SMARTCBM®

Allied® RELIABILITY

# BEYOND THE TECHNOLOGY

# INTRODUCTION

Disruption, innovation and change are a central part of how industries and organizations grow. We are living in a moment where technology evolves rapidly. The way things were done yesterday might be obsolete by tomorrow—and yet, the world keeps turning, businesses keep operating and those who embrace these changes keep thriving.

There is a wide gap in between those who are successful in implementing new technology and those who lag behind. Those organizations that are successful tend to be the ones that look beyond technology and consider the role that process change, education, and change management play in the successful adoption and application of technology.

# RELIABILITY AND CONDITION MONITORING

**What does it mean to be reliable? Dependability comes to mind. The ability to count on a person or object to preform as expected again and again. For companies that utilize mechanized processes to complete their work, reliability is more than a concept, it's a critical part of their ability to do business.**

Industrial assets and the best way to assess, predict, and protect their operating condition have been a hot-button issue for over 60 years. Through research, practice, and deep discussions, best practices emerged and companies began seeing the benefit of condition-based maintenance systems throughout their organization.

From operator care and predictive maintenance to asset health management and reliability engineering, organizations operating at best practice levels of reliability spend considerably less on maintenance, have more confidence in their assets, and grow faster than competitors.

# CHANGE MANAGEMENT

**Implementing a technology change requires that the organization also change its processes and culture to best leverage the functionality of the new technology and sustain those gains.**

The challenge, then, of implementing new technology includes changing processes and culture. This is not something that can be done by the IT department. It requires that the organization align around the technology, engage leadership commitment, design the proper governance structure to drive execution, have the right mix of leading and lagging metrics, and create a "cadence of accountability" that will drive the necessary changes in behavior. These are the foundational principles of change management, which are essential elements of successful transitions.

Many times, the reason that companies struggle after implementing technological advancements isn't because the technology isn't working as expected—it's because no time or attention was giving to managing the change on an organizational level.

This is the point in which many organizations fail in implementing the technology. They see the solution as something to be plugged right in instead of something requiring a bit more time, attention and finesse to roll out. Think about your team—the people operating, evaluating and managing these systems: How will they react to these changes? What would make their journey with this technology not only smooth but exciting? Strategic change management is thinking through all of these elements so that change sticks.

# ORGANIZATIONAL BARRIERS + STRATEGIC ADVANCEMENT

**The key to success is learning from the seven organizational barriers to effective change and implementing strategic solutions for meeting these barriers head-on.**

| | BARRIER | STRATEGIC SOLUTION |
|---|---|---|
| 01 **ORGANIZATIONAL ALIGNMENT** | Each function of an organization working to optimize its own performance, which may not be consistent with other functions — each achieving its goals while the organization fails. | The senior leadership of the organization must first agree on the nature of the problem they are solving with the strategic and transformational technology innovation and then position it accordingly. To succeed, they must engage the entire organization to work cross-functionally. |
| 02 **GOVERNANCE** | Competing priorities, limited resources, organizational patience and leadership "drift". | Creating a "parallel organization" in the form of a governance structure and a process comprised of the organization's functional owners keeps the leadership team focused and engaged to set priorities, provide resources, and remove roadblocks. |
| 03 **LEADERSHIP** | A lack of authority in decision making and accountability. | Change is driven from the top and led by example. The difference between support and commitment is tremendous when an organization's survival is at stake. The rule of thumb is that sponsors of the change must have control over ALL resources needed for successful implementation, and new processes must have a senior line manager as its champion. |
| 04 **ORGANIZATIONAL STRUCTURE** | Holding to old processes, requirements and behaviors. | Every organization is perfectly designed for the results it gets. If different results are desired, then the organization's structure must be realigned to support the new processes, requirement, and behaviors. The organization's systems, structure, and style of leadership must adapt to drive the processes, create a supportive culture and minimize variation in the desired functionality of the technology innovations. |

# ORGANIZATIONAL BARRIERS + STRATEGIC ADVANCEMENT (CONTD.)

| | BARRIER | STRATEGIC SOLUTION |
|---|---|---|
| 05 **CORRECT METRICS** | Relying on lagging or results-based metrics instead of leading or behavior-based metrics. | The discipline of execution relies heavily on the use of leading metrics to drive the right behaviors, yet most functional organizations rely heavily on lagging, "results" metrics. Functions are almost always measured in terms of cost and are usually referred to as "cost centers", whereas processes are measured in terms of "effectiveness". For example: OEE is a lagging process metric comprised of several leading process metrics. |

| | BARRIER | STRATEGIC SOLUTION |
|---|---|---|
| 06 **BEHAVIOR, COMMUNICATIONS AND ORGANIZATIONAL CHANGES** | Focusing on the technical challenge and not on everything else. | Roughly 80% of the root causes of major project failures, as defined by exceeding both time and cost and not achieving the desired level of functionality in the business case, are the results of breakdowns in communication. This is a purely human element that, until the human element is factored out, must have leadership's full attention. The actual technical solution for transformational change – that is, change that will affect most or all of an organization's functions – is around 30% of the challenge. The remaining 70% is attributable to the behavior and organization changes that must happen, yet most organizations focus 100% of their effort on the 30% technical challenge. |

| | BARRIER | STRATEGIC SOLUTION |
|---|---|---|
| 07 **ORGANIZATIONAL DISCIPLINE** | Lack of organizational discipline. | Organizational discipline includes the ability to maintain an engaged leadership that drives execution and holds the organization accountable to the new way of doing things. Without organizational discipline, there is poor implementation and lack of accountability. This results in a "hunker down" culture until the change passes and the next new initiative appears. |

**Successful innovation means being as strategic about how you implement technology as you are about selecting what technology you employ. Paying attention to these seven barriers as well as creating a strategy to thoughtfully implement change can help your organization not just survive the change to new technologies, but thrive for years to come.**

# ABOUT ALLIED RELIABILITY

Allied Reliability's production and asset management experts are committed to optimizing equipment, processes, and people. Our experts work with you for best outcomes. Understanding how critical asset failures impact the environment, production, financials, and safety enables us to deliver the right monitoring, analytics, decision making and maintenance plans. We bring unique asset management content along with best practices, advanced tools, and proven methodologies to help customers move forward in their Digital Transformation journey to deliver enhanced performance.

Contact us for more information about our offerings in:

### Reliability Services

- Consulting & Training Services
- Condition Monitoring Services
- Advanced Diagnostics Services
- Electrical Services
- Recruiting & Staffing

### Industrial Solutions

- Aftermarket Repair
- Engineered Products
- Fluid Handling
- Lubrication Systems

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