

WE DELIVER CHANGE!

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THE PRESIDENT'S CORNER



Winning Organizations

By Brad Peterson

With the advent of the internet, knowing best practices doesn't distinguish a consulting company. Information on "Best Practices" is now widely available, through websites like www.reliabilityweb.com, or even www.smrp.org. Still, we find most companies struggle here. It isn't about information, it's about implementation. Or as many of our clients say, process embedding. If there is a process and a set of tools to be adopted to increase performance, why is it such a struggle?

SAMI has made a science of change. We study our clients and the results they achieve using our methods, and we constantly look for improved ways to assure the results they are looking for are achieved, by them, for them, and for an enduring period.

At a very large client site in South Africa, we discovered that implementing change within the functional organization, in this case maintenance, wasn't sufficient. The leadership team did not have sufficient understanding of either leadership or management to support the changes in full. Their energies were scattered, their calendars full, and no common system existed for managing the business.

Our response has been to develop a new set of methods, which have lent themselves yet again to a maturity development scheme. In other words, a new SAMI triangle! We call this triangle, The Organizational Excellence Triangle. It consists of two main development thrusts: 1) developing a capable managing system for assuring performance, and 2) developing people, through behavioral excellence. Over the next year, we will be introducing the SAMI Organizational Excellence Triangle through my column, The President's Corner.

Dave Army, our mad scientist of change, is someone who really "gets it". He has made his SAMI career one of studying how to consistently get improved results for our clients. He discusses some aspects of what we have learned in the article below.

Change – It's Not Just for Maintenance

Over the years, SAMI has been very successful in helping our clients enhance and install sustainable changes to the way Maintenance is conducted at their facilities. Our unique methodology involves multiple layers of the client's organization. We focus on creating ownership of the work process revisions with the "best

and brightest" within the working ranks. Later on, once the process has been designed and approved, we carefully install the changes through a series of detailed steps and thorough training of all personnel. Lastly, along with the client "coaches" taking the lead, our Subject Matter Experts (SME's) help them ensure the process is fully sustainable. This element of our methodology takes a minimum of 9 months, depending on the client's situation.

Recently, with the advent of CARAT (*Certification and Results Assessment Tool*), we've developed a way to measure how the client's beliefs and behaviors are changing. Starting at the Design phase, we can establish the "to be" behaviors for the organization, then measure how the engagement is progressing. We are then able to identify opportunities for corrective action as they develop, instead of waiting until the end of the engagement. This is a perfect complement to our standard methodology. Oh, I forgot to add that CARAT is used for all levels of the organization.

A while back, I was asked to talk to a group of clients about the barriers to a successful implementation of a change initiative. Thinking through all of the obstacles to a successful implementation, many different causes came to mind, ranging from CMMS readiness, organizational set-up, etc. However, it finally came to me, the perfect title; "It's the People, Stupid".

When talking to a client, I was asked to review an existing Work Management Initiative. While it was not exactly as we (SAMI) would have done it, all the required elements were there, and I told them so. The real crux of the matter was the installation and acceptance of the process. They had missed some of the main steps of change management, steps which we ensure happen. Thinking about it some more, I have come to believe that our methodology applies to all process improvements, not just Maintenance. After checking my thesis out with my in house psychologist (my wife), I have convinced my colleagues that not only do "We Deliver Change" but, we can measure that change and deliver it to all work process improvements.

Starting with this issue of the SAMI Times, I am pleased to announce our new Change Management offering, **Sustainable Change**, that will cover all that we do and it's not just Maintenance. There will be much more to follow in subsequent issues.

If you have any questions or comments, please feel free to contact me. I would be happy to answer you.

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We are a consulting group for industrial organizations working to improve profitability, efficiency and equipment reliability. Our Mission is to improve our clients' production equipment health, by tapping the desire, creativity and dedication of all plant staff, and our vision is to be the firm consistently chosen by companies serious about making change; because our values of integrity, content knowledge, advanced practices and compassion for the workforce match the values of our clients.

ASSESSING AND CREATING ASSET INTEGRITY PART I

DESIGN, CONSTRUCTION AND START-UP BY STANTON MCGROARTY, CMRPCMFG



Definition: Asset Integrity is the science of creating, measuring and maintaining the set of equipment properties that keep fluids (gasses and liquids) on the correct sides of all their boundaries throughout a processing and storage system. (There are broader definitions, but most of our clients agree on the principle of fluid constraint as the working definition of Asset Integrity.)

Building Asset Integrity. Three elements are required for Asset Integrity in a manufacturing setting:

1. Equipment that has been engineered and maintained to be fit for service
2. A Maintenance organization employing proper Work Management practices to ensure quality execution of the work required for Asset Integrity
3. A Reliability organization that drives the appropriate Asset Strategies and work processes to maintain integrity and meet statutory obligations for equipment inspection and maintenance



All three elements must be in place for the organization to deliver true risk-based Asset Integrity. Quality equipment, intelligent strategies and sound execution are all essential.

It is worth noting that the timely execution of statutory requirements is a useful minimum for starting an Asset Integrity program, but it is not the end point. If your plant has equipment failures that result in the escape of regulated substances, the fact that you did all legally required inspections will not eliminate the damage and injuries that result, nor will they eliminate your liability.

Failure to comply with statutory inspections will compound your costs, though, even if you don't have a failure. Intimate

knowledge and regular performance of statutory maintenance is essential.

Assessment of Asset Integrity. An Asset Integrity Assessment covers the three elements above, first identifying the current state of equipment, then determining the status of Asset Healthcare that keep equipment safe and functional.

