



Sumitomo Drive Technologies

Cost of Downtime in Industrial Manufacturing and the Value of Proactive Maintenance

Average Cost of Unplanned Downtime per Hour

Unplanned downtime is extremely expensive for industrial manufacturers. Surveys estimate that the average cost of downtime across industrial sectors is on the order of hundreds of thousands of dollars per hour. For example, research by Aberdeen found that a typical manufacturing business loses about \$260,000 for every hour of downtime.

Similarly, a ServiceMax industry survey reported an average impact of ~\$250,000 per hour of unplanned downtime (about \$2 million per incident). Actual costs vary widely with company size and industry. A small plant might lose only a few hundred dollars per minute of downtime, whereas large manufacturers can lose over \$16,000 per minute (~\$1 million per hour) during outages. In high-volume sectors like automotive, downtime can run about \$50,000 per minute (~\$3 million per hour).

Even in lower-cost sectors like consumer goods manufacturing, estimates average about \$39,000 in lost output per hour of downtime. Every hour of unexpected downtime represents a significant financial loss.

Annual Financial Impact of Downtime in U.S. Manufacturing

Across the U.S. manufacturing sector, unplanned downtime costs manufacturers around **\$50 billion per year**. This includes lost production, idle labor, scrapped materials, and other direct costs. Downtime also consumes a notable fraction of productive time—up to 10% of a factory's available time.

The average manufacturer faces roughly 800 hours of downtime annually. Equipment failures account for about 42% of that downtime, highlighting the huge opportunity for improvement.

Differences by Plant Size and Industry Sector

Downtime cost varies based on company size and industry. Smaller manufacturers tend to have lower absolute costs, while large enterprises can lose millions per hour. In the U.S., 98% of organizations say even a single hour of downtime costs over \$100,000 in lost revenue, and for one-third of large companies, one hour can cost \$1–5 million.

Industries like automotive and continuous-process manufacturing feel the greatest impact. In contrast, sectors like food and consumer goods see lower (but still significant) costs—tens of thousands of dollars per hour.

Benefits of Proactive Gearbox Maintenance and Inspection

Manufacturers are turning to proactive maintenance—especially for gearboxes—to avoid unplanned outages. Predictive maintenance can reduce downtime by 30–50% and extend equipment life by 20–40%. Around 75% of organizations using predictive maintenance see reduced downtime. It also lowers total maintenance costs by 12–18%,

and every \$1 spent can save up to \$5. Gearboxes are ideal for predictive strategies: techniques like vibration monitoring and oil analysis can spot failures before they occur, avoiding catastrophic breakdowns.

Real-World Results

Case studies show predictive gearbox maintenance delivers real savings. One plant reduced unplanned downtime by 30% and saved over \$500,000 annually. A mining operation identified gearbox issues three months ahead, extending life by 25%. An oil-and-gas firm predicted failures up to 16 days early—each averted failure saved hundreds of thousands.

Regular inspections and monitoring improve reliability, reduce scrap and overtime, and boost OEE by eliminating unexpected failures.

Unplanned downtime is a multi-billion dollar challenge for U.S. manufacturers. Proactive gearbox maintenance is one of the most effective ways to address it—cutting downtime, saving money, and improving operational performance. It's not just a strategy—it's a smart investment.



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How Long Does It Take You to Bounce Back from a Breakdown?

Every minute your line is down, you're losing money.

And if you don't have a fast repair plan in place, that downtime stretches out—costing more in labor, lost production, and missed targets. Sumitomo Drive Technologies' Maintenance & Inspection Contracts are built to reduce your MTTR—so when something breaks, you recover faster and with less disruption.

Secure Your Proactive Maintenance Contract

Book time with our team to build a plan that improves reliability and shortens repair time.

Schedule a Service Contract Consultation