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Why Asset Reliability is a Strategic Concern for the Boardroom, not Just the Maintenance Team

And how chemical manufacturers can increase productivity and reduce running costs

For chemical industry leaders, two questions matter now more than ever:

- Is asset reliability part of your long-term strategy, or are your assets quietly eroding your margins?
- Is your current maintenance model quietly undermining value across your asset base?

Asset reliability is no longer just a maintenance concern for the chemical industry: it is a boardroom issue.

Across Europe, chemical manufacturers are operating under intense pressure. Plants are aging, maintenance costs are rising and energy prices remain volatile. Global overcapacity is squeezing margins. In this environment, poor asset reliability is not just an operational inconvenience - it is a direct threat to productivity, safety, competitiveness, and EBITDA.

Yet many organizations still treat reliability as a technical issue to be managed at site level. When critical assets underperform, the effects cascade quickly: unplanned downtime increases, operating costs rise and product quality can slip. Meanwhile, safety risks grow and management attention is diverted into short-term firefighting. Over time, this cycle destroys value and weakens operational resilience.

For COOs and senior operations leaders, the implication is clear: reliability is vital to improve productivity and protect margins while challenging market conditions persist. The companies that perform best will not be those that simply repair failures faster. To succeed, corrective maintenance must be replaced with a structured reliability model. That means aligning processes, people, contractor management, data and technology around long-term performance.

Continuous Firefighting Maintenance is a *Strategic Liability*

Many manufacturers are trapped in this continuous firefighting (corrective maintenance) loop. They are constantly firefighting, calling in contractors to fix a problem before turning their attention to the next failure. It's an approach that may keep production running in the short term, but it prevents the organization from building the capability it needs for sustained performance in the long term. Predictive maintenance technologies can help detect issues earlier but technology on its own does not improve reliability. If the organization does not act on the signals it receives, equipment performance will continue to decline.

The challenge is compounded by a structural skills gap. Across the chemical sector, experienced employees are retiring and taking decades of operational knowledge with them, while the industry continues to struggle to attract and retain new talent. The result is increasing dependence on external contractors. If management structures are not in place to provide role clarity and performance controls it becomes impossible to define best practice and maintain consistent standards

A short-term approach also creates broader business risk. As machine reliability declines, operating discipline weakens, continuous risk analysis becomes inconsistent, and safety exposure increases. In specialized production environments, declining asset performance can also reduce product quality and pricing power. The financial impact is clear: when reliability is not managed as a strategic issue, asset value falls, operating expenditure rises, and EBITDA comes under pressure.

In short, continuous firefighting / corrective maintenance is not a neutral operating model. It is a source of value leakage that leadership teams can no longer afford to ignore.

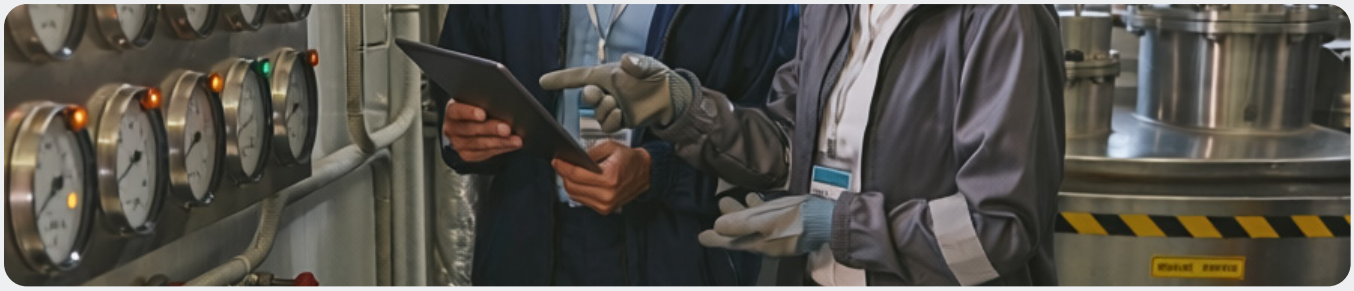
Breaking Out **of the Loop**

Breaking this cycle requires more than isolated maintenance improvements. It requires a deliberate reassessment of structures, processes, and behaviors. Reliability management must become a strategic priority, sponsored from the top and embedded across the operation.