1. To ascertain equipment fitness, SAMI consultants form a team with client technical people to review equipment specifications and current equipment condition to determine what must be done to ensure the current integrity of fluid handling equipment. Appropriateness of design and current state of wear and degradation are reviewed to round out the integrity profile of the plant. Technologies that are used in the review may include core sampling, ultrasonic wall measurement, thermal imaging, vibration analysis and a broad selection of other condition monitoring tools. Integrity management software guides the effort.

2. To understand technical compliance to statutory requirements SAMI again teams with client technical people to understand the statutory rules under which the system must operate and measure compliance to them. This is not a substitute for development of realistic inspection programs, but it does establish a set of guidelines that the organization must meet to stay out of legal trouble.

3. The same team reviews records of compliance to statutory requirements and to client preventive maintenance plans. From these the team can determine what work is actually being done to ensure Asset Integrity. Inspection records and any other relevant detail will be reviewed and correlated with the team's own findings to help determine what level of attention is required in the future.

4. SAMI consultants will also review work management procedures in the maintenance and reliability areas to ascertain cost efficiency and overall effectiveness of these areas. It is essential that the maintenance organization provide timely delivery of quality maintenance services in support of all statutory schedules and asset strategies. The elements of Stage 1 Asset Healthcare are the building blocks of this capability. SAMI measures them to ensure this quality of service delivery.

In Part II of this article, I will continue with the discussion on the Assessment of Asset Integrity and will cover the design and start-up of an Asset Integrity System.

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IMPROVEMENT INITIATIVES PART II

WHY DON'T THEY WORK ALL THE TIME

BY BOB MORAN, CMRP



In Part I of this article I discussed the reasons why many operational improvement initiatives fail and outlined four key success factors for implementing improvement initiatives. In this second and final installment I will discuss the steps that can be taken

to fix the issues that are barring the way to a strong, successful improvement initiative.

So how do we fix the issues barring the way to a strong, successful improvement initiative. The first of the keys to success is developing an Improvement Strategy.

In order to ensure that an Asset Performance Improvement initiative is successful, provisions must be made to provide for the success factors outlined above. The first step on this road is to ensure that achieving the highest possible level of asset performance is among the company's strategic objectives. This puts the focus on strategic rather than improvement opportunities and raises the level of visibility and commitment of the effort. It requires that the company's senior managers be involved in the development of the Asset Performance Improvement strategy and that they guide the process so that:

- The decisions that are made are based on a complete understanding of the company's goals.
- The Asset Improvement Initiative fits with others that are underway. It must support or be supported by the company's other strategic initiatives to insure they are all pointing in the same direction and don't conflict with one another.
- The resources are available for initiative support. Starving an initiative of resources is a quick way to insure failure. Although many opportunities exist, company leadership must be selective about which projects to pursue so they do not overwhelm or overextend available resources.
- The strategy fits the current needs of the company and meshes with its management style and philosophy.
- The strategy includes the five basic aspects of any improvement strategy and:
 - o Provides a direction to focus the organization's efforts
 - o Establishes and cultivates expectations and goals
 - o Provides organization and structure for implementation
 - o Provides appropriate resources
 - o Is flexible so it can adapt to changes in the company's competitive environment

Company leadership must also develop a business case for implementing the initiative with a clear definition of the strategies, financial impact, and the metrics that will be used to track progress. This should be communicated in a clear way so that

all in the organization have an understanding of reasons for the initiative, the rewards of success and the consequences of failure.

The next key success factor is gaining commitment and alignment...in order to develop the long-term commitment required for success, the initiative must generate internal motivation at all levels of the organization. Ongoing communication about the goals, resources, constraints, progress



and changes to plans is a must. Feedback about the impact of the initiative, and a coordinated program of training, rewards and communication are essential.

Once the strategy has been defined, individual ownership can be achieved by involving managers and employees at all levels in defining the tactics to be employed in the strategy and the development of the implementation plan. After the initiative is underway and has achieved some morale-boosting successes, a phase comes when problems get harder to solve. Gradually, as the problems or constraints become more difficult, as the "low-hanging fruit" is harvested, the company leadership must provide the recognition, tools and resources to deal with these more complex issues. Continued support and leadership is critical!

In summary, we have seen a number of very successful improvement initiatives where companies recognized that nothing works without effective, consistent, and visible leadership.

As always, I'll be happy to share ideas and philosophy with you. And if you have any questions or comments, please feel free to e-mail me at bmoran@samicorp.com.

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SAMI IS ABOUT MORE THAN JUST MAINTENANCE WE ARE ABOUT SUSTAINABLE CHANGE!



SAMI has been very successful in helping our clients design and install sustainable changes to work processes in industrial facilities. Find out how we can help you!

WHAT MAKES SAMI DIFFERENT?

What sets SAMI apart from the rest is in our view of the world. We believe that:

- Change issues are seldom addressed with the technical approach
- The biggest opportunity for improvement lies with people
- It's imperative to understand and drive future desired behaviors (organizational and individual)
- There is no silver bullet
- Our approach takes time, but it works!

WHAT CAN SAMI DO FOR YOU?

- SAMI can help you successfully institute sustainable change in your organization
- We combine a mix of subject matter expertise with change management knowledge to coach and facilitate your organization
- We employ CARAT and other tools that are unique and specifically designed to measure behavioral change
- We remain behind the scenes to allow your personnel to own and drive the initiative
- We transfer knowledge of success from similar engagements
- We know how to embed behavioral change
- We Deliver Change!

**To learn more about SAMI's approach to Change Management
contact Dave Army, CMRP at darmy@samicorp.com**