

**SDI Position Statement**

*15 MRO Resolutions for 2015*



***Austrian-American economist Joseph Schumpeter coined the term “creative destruction” describing the process of industrial mutation that incessantly revolutionizes the economic structure from within, destroying the old one and creating a new one. Today, we live in a world where the only constant is change and the pace of change continues to accelerate with no end in sight.***

Manufacturers, in particular, are entering an era of unprecedented innovation and change driven by many forces, including:

- The convergence of otherwise unrelated technologies (think aerial drones and parcel delivery)
- Hyper innovation and competition leading to compressed product life cycles (think smart phones)
- The emergence of the collaborative economy (think Uber)
- Human resource challenges (think skilled labor gap)
- 3D Printing (think instant, on-site printing of critical and non-critical spare parts)
- Industrial Internet of Things (think ubiquitous remote, condition-based monitoring)
- Lower energy prices in NA and the reshoring of American Manufacturing (think shale gas revolution)

- Robotics & Automation (think Kiva and Amazon)
- Big Data (think National Security Agency NSA)
- More demanding consumers (think Amazon and same-day delivery)
- Shift to cloud-based software and systems (think Salesforce.com)
- Mobile computing technology (think Google Glass)

With all of the disruptive forces around us, manufacturers need to become more agile and adaptable in the face of accelerating innovation and change. Maintenance, Repair and Operations has historically been considered non-core and a way to control piece-price costs in the realm of high-volume, low-value tail spend. This is important, but there's a much bigger picture at stake here.

In the face of so much change-driven innovation, expanding your perspective opens a world of opportunity for your entire organization.

***Newfound control in a seemingly uncontrollable environment***

With the start of a new year, it's a great time to shed old habits and paradigms. Let's buck the status quo! We've listed out 15 MRO Resolutions for 2015 - the year we think differently. It's about a new paradigm. We'll unlearn some bad habits and get ready to leverage opportunities and defend against threats. Because with all the new technologies and process improvements, MRO is one of the few things that you can control in this otherwise uncontrollable environment.

**Think differently about your MRO...Strategy**

1. Reframe your perspective and see the MRO big picture
2. Strive for supply chain transformation and integration, not incremental improvement
3. Manage the activities and outcomes of your end-to-end MRO supply chain

**Think differently about your MRO...Outcomes**

4. Manage your MRO supply chain with the same level of rigor and passion as you do your direct materials
5. Align the MRO Supply Chain with your larger, enterprise goals and strategies (Lean, Six Sigma, OEE, etc...)
6. Shift from incremental piece-price savings to reducing Total Cost of Ownership (TCO)

**Think differently about your MRO...Infrastructure**

7. Clean and standardized data & inventory management
8. 5S the storeroom – does the storeroom resemble your direct materials warehouse?



9. Develop and implement Six Sigma Procure-2-Pay processes
10. Embrace the cloud – integrated, purpose-built systems and technologies beyond ERP

**Think differently about your MRO...Priorities**

11. Build a business case and secure executive sponsorship
12. Seek help from experts inside and outside your organization
13. Connect & Collaborate to share best practices & learn something new
14. Hire MRO supply chain specialists to drive desired MRO outcomes
15. Assign centralized authority and accountability for the end-to-end supply chain

This list of resolutions is designed to remind you of the things you probably already know, help you think differently about your MRO program, and help you to resolve to change in the light of the greater market and economic shifts. You should expect more from your MRO program and stop settling for the unsustainable status quo of just kicking the can down the road.

These are simple fixes that can have a tremendous impact—like taking the stairs instead of the elevator—but for MRO. Be motivated to finally take on that red-headed stepchild that is the tail end of your tail spend and begin viewing your MRO supply

chain as a strategic enabler that supports Overall Equipment Effectiveness, reliability and employee satisfaction.

**About the author**

Adept at building high-performance sales organizations and establishing integrity-based client relationships within highly competitive markets, [Jim Owens](#) brings a unique blend of strategic and creative thought to every client engagement to create an environment of proactive collaboration and common value for both SDI's clients and future clients.

He has a passion that drives him to develop innovative ideas and strategies to help clients solve their toughest challenges. With a history of commercial and industrial business development for companies like EMCOR, Transfield Services and IFCO, Jim's experience at creating and implementing successful and strategic value-driven solutions transcends industry sectors.

**About SDI**

SDI is the supplier-agnostic business process outsourcer that takes the bigger view of the MRO supply chain.

For 40+ years, we've demonstrated value by demonstrating to our clients how the supply chain works best when the supply chain works together. Lower costs, smarter inventories and increased performance are all natural results from a more connected, coordinated and optimized MRO process.

For more information, please visit us at [www.sdi.com](http://www.sdi.com).