

Viewpoint: Maintenance And Innovation — It's Not An Oxymoron

Written by Burt Hurlock, CEO, Azima DLI
Sunday, 17 October 2010 17:41



The story of U.S. economic dominance, from Hollywood to aerospace, is one of innovation. That said, not all U.S. businesses are innovative—far from it. The majority are imitators, blindly following practices of leading enterprises in their sectors (but more on that later). The point is that the U.S. still accounts for 26.7% of global GDP, up from 26.3% in 1975. That means we remain the single largest contributor to global GDP.

If innovation explains why U.S. industrial leadership has gone unchallenged for more than 35 years, then why is a recurring theme in this column the stubborn persistence of old, reactive maintenance practices, especially when predictive, conditioned-based technologies have been around (and achieving undisputed results) for decades? The troubling answer is that the same mentality that brought the U.S. automobile industry to its knees in the 1980s is alive and well in the bowels of many maintenance organizations.

You don't need to work in the maintenance services business for long before confronting the stark cultural differences among companies. Some thirst for knowledge—*using it to feed and drive all aspects of the business cycle, from demand management to supply, production, distribution and capital efficiency.*

Others demonstrate outright hostility toward knowledge, information and change because the status quo is comfortable and easy and reliable, that is, until it's not (as our automobile industry discovered).

Industry leaders are easy to spot and impossible to defeat—*they break with tradition.* From Apple Computer to Southwest Airlines, the same patterns persist. Innovators learn something new, see something differently and use that insight to drive a wedge between themselves and competitors who invariably respond by "imitating." With the path to obscurity so well worn, it's a wonder that maintenance organizations with an almost unlimited potential to innovate, drive down costs, reduce risks and improve performance don't.

When maintenance organizations do embrace innovations—*such as predictive, condition-based*

Viewpoint: Maintenance And Innovation — It's Not An Oxymoron

Written by Burt Hurlock, CEO, Azima DLI
Sunday, 17 October 2010 17:41

maintenance programs —they achieve new and higher stature in their operations by increasing production availability, driving down maintenance budgets and spare parts inventories and eliminating unplanned capital expenditures. They may also find themselves credited with contributing to improved safety records, improved profitability and/or expanded market share achieved with the greater pricing flexibility afforded by lower unit costs.

At Azima DLI, we recruit experienced analysts and train them to break with tradition. We turn them into fanatics for information, knowledge and accountability. Why? Because our customers can't innovate without new insights about their production operations. We've learned that when a prospect turns pale as we talk about information, knowledge and transparency, we're talking to an imitator. But when a prospect leans forward to share insights based on the organization's own information culture, we know we have an innovator who is as likely to teach us something as we are to empower him/her.

Maintenance organizations today face a simple choice: Innovate and take the credit for driving ingrained cost and inefficiency from production operations, or defend an unnecessarily high cost structure that is difficult to correlate to improved performance and efficiency. The choice and the opportunity would appear obvious—unless trying something new or seeing something differently doesn't seem worth the effort. **MT**

Burt Hurlock is CEO of Azima DLI (www.azimadli.com), a leading provider of predictive machine condition monitoring and analysis services.