



Robert Taylor, SAPPI Fine Paper North America **An interview with Robert "Bob" Taylor of SAPPI Fine Paper North America...**

We had an opportunity to catch up recently with Robert Taylor of SAPPI. He had authored a remarkably candid analysis of the state of reliability in manufacturing in the December 2003 issue of MAINTENANCE TECHNOLOGY and we thought it was about time for an update.

MT: Bob, three years ago (12/03) you published an article in MAINTENANCE TECHNOLOGY entitled 'The Reliability Paradox' based on a presentation you made at that year's SMRP Conference. In your article you outlined 10 reasons why there is a gap between what we know and what we do, in terms of reliability at our manufacturing sites. It was quite an impassioned articulation of our resistance to change and a real call to arms for all reliability professionals.

RT: It has been my experience that we are failing to recognize or we are overlooking the potential competitive advantage offered by reliability—not only in improving the capacity of our assets, but also in operating them at a significantly lower cost. At our company, SAPPI Fine Paper North America, we have moved beyond this diagnosis phase and have identified actions to address the 'Reliability Paradox.'

MT: Would you mind sharing those actions with the rest of us? One or two of us might also be passionate about improving reliability.

RT: Of course, as I stated in the root cause analysis phase, leadership is key to making the necessary changes that are needed to guide an organization to improvement. I've called these the 'Five Basic Leadership Steps to Alter Our Manufacturing Culture and Solve the Reliability Paradox.'

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Written by MT Staff

Sunday, 01 October 2006 19:43

Step #1 is "Be Humble – And Learn!" I quote the Greek-born, Roman philosopher, Epictetus, to help illustrate this key to success. "It is impossible for anyone to begin to learn that which he thinks he already knows." This may be particularly insightful here in North American manufacturing where we tend to believe we have all the answers to all of the problems. Humility, learning and a willingness to accept reality go hand in hand.

One well-documented and widely publicized case history involves a large NA metals manufacturer. The company was facing rising costs due to inflation combined with lower prices from global competitors. Shareholder value was eroding. The formula for success that the company had followed for years, **Profit=Cost + Profit Margin**, no longer applied. That was the reality they faced so they decided to learn. They conducted global benchmarking research focused upon industry maintenance and reliability practices, predictive maintenance technologies, information systems and reliability methodologies. From this research they developed an improvement plan and they acted. Today, that company has moved from a very reactive maintenance response to a much more proactive response. They have increased their equipment reliability from an average of 78% to over 91%. They also increased their quality from 76% to 91% while reducing their workforce (through attrition) by 44%.

This company was humble, they accepted reality and they learned from others.

MT: That's a great example Bob. So benchmarking plays a big role in the improvement process?

RT: Actually, **Step #2 is "Know What Good Looks Like"** and very much depends upon benchmarking. I like to call it 'benchmarking plus' because the research should identify results, practices and processes so that leaders of the reliability improvement process can learn and visualize what 'good looks like'.

MT: Do you have some examples of results, practices and processes for our readers?

RT: Results are the easily obtained indicators. You have seen them in magazine articles, from consultants, and from various available data bases. Table I reflects some examples.

In terms of identifying poor practices, that takes a little more effort and observation. Some examples would be obvious deterioration in pump bases; excessively leaking seals; covers missing on lube containers; craftspersons queuing up at a stores counter; bearings running

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hot from poor alignment/balancing /lubrication; operations where emergency work is the norm and many, many others. Taking pictures now and then of examples of poor practices is a good visualization tool.

Perhaps the most difficult part of this endeavor to understand what good looks like involves the business processes, or the lack thereof. I'm talking about extending reliability beyond the maintenance department, for example, where there is a collaborative environment to improve reliability among all of the functions in the mill, including operations, HR, engineering, procurement, or, another example of a process, justifying the reliability efforts in financial and business terms, the risk and reward story.

