ABBOTT HOSPITAL SERVICE COST ANALYSIS - 2025

Comprehensive review of service activity, parts utilization, and operational efficiency across UK hospitals.

A SERVICE COST OVERVIEW & KEY DRIVERS

01 TOTAL COST OVERVIEW

TOTAL PARTS COST

$117,160

AVG SERVICE DURATION

53MIN

This indicates that increasing costs are driven not by labor time, but by aging instruments and rising part replacement frequency.

02 TOP COST DRIVERS BY INSTRUMENT MODEL

Model C and D units dominate cost distribution due to component aging and higher part usage rates.

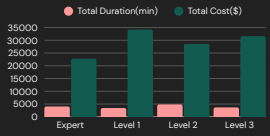
Preventive replacement and targeted supplier evaluation could reduce costs by 10–15% in these models.

03 ENGINEER CERTIFICATION IMPACT AND HOSPITAL COST HOTSPOTS

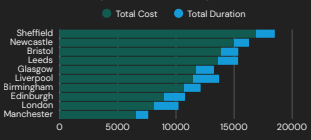
Level 1 engineers generate the highest cost (29%) despite shorter service time — indicating more part swaps. Experts maintain the lowest cost (19%) with higher precision and fewer repeat visits.

Service concentration is heavily regional. Allocating regional spare part hubs and experienced engineers to these hospitals can reduce response time and repeat visits.

Engineer Certification Impact

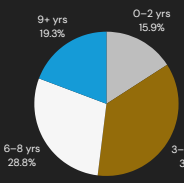


Hospital Cost Hotspots



04 PARTS COST BY EQUIPMENT AGE BAND

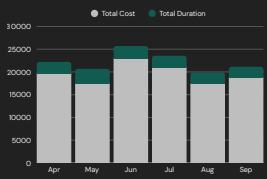
Nearly 65% of total cost comes from instruments over 3 years old.
Introducing a 6-year lifecycle renewal program could reduce service costs by 20%.



05 MONTHLY DISTRIBUTION

- Cost spikes visible between June–September, peaking at ~$28,000.
- Seasonal trend correlates with higher field activity and environmental stress on instruments.

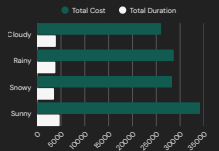
Summer months show increased service load; aligning preventive maintenance before this period can balance demand.



EMRE OZYUREK X ABBOTT

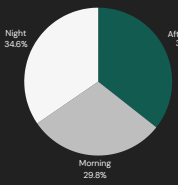
06 WEATHER IMPACT ON SERVICE COST

- Rainy & Snowy months account for ~40% of total annual cost.
- Increased electrical and sensor module failures due to moisture exposure.

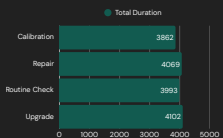


07 SHIFT TYPE IMPACT

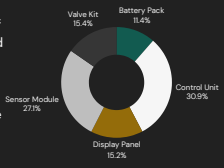
Afternoon and night shifts contribute 70%+ of total cost, linked to reactive maintenance.
Balancing shift load and assigning expert engineers to night shifts can enhance first-time fix rates.



08 MAINTENANCE TYPE ON SERVICE DURATION AND PARTS ON SERVICE COST



- Upgrades and repairs consume most of the time and cost.Better scheduling and batch upgrades can reduce disruption to operations.
- Control Units and Sensor Modules drive over 58% of total cost. Predictive replacement scheduling could reduce these failures significantly.



B 2025 STRATEGIC COST REDUCTION PLAN

🎯 Objective

Optimize total service cost (currently $117,160) by addressing aging equipment, uneven workload, and environmental inefficiencies.

Focus Area	Action Steps	Data Insight Basis	Expected Impact
Engineer Efficiency & Training	Upskill Level 1 engineers in diagnostics; introduce peer shadowing with Experts.	Level 1 has 29% of total cost despite shorter service time.	↓ 6–8% total cost
Lifecycle Management (Aging Equipment)	Replace / refurbish instruments > 6 yrs; introduce predictive part replacement.	3–8 yr units account for **65%+** of total cost.	↓ 20% cost
High-Cost Models (Model C & D)	Review Model C /A component reliability and vendor quality.	Model C and D units dominate cost distribution	↓ 10–15%
Regional Cost Hotspots	Create regional spare-part hubs (Bristol, Newcastle, Sheffield).	4 hospitals = 60% of total cost.	↓ 8% logistics & downtime
Weather Readiness Program	Schedule pre-rainy / snowy maintenance; stock moisture-sensitive parts.	Rain + Snow months = 40% of annual cost.	↓ 3–5%
Repeat Visit Prevention	Add 30-day QA check and remote validation before re-dispatch.	Repeat jobs = 18% of total cost.	↓ 10%
Shift Optimization	Balance workload; assign Experts to night/afternoon shifts.	Afternoon + Night = 70% of cost.	↓ 5%

1. Projected Outcome

If implemented together:

- Potential Total Cost Reduction: ≈ 25–30%
- Expected 2026 Service Cost: ≈ $82K–$85K

Key Benefit: Higher diagnostic accuracy, reduced repeat visits, optimized resource allocation.

2. Executive Summary

By prioritizing Level 1 training, lifecycle renewal, and predictive scheduling,
Abbott can reduce cost from $117K → ~$85K, while improving uptime and customer satisfaction.