

## **UNIT 11: EQUIPMENT REPLACEMENT POLICY**

### **Introduction**

Equipments, plants and machinery are very important for achieving guest satisfaction. Substantial part of the investment in the hotel industry is in its physical plants. At times it is more economical to replace equipments before it completely breaks down. Equipments / Items / Machinery / Plants replacement is categorized as:

- Equipments which gradually deteriorate due to wear and tear.
- Equipments which fail suddenly without any warning.

### **FACTORS CONSIDERED FOR REPLACEMENT OF EQUIPMENT'S**

**1. Demand for a greater number of equipments:** This situation arises when the existing number of a particular type of equipment cannot meet the full demand of the hotel. Eg: A bigger DG Set is to be installed as the small DG sets installed earlier cannot meet the full demand and there is no physical space for an additional DG set. Hence the only option is to go in for a bigger DG set.

**2. Excessive and frequent maintenance:** When the equipment and devices become old, they need frequent maintenance. The frequency of maintenance becomes more and more with passage of time and more money is spent. Sometimes non availability of spare parts makes maintenance impossible. In such situation's replacement becomes the only option.

**3. Advance Technology Technological** advancement is a continuous process and in a short span we get improved version of the equipment with new technology. Latest technology equipments become an added attraction for guests and customers. Hotels also replace equipments to remain in business competition.

**4. Decreasing Efficiency** Sometimes with time old equipments do not give the required efficiency. No amount of maintenance work helps to improve their efficiency.

5. Due to failure Some equipments breakdown all of a sudden.
6. To maintain symmetry Some equipments need to be replaced to maintain the symmetry.

### **GROUP REPLACEMENT**

- There are certain categories of equipment that normally do not require maintenance activities while in service.
- During their lifetime, they operate and give service more or less to the design level and then fail suddenly.
- Eg: Electric lamps, MCB's, sensors, detectors, washers, valves etc.

### **ADVANTAGES OF GROUP REPLACEMENT**

- Reduced replacement cost per unit.
- Safeguards the good will of the property.
- Discounts are available when units are purchased in bulk for group replacement.

### **CONCLUSION**

Equipment replacement is, thus, a vital decision in the hospitality industry. The decision of replacement is usually taken by the maintenance department in consultation with the finance department. It involves a lot of considerations. In case of high value capital items, the final decision is taken by the management.