For some businesses, turnaround projects are the fastest route to restoring performance. Closing an entire plant to replace critical equipment is a major undertaking, but it can rapidly improve reliability when executed within strict time and budget constraints.

Every reliability transformation - whether it involves a turnaround or not - must be designed to prevent the organization from slipping back into previous patterns. Without sustained leadership discipline, even well-funded interventions can revert to firefighting.

The most effective transformations follow a clear path: establish a fact base, redesign the operating model, reinforce new behaviors, and use technology to scale better decisions. Done well, this creates a durable reliability system rather than a series of disconnected initiatives.



Establish the *Baseline*

The starting point is an enterprise-wide view of current performance to create a credible baseline. That means assessing asset reliability, maintenance cost, compliance, safety, work management and workforce capability across sites. Leaders need to know where risks are concentrated and which gaps matter most to operational performance.

The process combines observation, interviews and data analysis. This links process deficiencies to actual behaviors and helps the organization understand not only what must change, but why. When site teams are involved early, the initiative gains operational credibility and implementation becomes faster and more sustainable.

This does not need to become a long diagnostic exercise. A focused assessment can deliver a reliable benchmark quickly and quantify the value at stake. In our experience, rapid assessments across multiple sites can be completed in a matter of weeks, giving leadership teams a fact-based view of performance differences, priority interventions, and the financial upside. In one case, a PVC producer identified potential savings of two million euros through this process alone.

Make Reliability a *Leadership* and *Operating Model* Issue

Once the baseline is clear, the next step is to redesign processes and embed them across the organization. This only works when leadership is aligned on the understanding that reliability is critical to operational performance. Change must flow from the top down. Without visible sponsorship from senior management, new maintenance practices rarely survive day-to-day production pressure.

This is especially important in the chemical industry, where contractors often make up a significant share of the workforce. If contractor management is weak, reliability standards become inconsistent and execution discipline suffers. A strong management framework is therefore essential to ensure that the same expectations, processes and controls apply across employees and contractors alike.

Whatever form the new structure takes, every individual needs to understand what is expected, how success is measured, and how those expectations connect to plant performance. To sustain change, organizations also need robust performance measurement and control systems that reinforce the right behaviors over time and endure beyond short-term campaigns.

Use Technology and Data to *Drive Better Decisions*

Technology has an important role to play in improving reliability and productivity, but companies do not need to replace core systems wholesale to make progress. In one example, introducing tablets for equipment rounds enabled observations to be captured immediately and work orders to be generated without delay, improving response times and data quality at the same time.

A key factor is the use of data. In many cases organizations have data in abundance but are not converting it into action. For example, many organizations have invested in predictive maintenance and monitoring capabilities, yet still use only a fraction of the insight they could generate. If a system produces terabytes of information but the team focuses only on routine replacement dates, the business captures little value. A mature reliability model uses data to identify root causes and prioritize interventions based on risk. And crucially, someone must be accountable for acting on those signals.

The Payoff is Stronger Margins and Greater Resilience

Reliability transformation is not instantaneous. Resetting processes, roles and behaviors across an operation can take eighteen months or more. But the returns justify the effort.

The financial impact can be substantial. Projects focusing purely on maintenance in chemical companies typically achieve savings of hundreds of thousands of euros by improving processes, introducing autonomous maintenance technologies and establishing more disciplined performance management. When conducted as part of a wider transformation program we have seen these figures as high as 20 million euros.

There is also a strategic upside. In a slower market, weaker players retreat first. Companies with more reliable assets and stronger execution discipline are better placed to absorb new demand and capture opportunities.

The message for leaders is to act quickly to replace continuous firefighting with a long-term, structured approach to reliability. The organizations that act decisively will build the operational resilience needed to stay competitive. The question is no longer whether reliability matters. It is whether leadership teams are moving fast enough to stop value leaking from the business.

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