



MAHAR & COMPANY

INDUSTRIAL PERFORMANCE MONTHLY

Insights for Terminals, Plants & O&M Leaders

May 2026: Stability before Volatility

The Leadership Thread



Issue 2 : May 2026

INSIDE THIS ISSUE

- Flow is the Real KPI
- Feature Article: The 5 Breakdowns that Destroy Flow
- Christy's Corner
- Community Impact – Tini Passing

TIP OF THE MONTH

“Stabilize the Flow Before Summer Demand.”

PROFESSIONAL EXCELLENCE • COMMUNITY INVOLVEMENT • TEXAS TRADITION



EDITORIAL FROM CHRISTY

INDUSTRIAL PERFORMANCE MONTHLY

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Welcome from Christy

May is the “stability month” — the last window before summer volatility. High-performing organizations use May to tighten flow, recalibrate forecasts, validate supplier readiness, and reinforce reliability culture across operations and supply chain.

Flow is the REAL KPI.

- KPIs tell you *what* happened.
Flow tells you *why* it happened.
- Small breakdowns cripple the flow:
late suppliers, bad forecasts, missed escalations.
- When flow breaks, operations pays the price:
overtime, demurrage, schedule chaos, emergency buys.
- Managing the flow is how you prevent the fires — and hit your KPIs.



This month’s feature article covers the *5 Breakdowns That Destroy Flow*. Focusing on flow **now** is essential to **reset** before summer volatility hits.

Let’s get to work.

— Christy

INDUSTRY NEWS SNAPSHOT

May 2026

- AI Becomes the Primary Driver of Supply Chain Performance
- Geopolitical Volatility Continues to Reshape Sourcing
- Cost Optimization Pressures Intensify to Control Rising Costs
- Supply Chain Security & Cyber Risk Move to the Forefront



The 5 Breakdowns that Destroy Flow

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When flow breaks, so does performance. These five breakdowns are the usual suspects. Knowing how to combat them is critical for any operations leader.

Supplier Delays

Late deliveries wreak havoc on production schedules and lead to demurrage and inventory spikes. Building buffer stock isn't enough; you need to strengthen

'Flow connects every metric—efficiency, safety, cost, and and morale.'



Forecast Errors

Forecast errors disrupt production, inflate costs, and reduce efficiency. Accurate forecasting protects throughput and resource allocation.

Escalation Gaps

When issues linger unaddressed, downtime cascades. Clear escalation protocols are vital; empower your team to raise red flags quickly and resolve problems before they snowball.



Equipment Downtime

Neglecting maintenance is a guaranteed flow killer. Prioritize preventive maintenance to avoid sudden failures that grind operations.

Communication Breakdowns



Siloed teams and poor information flow lead to costly missteps. Foster open, cross-functional communication to keep everyone aligned and in the loop.

Flow isn't a myth—it's the bedrock of consistent performance.



FEATURE ARTICLE

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The 5 Breakdowns That Destroy Flow.....

Flow is not a buzzword — it's the connective tissue of industrial performance. When flow breaks, every metric downstream suffers: throughput, cost, safety, and morale. The five breakdowns are not isolated events; they are symptoms of systemic weaknesses that compound over time. Understanding their root causes and interdependencies is the first step toward sustainable operational excellence.

Operational flow is the lifeblood of industrial performance. When it's disrupted, everything suffers.

- 1. Supplier Delays – The Domino Effect:** Supplier delays are rarely about logistics alone. They reflect deeper issues in forecasting, communication, and accountability. A single late shipment can trigger idle crews, missed demurrage windows, and emergency procurement. The most effective leaders treat supplier reliability as a strategic KPI — not a procurement metric. They invest in visibility tools, enforce performance clauses, and maintain escalation protocols that activate before the delay becomes critical.
- 2. Forecast Errors – Planning in Motion:** Forecasting is both art and science. Static models fail because they assume stability in inherently volatile systems. Dynamic forecasting integrates predictive analytics, market signals, and operator insight. The goal is not perfect prediction but adaptive planning — the ability to pivot quickly when conditions change. Organizations that embed feedback loops between planning and execution maintain flow even under uncertainty.
- 3. Escalation Gaps – Speed of Response:** Escalation gaps are leadership blind spots. When issues linger unaddressed, downtime compounds exponentially. The solution is structural clarity: define escalation pathways by role, not rank. Empower frontline teams to act decisively, supported by digital escalation tools that route alerts automatically. In high-reliability operations, speed of response is the ultimate differentiator.
- 4. Equipment Downtime – Reliability as Strategy:** Downtime is not just a maintenance problem — it's a cultural one. Plants that view maintenance as a cost center inevitably suffer flow interruptions. Predictive reliability programs, powered by sensor data and AI diagnostics, transform maintenance into a strategic advantage. The payoff is measurable: fewer unplanned outages, higher asset utilization, and stronger flow resilience.
- 5. Communication Breakdowns – The Human Factor:** Communication failures are the most preventable breakdowns — and the most common. Siloed teams, unclear handoffs, and fragmented reporting destroy coordination. The fix is deliberate design: structured daily flow huddles, shared dashboards, and cross-functional escalation channels. Clarity is not achieved through more meetings, but through better information architecture.

