R.) = 0,00				

Responsiveness to maintenance demands				
	Option A	Option B	Option C	Rating
Option A	1	1/4	1/9	0,063
Option B	4	1	1/5	0,194
Option C	9	5	1	0,743
Inconsistency (C.R.) = 0,07				

Production process stability				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/9	0,053
Option B	9	1	1	0,474
Option C	9	1	1	0,474
Inconsistency (C.R.) = 0,00				

Benchmark with industry best-practice				
	Option A	Option B	Option C	Rating
Option A	1	1/7	1/3	0,088
Option B	7	1	3	0,669
Option C	3	1/3	1	0,243
Inconsistency (C.R.) = 0,01				

Table 16: Pairwise comparison of alternatives (own design)

Cost Management

Amount of equipment				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/3	0,077
Option B	9	1	3	0,692
Option C	3	1/3	1	0,231
Inconsistency (C.R.) = 0,00				

Maintenance probability				
	Option A	Option B	Option C	Rating
Option A	1	1/4	1/9	0,069
Option B	4	1	1/3	0,250
Option C	9	3	1	0,681
Inconsistency (C.R.) = 0,01				

Maintenance time (per maintenance task)				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/9	0,053
Option B	9	1	1	0,474
Option C	9	1	1	0,474
Inconsistency (C.R.) = 0,00				

Equipment variety				
	Option A	Option B	Option C	Rating
Option A	1	1	1/9	0,091
Option B	1	1	1/9	0,091
Option C	9	9	1	0,818
Inconsistency (C.R.) = 0,00				

Maintainability of equipment				
	Option A	Option B	Option C	Rating
Option A	1	1/5	1/9	0,063
Option B	5	1	1/3	0,265
Option C	9	3	1	0,672
Inconsistency (C.R.) = 0,03				

Transaction cost				
	Option A	Option B	Option C	Rating
Option A	1	4	9	0,727
Option B	1/4	1	3	0,200
Option C	1/9	1/3	1	0,073
Inconsistency (C.R.) = 0,01				

Personnel demand				
	Option A	Option B	Option C	Rating
Option A	1	1	5	0,455
Option B	1	1	5	0,455
Option C	1/5	1/5	1	0,091
Inconsistency (C.R.) = 0,00				

Risk Management

Safety of staff and environment				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/9	0,053
Option B	9	1	1	0,474
Option C	9	1	1	0,474
Inconsistency (C.R.) = 0,00				

Transparency of information				
	Option A	Option B	Option C	Rating
Option A	1	1	1/9	0,091
Option B	1	1	1/9	0,091
Option C	9	9	1	0,818
Inconsistency (C.R.) = 0,00				

Dependence on partners				
	Option A	Option B	Option C	Rating
Option A	1	9	3	0,692
Option B	1/9	1	1/3	0,077
Option C	1/3	3	1	0,231
Inconsistency (C.R.) = 0,00				

Financial risk of investment				
	Option A	Option B	Option C	Rating
Option A	1	1/9	1/3	0,077
Option B	9	1	3	0,692
Option C	3	1/3	1	0,231
Inconsistency (C.R.) = 0,00				

Table 17: Pairwise comparison of alternatives (cont'd) (own design)

Asset Management								
	Equipment lifecycle cost (per year)	Relevance of investment to capabilities	Availability of spare parts and tools	Inventory holdings of spare parts and tools	Bargaining power	Sensitivity threshold		
Equipment lifecycle cost (per year)	1	7	1	3	7	n/a		
Relevance of investment to capabilities	1/7	1	1/7	1/3	1	n/a		
Availability of spare parts and tools	1	7	1	3	5	n/a		
Inventory holdings of spare parts and tools	1/3	3	1/3	1	3	0.278		
Bargaining power	1/7	1	1/5	1/3	1	0.471		
Inconsistency (C.R.) = 0.01								
Performance Management								
	Quality of products	Production cycle time	Responsiveness to maintenance demands	Flexibility to change strategy	Production process stability	Benchmark with industry best-practice	Weight	Sensitivity threshold
Quality of products	1	1/9	1/9	1/3	1/9	1	0.029	n/a
Production cycle time	9	1	3	9	3	9	0.458	0.357
Responsiveness to maintenance demands	9	1/3	1	3	1	9	0.208	0.294
Flexibility to change strategy	3	1/9	1/3	1	1/3	3	0.069	0.187
Production process stability	9	1/3	1	3	1	9	0.208	n/a
Benchmark with industry best-practice	1	1/9	1/9	1/3	1/9	1	0.029	n/a
Inconsistency (C.R.) = 0.03								
Maintenance Cost								
	Amount of equipment	Maintenance probability	Maintenance time (per maintenance task)	Equipment variety	Maintainability of equipment	Weight	Sensitivity threshold	
Amount of equipment	1	1/9	1/9	1/5	1/2	0.032	0.37	
Maintenance probability	9	1	1	7	9	0.416	n/a	
Maintenance time (per maintenance task)	9	1	1	7	9	0.416	n/a	
Equipment variety	5	1/7	1/7	1	2	0.089	n/a	
Maintainability of equipment	2	1/9	1/9	1/2	1	0.048	n/a	
Inconsistency (C.R.) = 0.05								

