Where is the Reliability Improvement Policy?

Policy: A deliberate plan of action to guide decisions and achieve rational outcome(s). Policy merely guides actions toward those behaviors that are most likely to achieve a desired outcome.

~Wikipedia, the Free Encyclopedia
www.wikipedia.org

Most successful businesses and institutions have a number of policies that:

1. serve as a guide for running the business and making decisions
2. set clear expectations and
3. serve as a guide for improving the business enterprise.

A company policy manual is usually a compilation of the policies and procedures to be used as a guideline for consistency and continuity of the various actions routinely taken while running the business. Think of how most companies manage their employees' vacations, sick time, medical leave, hiring, compensation and such. They typically use policies developed by their business leaders or executives to ensure fairness in decisions that affect their employees. Employee handbooks outlining these policies often are published and distributed to keep the organization—and all of the people who are employed there—on a common course. In the case of product and process quality, many companies have developed a Quality Policy Manual that sets the operating framework for their ISO-9000 quality work processes and methods.

So, where is the Reliability Policy—the policy that guides improvement of the maintenance and reliability processes and methods? Where is the company policy ensuring that the equipment and facilities (often the single largest investment) are treated with responsible care by all employees, in ways that ensure reliable and consistent performance, revenue generation and competitiveness? Unfortunately, most capital-intensive businesses do not have a Reliability Policy that serves as a guide for managing capital assets, maintaining, making decisions about and improving the performance and reliability of those assets.

Who Needs a Reliability Policy?

Any capital-intensive business that depends on equipment assets to generate revenue will benefit from a Reliability Policy that is deployed throughout the organization. Manufacturing, petrochemical processes, utility systems, power generation, transportation, distribution centers, mining operations and agriculture are just a few examples of businesses that depend on equipment—reliable equipment—to produce and market competitive goods. Generally speaking, every one of these businesses has numerous policies that set expectations and serve as operating guidelines. For example, look at the typical written policies in your business—policies that are communicated in many formats throughout the business—and how they are used to guide successful decision-making and behaviors:

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- Safety and accident prevention policies
- Quality and defect prevention policies
- Environmental and pollution prevention policies
- Human resources policies
- Finance and accounting policies
- Privacy and personal information policies
- Corporate social responsibility policy
- Information systems and data management policies
- Business ethics policies
- Shareholder and dividend policies
- Proprietary and business information policies
- Purchasing and procurement policies

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When there is no policy, how does a company expect its employees to respond to equipment maintenance and reliability questions, problems, opportunities and improvements? If you want to improve the way your equipment and facilities are operated and maintained, how they are cared for and how their performance is improved, you need a Reliability Policy—or better yet, a Reliability Improvement Policy. Such a policy should originate at the top levels of the company and may be fairly general in regard to plans, schedules and tactics. A guiding coalition of formal and informal leaders should structure the policy statement.

What Should a Policy Statement Contain?
The Reliability Improvement Policy statement should become more and more explicit as it is interpreted from the top down through the organization. At the lowest leadership level (plant, area, department), it should be a specific plan or a strategy for taking action that is consistent with the Reliability Improvement Policy statement.

A Reliability Improvement Policy statement should be explicit regarding:

- The compelling business reason for improving equipment and/or process reliability;
- The acceptable maintenance and reliability work processes and standards;
- What is to be improved;
- How reliability improvement will be measured;
- The timeframes in which reliability improvement should be made.

How Do You Deploy this Type of Policy?
A time-proven method for developing and establishing company improvement policies is called policy deployment. The purpose of policy deployment is to enable the shift from the status quo to make major performance improvements by analyzing and addressing current business competition opportunities and operational problems.

Policy deployment methods called “Hoshin Planning” (Hoshin Kanri), a system of strategic and operational planning, were developed and refined by numerous companies such as Toyota, Nippon Denso, Komatsu and others in Japan during the 1960s. These companies blended proven ideas from Dr. Edward Deming (PDCA cycle), Dr. Joseph Juran (quality policy) and Dr. Peter Drucker (MBO) into strategic planning to create the Hoshin Planning methodology—*and since the 1980s, many well-known businesses in the United States have made significant and sustainable improvements using it.* This policy deployment process continues to thrive in many successful Lean Enterprise businesses.

Policy Deployment cascades, or deploys, top management policies and targets down the management hierarchy. At each level, the policy is translated into policies, targets and actions for the next level down. Using a "Policy Deployment" strategy for establishing and infusing a "Reliability Improvement Policy" makes sense: It will connect the important factors of business success from the highest levels of the company to the plant-floor workgroups and then back to the top levels.

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This Policy Deployment "line of sight" acts as a compass, pointing north, keeping the entire organization heading in the right direction. Without a common direction, focused leadership and engaged workgroups at all levels, almost any improvement process is doomed to failure or, at best, stagnation.

So, Where Are We Going?

The Cheshire Cat in Lewis Carroll's *Alice in Wonderland* has been paraphrased time and again by those of us considering the direction of continuous improvement in our industrial operations: "*If you don't know where you're going, any road will get you there.*"

Accordingly, if we don't have a Reliability Improvement Policy, how can we possibly hope to achieve consistent and sustainable maintenance and reliability improvement success? The answer to that may best be summed up in the words of another particularly insightful "cat": "Coming together is a beginning. Keeping together is progress. Working together is success." Thank you, Henry Ford.

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