Integrating Flow into Leadership Metrics: Flow management must be elevated to the executive dashboard. It's not a maintenance metric or a logistics KPI — it's a leadership discipline. When leaders measure flow alongside traditional KPIs, they gain a holistic view of operational health. Flow connects efficiency, safety, cost, and morale into one coherent narrative.

Flow isn't a metric — it's the heartbeat of operational performance.



The 5 Breakdowns that Destroy Flow

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Leadership Takeaways — — Sustaining Flow —

➤ **Treat Flow as a KPI**

Measure it alongside throughput, cost, and safety.

➤ **Empower Rapid Escalation**

Speed of response defines reliability.

➤ **Invest in Predictive Maintenance**

Reliability is a leadership choice,
it a technician's task.

**“Flow connects every metric —
affecting work, pace,
— and morale.” —**

➤ **Build Supplier Visibility**

Transparency prevents surprises and protects schedules.

➤ **Design Communication Systems**

Clarity and alignment keep operations synchronized.

➤ **Manage Equipment Downtime**

Photograph frequently, repair promptly, schedule regular inspections,
and approach maintenance to ensure sustained process reliability.

— Strong flow isn't luck— it's leadership in motion. —



The 5 Breakdowns that Destroy Flow

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Implementation Blueprint – **– Turning Flow Into Action**



Assessment – Audit Your Current Flow

- Identify bottlenecks and inefficiencies.
- Conduct flow audits on key processes.
- Map out material and information flows.
- Analyze delay patterns and root causes.



Alignment – Synchronize KPIs with Flow Metrics

- Align performance indicators.
- Set flow targets alongside output and safety KPIs.
- Communicate flow goals across the organization.
- Integrate flow metrics into dashboards.



Execution – Embed Flow Practices

- Implement flow-focused strategies.
- Install predictive maintenance systems.
- Establish rapid escalation protocols.
- Enhance cross-functional communication.



Measurement – Track Flow Resilience

- Measure and refine performance.
- Monitor flow rates and downtime trends.
- Review flow disruptions and resolutions.

