Maintenance and Reliability in 2016 - Introducing the "CRO"

Written by:
Michael R. Maiolo
Partner, Vesta Partners, LLC

What does the future hold for maintenance and reliability? Will 2016 look significantly different than 2006?

Over the years we have seen numerous charts, pyramids and strategies that graphically display a variety of maintenance and reliability improvement ladders. Most of these begin with something like reactive maintenance and lead to a version of Total Productive Maintenance or "Financial Optimization." Where do most American manufacturing companies currently reside on these pyramids? You might be disappointed by the answer.

Many companies today believe they have fairly robust processes for maintaining their critical manufacturing assets and have a reasonably sophisticated strategy for long term improvement. In reality, this area continues to lag behind the rest of the organization in commitment and attention and remains a major opportunity for improvement.

So, what is really going to be different in 2016? In the complex world of "C" level titles in corporate America; have you ever met a "CRO" (Chief Reliability Officer)? Most companies have a CEO, COO, CFO, CIO, as well as a CMO (Chief Marketing Offer), CTO (Chief Technology Officer) and a host of others depending on the company and industry. For manufacturing to survive in North America, a real commitment must be made to asset reliability throughout our corporate culture. Specifically, the same energy that has been put into supply chain cost reductions and efficiency improvements for the last ten years must be committed to asset reliability improvement for the next ten years.

Technology continues to play an ever increasing role in how we approach and manage the area of reliability and maintenance. By the year 2016, the "CRO" will be a critical function that oversees this ever changing, complex and dynamic process. With the major enterprise platforms displacing the "best of breed" products, EAM and related systems will continue to offer more advanced features and usability. By 2016, just the sheer amount of information to be managed will be significant. For instance, routine inspections will be replaced by smart assets communicating their need to be "lubricated" or maintained through RFID and other communication related technologies. Sophisticated systems will have the ability to integrate condition monitoring information and asset reliability data and make it available as a management decision-making tool on a real-time basis. Rather than looking at quarterly data pertaining to failure codes and putting a plan together to make changes over a multi-month period, reliability managers will have the ability to make these adjustments on a shift to shift basis. The technology evolution has already started. By 2016, the tools and capabilities will be in place to arm executives with the right information to make sound investment and strategy decisions pertaining to asset reliability. Will these decisions be led by a CRO?

In reality, I am willing to bet that there may not be a single CRO in all of Corporate America. It may be wishful thinking to see a Maintenance Manager sitting at the same table as a VP of Manufacturing, or a CRO leading a discussion pertaining to long term reliability improvement at a senior executive retreat in 2016, but what a difference that could make. So, while we may not get a seat at the next board meeting, we do need higher representation than currently exists if we are to effectively manage the critical area of asset reliability and maintenance.