MT: Okay, so now that we have established the need and the objective, what's next?

RT: I like to think that **Step #3 is to "Maintain High Expectations."** It is vitally important that the reliability leaders must know what good looks like, so that they can challenge 'less than good.' To relate this concept to something we are all doing today much better than we did in the past, consider your safety improvement program. You do not allow 'poor' safety practices or conditions in your mill today. You maintain high expectations and communicate those expectations consistently and universally. It's all about leadership and the unwillingness to accept less than what 'good' looks like. We should adopt the same expectations on reliability.

MT: Excellent point. We've heard of one company CEO who, when presented with goals concerning improved reliability, responds as follows: "What is your safety and environmental conformance? Don't talk to me about improving reliability until you've proven you can improve and maintain your safety and environment." This sounds as though that challenge is related to 'expectations' and that he establishes his acceptance level right away. **RT:** Yes, what I'd call 'never ignore a poor practice, whether it's safety or reliability, because doing so will immediately lower the standard'. The fourth Step (#4) is "Be Passionate About Reliability." Leadership has to be felt, it has to be animated and it has to be enduring. There's a saying I like to use as part of this discussion. "What gets talked about—what gets measured— what gets recognized and rewarded— what gets personally demonstrated— IS what gets done!"

MT: We can't imagine that anyone who knows you questions your passion concerning reliability.

RT: This passion for reliability is simple. If you truly believe in something you have to crank it up because 'normal' just does not get the job done. Leaders have to live the vision, 24/7/365. It has to be foremost in their minds, in their manners and their actions.

MT: What's the next step?

RT: Last—and by no means least—is Step #5: "Be Courageous." The opposition will

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come from every quarter, as it does with any change. You can expect the 'not-invented-here' crowd to state their position, not to be outdone by the 'we've done it before' skeptics, who are closely followed by organized resistance from represented workers and the individual employees displaying and voicing caution. Perhaps the strongest resistance will come from those who you believe to be in your own camp, the apprehensive supervisor, who, as yet, fails to see the benefit from all the troubles he or she imagines. And, always there is the pressure from above, the impatient executive barely able to wait for results before questioning the wisdom of staying the course. So, yes, expect opposition and resistance from several varied sources—and remember that it takes courage to stay your course. This is perhaps the most challenging time. It is this phase of the improvement program that requires perseverance and communication. You, the passionate champion, have to be accessible, logical, unwavering and, yes, courageous under what may be withering attacks.

MT: You established the root cause reality in your earlier 'Reliability Paradox' article for us, and now you've established a five-step plan for resolving that paradox. Clearly, you're living the reliability improvement plan at SAPPI. Can you share with us the timeline you have followed—as well any of the benefits you have seen thus far?

RT: We have spent considerable effort within SAPPI establishing a solid business case for reliability improvement as past experience has demonstrated that without this business case (i.e. the impact of reliability—or lack of it—calculated as to P&L impact from both lost sales and extra cost of manufacturing) it is impossible to rally the full organization behind the effort. Having this firmly in place we are now fervently in the process of establishing and communicating what good looks like at all levels of the organization. We are having some initial success on improving key reliability process measurements—as well as P&L impact—from this effort but will need another 12- 18 months to establish firm trends. We have seen enough, however, to realize that the benefits are real and they can and will be realized.

MT: Bob, thank you so much for your guidance in the five basic steps of leadership needed to solve the reliability paradox. This can serve as a road map for improvement for any manufacturer. MT

(Editors Note: Bob Taylor is VP- Manufacturing for SAPPI Fine Paper North America, a leading manufacturer of coated fine paper at four mills located in Maine, Michigan and Minnesota. A long-time advocate of reliability, Taylor has spoken on the topic before many organizations over the years. MAINTENANCE TECHNOLOGY thanks asset management expert John Yolton, maintenance strategy consultant for SKF's Global Pulp & Paper

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Segment, for his assistance with this interview.)