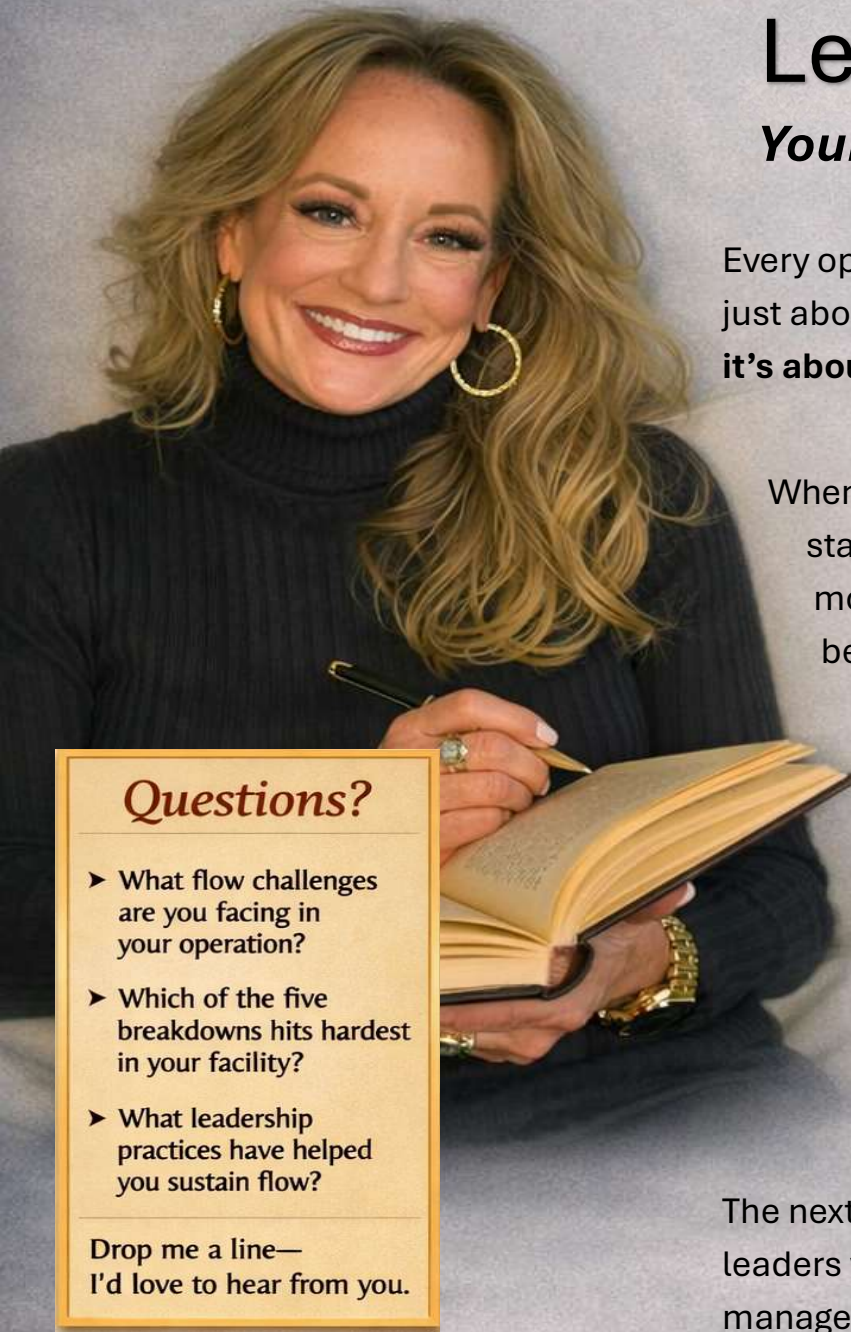


Leadership Cadence – Sustain Flow Through Routine

- Lead by example.
- Hold daily huddles to address flow issues.
- Review flow performance weekly with leadership.



CHRISTY'S CORNER



Leadership & Flow

Your questions, my perspective.

Every operation I've led has taught me that flow isn't just about equipment or schedules – **it's about people, clarity, and accountability.**

When leaders treat **flow as a living system** not a static process, everything changes. Teams move faster, decisions sharpen, and reliability becomes culture.

Leadership is about managing the rate of decisions and the clarity of communication.

Predictive maintenance and rapid escalation aren't just technical tactics; they're **leadership disciplines.**

The next era of industrial performance will belong to leaders who manage flow as deliberately as they manage cost.

Questions?

- ▶ What flow challenges are you facing in your operation?
- ▶ Which of the five breakdowns hits hardest in your facility?
- ▶ What leadership practices have helped you sustain flow?

Drop me a line—
I'd love to hear from you.

Operational Excellence starts with Leadership Flow



COMMUNITY IMPACT

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In Memory of Tini — Supporting Our Local Shelter

Tini wasn't just a pet—she was part of our team. Her presence reminded, us daily that **loyalty, comfort, and companionship** are as vital in business as they are in life.

To honor Tini, we're collecting *donations for the Mont Belvieu Animal Shelter*. We're gathering pet food, bedding, cleaning supplies, and funds to support animals in need.



*Scan to Support the
Mont Belvieu Animal Shelter
in Tini's Memory*

- **Shelter Needs:**
- **Dog & cat food**
- **Towels & blankets**
- **Cleaning supplies**
- **Monetary donations for medical care**

“Every act of kindness keeps Tini's spirit alive.”



CLARITY TO RESILIENCE

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Looking Back, Looking Ahead

WHERE WE'VE BEEN

April – Issue 1: The KPI Foundation

- Established measurement discipline
- Defined operational clarity
- Set expectations for accountability.

May – Issue 2: Stability Before Volatility

- Shifted from measurement to operational control
- Focused on flow, visibility, and risk
- Positioned May as the month to tighten systems before summer.

April = Clarity – May = Stability – June = Resilience – July = Recalibration



WHAT'S COMING NEXT

June – “Summer Stress Test: Operational Resilience Before Peak Season”

June is where we pressure-test the system before the system tests us:

July – “Mid-Year Reset: What’s Working, What’s Slipping, What Must Change Now”

July is the moment leaders recalibrate before the second half of the year decides the outcome.

THE THREAD THAT CONNECTS IT ALL

Across these first issues, we’ve moved from establishing clarity (April), to stabilizing **operations (May)**, and now toward **resilience (June)** and **recalibration (July)**.

Operational excellence isn’t episodic—it’s cumulative.

Each month builds on the last to equip leaders with the discipline, visibility, and foresight to run systems that don’t just survive volatility, but outperform through it.



Stability is earned.

Resilience is engineered.

Leadership is intentional.