



Computerized Maintenance  
Management Systems

Issue No. 002/05 May 2005

## CWORKS QUARTERLY NEWSLETTER

### ISSUE NO 002/05 MAY 2005

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## FEATURED CWORKS PARTNERS



[www.ReliabilityAssurance.com](http://www.ReliabilityAssurance.com)

**Maintainability :**  
**Reliability : Productivity :**  
**Empowerment :**  
**Efficiency :**

“What would it mean to your business if your maintenance related downtime was halved and the productivity of your maintenance staff increased by 20%?”

### CWorks made its debut on the MESDAQ market of the Malaysian Bourse on 10 May 2005

#### CWorks Systems Bhd: Comment by TA Securities:

CWorks Systems Bhd develops a range of computerized maintenance management system (CMMS) software. The group also offers business process outsourcing to help businesses manage their CMMS. These are charged on a monthly basis, which serves as a recurring revenue base for the group.

CWorks' products are mass marketed on the web, resulting in significant cost savings and impressive profitability. The group has customers in 49 countries worldwide, which comprise mainly small and medium-sized enterprises (SMEs) operating in various industries. Proton Holdings Bhd and Colgate-Palmolive (M) Sdn Bhd are among its local customers.

In FY04, approximately 22% of its revenue was derived from overseas. Going forward, the group plans to embark on more aggressive overseas penetration via appointing overseas distributors, pursuing partnering strategies and establishing a contact centre to provide online support and implementation.

CWorks made its maiden profit in FY03. During the period, Internet sales increased 35 times as compared with the previous year's, reflecting positive acceptance of the group's products and sales strategy. In FY04, the group's revenue and earnings grew by 128% and 293% respectively, driven by the introduction of CWorks ONLINE as well as continued sales for its basic solutions. We forecast FY05 revenue and earnings to grow by 123% to RM4.1 million and RM2.9 million respectively.

**Valuation:** The group's profit margin of 70% is high when compared with the industry average of 33.6%, which is largely attributable to the lower cost base of CWorks. As such, we value CWorks based on targeted FY05 price earnings ratio (PER) of 13.5 times, or a 10% premium over its peers average PER of 12.3 times. The resultant fair value of RM0.775 represents a 15.7% upside potential over the issue price of RM0.67.



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[www.dwigtech.com](http://www.dwigtech.com)

DWIGtech Associates provides an optional premium support service for CWorks Users in the UK and North America.

Our principals have extensive experience in maintenance management and CMMS implementations. Our aim is to ensure that your CWorks investment provides real payback.

For more details -  
[cworks@dwigtech.com](mailto:cworks@dwigtech.com)



Caribbean Data Processing Center

[www.cdpc.net](http://www.cdpc.net)

We provide support on implementation and interfacing for CWorks in Caribbean and South America.

[info@cdpc.net](mailto:info@cdpc.net)

## Segregating Assets and Spare Parts appropriately

One of the main requirements of CMMS implementation is to make and record an equipment list. This is so that, each equipment history can be easily tracked and preventive maintenance tasks can be easily assigned by equipment.

However, in the eagerness for completeness you may add into your list not only equipment but also spare parts. Thus for a fleet of cars, you may not only list the number of cars but also individually tag every part in the car. This may be appropriate if your spare parts are very expensive and critical but may be a tad too much.

Your equipment list should just include expensive and critical items that you want to track history and assigned preventive maintenance schedules to. All other items should go into your spares and materials list. This is not to say that spares are not tracked but you don't need to track all of them individually, you can track their quantity, cost and location as a group.

This way, for a building, you may add all light bulbs to the spares inventory list rather than the equipment list because it is doubtful you would ever need to track the history of each light bulb.

Segregating your lists like this will make your CMMS implementation faster and your data manageable.

## Lets get the PM Program up

Many organizations today are not convinced of the importance of preventive maintenance program. It may be helpful to highlight the impact of preventive maintenance program within a company.

Without a proper preventive maintenance program in place, breakdowns are sure to happen. When breakdowns occur, production is disrupted thus resulting shortage and delayed in production supply. Inconsistency in production machineries due to breakdowns create unstable production lines, thus resulting lower quality and higher rejects.

Well maintained equipment is much more efficient and operates with less energy requirement. Improve preventive maintenance program can justify considerable energy savings, especially in large plants.

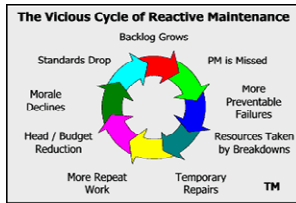
A proper preventive maintenance program should reduce breakdowns and hence minimizes unnecessary cost. This would minimize variance on annual budget.

Of course, studies have proven that well maintained equipment last longer than poorly maintained equipment. Therefore usable asset life is another key saving factor contributed by an effective preventive maintenance program.



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## The Reactive Maintenance Spiral

### - OMCS Asia Pacific

Many maintenance organizations face an excessive level of reactive or breakdown maintenance. This is expensive in terms of both maintenance cost and downtime consequences.

Excessive reactive maintenance also contributes to a negative performance spiral that at best counters other valuable improvement initiatives and, in the worst case, leads to an almost completely reactive environment. This can be explained very simply.

When breakdowns occur unexpectedly, resources are deployed to reactive work at the expense of Preventive Maintenance (PM). PM is missed due to scarce resources being consumed by breakdowns. As PM is missed, more preventable failures occur expanding the level of reactive maintenance. In many cases, the situation is compounded by band-aid maintenance, and morale adversely affected by long working hours under high pressure and continual fire fighting.



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## CWORKS EVENTS

**FREE BREAKFAST  
SEMINAR  
MALAYSIAN ROADSHOW '05**

**CWORKS LISTING ON  
MESDAQ  
MAY 10, 2005**

**MAPREC 2005  
JAKARTA  
MAY 10 – 12, 2005**

## What is Timely Maintenance?

### - Essence of Good Facility Management by KC Leong.

We often hear such a saying: “By the time we see signs of deterioration on a facility, it is too late!”. This is absolutely true. The process of asset deterioration is slow and often takes place in a chemical way affecting the property structures of the asset components in various ways. It will take a considerable amount of time before the human eyes can pick out signs of material deterioration.

Each asset component material will have a different rate of deterioration. It is important to have a sound knowledge of all these materials' deterioration characteristics. For example, certain lubricant in certain engine under certain working conditions will only work effectively for certain working period. Once the period is up say after six months of continuous operation, the oil must be changed in order to protect the piston. In the case of the casing of this engine, its surface painting will last 24 months before heat from engine combustion will crack the paint coat layers. Then total repainting of the engine casing must be scheduled for proper implementation at every 21 months.

Maintenance being carried out based on such timely scheduling is known as timely maintenance. The purpose is to maintain the maximum economic life of the engine which is a major investment and to ensure minimal engine breakdown, thus maintaining maximal reliable service from the engine.



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This newsletter is being extended to all CWorks Newsletter subscribers. Should you find the tips useful to your friends, colleagues and peers, please forward this email to them. They can also register by sending email to [cwnews@cworks.com.my](mailto:cwnews@cworks.com.my).

For those who would like to share tips, experiences and knowledge on CMMS, you are invited to send them to [malik@cworks.com.my](mailto:malik@cworks.com.my) or [info@cworks.com.my](mailto:info@cworks.com.my)

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