Table 18: Pairwise comparison of subcriteria (own design)

Cost Management					
	Maintenance cost	Transaction cost	Personnel demand	Weight	Sensitivity threshold
Maintenance cost	1	9	9	0.818	0.494
Transaction cost	1/9	1	1	0.091	0.324
Personnel demand	1/9	1	1	0.091	0.367
Inconsistency (C.R.) = 0.00					

Risk Management						
	Safety of staff and environment	Transparency of information	Dependence on partners	Financial risk of investment	Weight	Sensitivity threshold
Safety of staff and environment	1	9	9	7	0.719	n/a
Transparency of information	1/9	1	1	1/3	0.063	0.085
Dependence on partners	1/9	1	1	1/3	0.063	0.162
Financial risk of investment	1/7	3	3	1	0.155	0.124
Inconsistency (C.R.) = 0.03						

Achieving sustainable competitive advantage						
	Asset Management	Performance Management	Cost Management	Risk Management	Weight	Sensitivity threshold
Asset Management	1	1/5	1/9	1/7	0.042	0.182
Performance Management	5	1	1/5	1/3	0.135	0.568
Cost Management	9	5	1	1	0.454	n/a
Risk Management	7	3	1	1	0.369	n/a
Inconsistency (C.R.) = 0.05						

Table 19: Pairwise comparison of subcriteria (cont'd) and criteria (own design)

Results			
	Option A	Option B	Option C
Achieving sustainable competitive advantage	11,9%	43,0%	45,1%
<i>Overall inconsistency = 0.03</i>			
Asset Management	15,7%	61,7%	22,6%
Performance Management	7,8%	49,4%	42,7%
Cost Management	15,5%	36,5%	47,9%
Risk Management	8,7%	46,5%	44,7%
Maintenance Cost	6,2%	36,7%	57,1%

Table 20: Results of the AHP model for selecting maintenance strategies (own design)

Interview partners

The interview with the wind turbine service provider was conducted with:

Herr Thomas Jäniche
Leiter Service / Prokurist

Voith Industrial Services Wind GmbH
Straße am Zeltplatz 7
18230 Ostseebad Rerik, Germany

Thomas.Jaeniche@Voith.com
<http://www.voithindustrialservices.de/wind>

The interview with the wind turbine owner was conducted with:

Herr Dipl. oec. Ingo Lange
Gesellschafter

ECV Energy-Concept Verwaltungs-GmbH
Döhrener Str. 41
32469 Petershagen

Ingo.Lange@windenergieanlage.de

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**Erklärung gemäß der Prüfungsordnung für die wirtschaftswissenschaftlichen
Diplomstudiengänge sowie den Diplomstudiengang Kommunikationswissenschaft
der Universität Hohenheim**

Hiermit erkläre ich, dass ich die Diplomarbeit selbstständig verfasst und keine anderen als die angegebenen Quellen und Hilfsmittel benutzt habe. Alle Stellen der Arbeit, die wörtlich oder sinngemäß aus Veröffentlichungen oder aus anderweitigen fremden Äußerungen entnommen wurden, sind als solche einzeln kenntlich gemacht.

Die Diplomarbeit habe ich noch nicht in einem anderen Studiengang als Prüfungsleistung verwendet.

Stuttgart-Hohenheim, den 10. Februar 2009

Unterschrift: _____

(Stefan Gassner)