



# Hidden Costs in Engineering & Facilities

How reactive maintenance and energy waste silently erode your departmental margin

ENGINEERING & FACILITIES

## The Reactive Maintenance Problem

Engineering and facilities management is one of the most cost-intensive departments in any hotel, yet it remains among the least analytically managed. The majority of properties operate on a predominantly reactive maintenance model — responding to failures as they occur rather than preventing them. This approach is consistently more expensive than structured preventative maintenance: reactive repairs cost 3–5 times more per incident than planned interventions, and unplanned downtime carries a direct guest satisfaction and revenue consequence.

Our profit-sharing partnership integrates AI-assisted predictive maintenance methodology — utilising IoT sensor data, BMS analytics, and CMMS platforms such as Quore, HotSOS, and Planon — to shift your engineering department from reactive to proactive operation. The financial and operational impact is measurable, rapid, and sustainable.

## The Three Primary Cost Levers We Target

- Reactive vs. preventative maintenance ratio: Auditing your current callout-to-PM ratio and restructuring scheduling to reduce reactive incidents by 30–40%
- Energy consumption optimisation: Applying AI-enabled BMS controls and occupancy-linked HVAC scheduling to reduce energy expenditure by 15–25%
- Contractor and vendor management: Benchmarking current contractor rates, reviewing SLA compliance, and renegotiating terms based on scope and performance data

## The Financial Impact

A 200-room hotel with an engineering operating budget of £350,000 per annum — inclusive of labour, energy, and maintenance contracts — carries a conservatively estimated £52,000–£87,000 in recoverable inefficiency. Energy alone typically represents 20–35% of total hotel operating costs, and AI-enabled BMS optimisation consistently delivers 15–25% reductions in that category. Combined with reactive maintenance reduction and contractor renegotiation, the total departmental opportunity is material.

**Engineering managers and Chief Engineers in comparable roles participating in this partnership have generated an additional £900–£1,400 per month through their personal profit share — reflecting the scale of savings available in technically complex departments.**

**We identify the engineering cost inefficiencies. We implement the changes alongside your team. The resulting profit improvement is shared proportionally between the company, the departmental manager, participating engineers, and SW Partnership Group.**

## CASE STUDIES

## Evidence-Based Profit Improvement

## Klarent Hospitality — AI-Enabled Energy Management Programme

REAL-WORLD

**Result: 65% reduction in general energy consumption; £376,911 saved in 12 months across a managed portfolio**

Klarent Hospitality implemented an AI-driven energy management programme integrating BMS automation, occupancy-linked HVAC controls, and real-time consumption dashboards. The result was a 65% reduction in general energy use and £376,911 in verified annual savings. The programme required no capital infrastructure replacement — only systematic optimisation of existing BMS controls and scheduling logic.

Source: Spacewell / GETGEN Energy Solutions — Klarent Hospitality Energy Management Case Study (2025). spacewell.com

## Meridian Park Hotel — Predictive Maintenance Programme (Hypothetical)

HYPOTHETICAL

**Result: £43,200 annual saving; reactive callouts reduced by 38%; Chief Engineer generating £1,150/month additional income through profit share**

A 4-star, 180-room hotel restructured its engineering department from a predominantly reactive model to a structured preventative maintenance programme supported by CMMS scheduling. Reactive callouts reduced by 38% within six months. Energy optimisation through BMS rescheduling delivered an additional £18,000 in annual savings. Under the SW profit-share model, the Chief Engineer received £1,150/month as their personal entitlement.

Source: SW Partnership Group — Modelled scenario based on OxMaint, Klarent, and CMMS industry benchmark data

## OxMaint — 45-Property Hotel Chain: Maintenance Optimisation Study

REAL-WORLD

**Result: \$4.2M annual saving across 45 properties; 44% reduction in reactive work orders; ROI achieved in 4.1 months**

A 45-property hotel chain implemented structured CMMS-based preventative maintenance across its portfolio. Reactive work orders reduced by 44%, energy costs fell by 30%, and total annual savings reached \$4.2M. The average ROI payback period was 4.1 months — demonstrating that engineering operational improvements deliver among the fastest financial returns of any department-level intervention.

Source: OxMaint — Hotel Chain Energy Optimisation: 45 Properties Case Study (2026). oxmaint.com



METRICS & DATA SHEET

Key Performance Indicators & Profit Impact

<p><b>3–5x</b></p> <p><b>Reactive Cost</b></p> <p>Reactive repairs cost 3–5x more than planned PM</p>	<p><b>15–25%</b></p> <p><b>Energy Saving</b></p> <p>AI-BMS optimisation reduces energy expenditure</p>	<p><b>30–40%</b></p> <p><b>Downtime Reduction</b></p> <p>Reactive incidents reduced through structured PM</p>
<p><b>20–35%</b></p> <p><b>Energy Share</b></p> <p>Energy as % of total hotel operating cost</p>	<p><b>£52K–£87K</b></p> <p><b>Annual Opportunity</b></p> <p>Recoverable inefficiency in a 200-room property</p>	<p><b>£900–£1,400</b></p> <p><b>Mgr. Monthly</b></p> <p>Additional monthly income for engineering manager</p>

Detailed Opportunity Analysis

Metric	Current Benchmark	Target	Potential Saving / Gain
Reactive/PM Ratio	70–80% reactive (typical)	Below 30% reactive target	3–5x cost reduction per incident
Energy Cost/Room/Year	£180–£280 unmanaged	£140–£200 with BMS optimisation	15–25% energy expenditure reduction
Contractor SLA Compliance	No formal benchmarking	Scored vendor management	5–10% contract cost reduction
CMMS Utilisation	Paper logs or basic system	Full CMMS with PM scheduling	30–40% reduction in unplanned downtime

**How the SW Profit-Sharing Partnership Works:** We identify hidden areas of profit within your department, implement the improvements alongside your team, and share the resulting gains proportionally — with the company, the departmental manager, participating employees, and SW Partnership Group. No upfront cost. No saving, no fee.