

The View Ahead

Written by John Mitchell
Thursday, 06 January 2000 20:49

This is my 12th and final Viewpoint so I thought I might attempt to construct a view of the future.

First, I'd like to say thanks to all who took the time to comment on past Viewpoints. Your encouragement and comments were, and are, very much appreciated. I hope the ideas expressed, sometimes a bit irreverently, were useful to you.

Over the past few years I've been privileged to converse with many leaders in the drive to improve performance of production assets. Many if not most of the concepts expressed on this page over the past 3 yr were due directly to the generosity of individuals willing to discuss and share ideas. During these discussions one thing becomes very clear—leaders are converging on a process for optimizing equipment life that has far more similarities than differences.

Among the leaders, maintenance is gaining greater recognition as an essential part of the value-producing production process. The idea that maintenance is a cost of doing business that can be reduced by executive fiat is fading. Best performance, including least cost, is obtained as a result of doing things right and attention to detail, not by command.

Systematic identification and elimination of defects and the need for maintenance in a priority order determined by contribution to mission and business objectives gains greatest return. Increased reliability, optimum availability, and least cost are inseparable.

There will be more use of metrics such as OEE (availability, yield, quality), rolled throughput yield, and cost of poor quality from Six Sigma to measure production effectiveness. Extending OEE definitions to include concepts from Six Sigma may be advantageous in our increasingly financially dominated world. Both OEE and Six Sigma will have a monetary component applied to determine return.

The stature of maintenance and reliability professionals will certainly improve. The role also will change. Maintenance and reliability professionals will be seen as key toward

The View Ahead

Written by John Mitchell
Thursday, 06 January 2000 20:49

success of the manufacturing process. In operation, maintenance and reliability assessment and capacity predictions.

addition to guarantors of sustainable professionals will provide valuable risk

Some may say that their senior management is not yet enlightened to these sweeping changes. As the future becomes the present, the price of nonconformance will be an increasing struggle to stay afloat in markets dominated by those who do "get it." Companies at the bottom of the food chain will find profit margins squeezed until they can no longer compete with the enlightened few. Call this Darwinism but that's the way a free market economy works.

Asset Management is the name some are calling the emerging process of life improvement. Equipment Life Management may be a more descriptive term. Equipment Life Management can be defined as a comprehensive strategy and process directed to achieving greatest lifetime effectiveness and monetary return from production and equipment assets. Success is measured by contribution to your company's financial results.

Performance measures will be connected from corporate return on assets and equity through production effectiveness mentioned earlier to performance metrics for programs such as condition based maintenance. Again, programs will be judged on their contribution to corporate results.

From that perspective, the benefits of improved reliability are not just increased MTBF and reduced maintenance costs but greater production, less waste caused by unexpected hiccups, fewer environmental incidents, and even reduced spare parts stocking levels. A proposed method for demonstrating the full benefits of improved reliability was published in May 1999 (*MT*, p 26).

Equipment Life Management will be profit and not cost centered—profit centered to encourage business-oriented investments to improve availability and capacity and reduce cost. The allocation and deployment of resources will be results rather than task oriented. If you can't demonstrate the return you won't do the work!

The View Ahead

Written by John Mitchell

Thursday, 06 January 2000 20:49

No prediction of the future is complete without mentioning MIMOSA. MIMOSA is building the foundation that will assure today's requirement for integrated information is tomorrow's reality.

Thanks again for sharing your time. Best wishes for continuing success in all your endeavors! **MT**