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The True Cost of Downtime 2026

Downtime statistics, cost-per-hour model
and a practical reduction playbook

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Downtime by the numbers (2026)

Every figure below is traced to published research; variance between studies reflects scope, not disagreement about the core finding: **most plants lose about a third of planned production time and have never priced it.**

Figure	What it means
~\$260,000	Widely-cited average cost of one downtime hour (cross-industry, Siemens/Senseye research series)
11% of revenue	Estimated unplanned downtime bill of the Fortune Global 500 (~\$1.4T/year)
55-65%	Typical measured OEE - roughly a third of planned time is lost
60-80%	Share of real stop time that manual logs actually capture
800 hrs/yr	Commonly reported unplanned downtime per plant (~15 hrs/week)
5-15 pts	Typical OEE recovery in 12-18 months once losses are measured automatically

Price your own downtime hour

Downtime cost/hr = (contribution margin per unit x units per hour) + labour idled + restart scrap.

Example: a line producing 600 units/hr at \$4 margin loses \$2,400/hr in margin alone; add 4 idled operators (\$120/hr) and typical restart scrap and the true figure passes \$3,000/hr - \$72,000 for a single lost day-shift. Multiply by the 800 unplanned hours an average plant reports per year, and downtime is usually the largest single unbudgeted cost in the P&L.

The reduction playbook

Step 1 - Measure automatically

Manual logs capture only 60-80% of stop time; micro-stops and changeover overruns vanish. Retrofit sensors (any machine age) or controller taps give the honest baseline in days.

Step 2 - Classify to root cause

A stop without a reason is a stop you will repeat. One-tap operator coding or AI classification keeps reason data trustworthy past month one.

Step 3 - Pareto and attack

The top 3 causes typically hold 60%+ of lost minutes. Breakdown-dominated: planned maintenance on the constraint. Changeover-dominated: SMED. Micro-stop-dominated: focused kaizen with video review.

Step 4 - Re-price monthly

Report recovered hours x your cost-per-hour to management monthly. Recovered capacity funds the programme many times over - typical deployments recover 5-15 OEE points in the first 12-18 months.

Benchmarks by industry and ranked measurement tools: factorymetrics.org/en/

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