

MRO Excellence is for the Customer



Why do companies have MRO Storerooms? Is it to service maintenance? Operation? Support Engineering in Project work? None of the above, companies have MRO storeroom and all the costs associated with them because they are a good investment. A good investment you might ask. Yes a good investment!!! MRO Storerooms are managing spare part inventory to ensure our customer service levels remain high and cost of goods sold are low. This is done by partnering with Commercial, Maintenance and Operation to produce the correct product, at the correct time, in the correct quantity and at the correct location. The objectives of the storeroom are to store parts which minimize the risk of unplanned downtime at the lowest total cost to the business. This is done by balancing the cost of downtime against inventory carrying cost to ensure the life cycle cost for an asset are minimized.

What are the steps to improve your current performance?

- 1.0 Develop a vision of a high performing storeroom contributing to high customer service level and equipment availability.
 - 1.1 Select a model
 - 1.2 Complete a gap assessment
 - 1.3 Develop an action plan with milestones
- 2.0 Ensure the organization expectations are clear
 - 2.1 Storeroom
 - 2.2 Maintenance
 - 2.3 Operation
 - 2.4 Commercial
 - 2.5 Standard Work Instructions(SWI) for all tasks
- 3.0 Determine how the storeroom function can assist in maximizing performance.
 - 3.1 Review critical assets performance
 - 3.2 Review MTBF
- 4.0 Map out the storeroom processes used to service these critical assets
 - 4.1 Determine where unplanned downtime occurred due to no part
 - 4.2 How the storeroom did processes delay getting the equipment up and running?
 - 4.2.1 Did they wait for parts because they could not find the, for a storeroom attendant, for getting the correct part information because the system did not have the correct information, for approval?
 - 4.2.2 Did they make multiple trips to the storeroom during an unplanned outage? If yes, why? First part checked out had a quality issue? Need other parts which should have been part of the bill of material in the system but were not and the need was discovered after the equipment was safe to access.
 - 4.2.3 What was the financial impact for these delays?
 - 4.3 How would you change the business processes to eliminate these delays?

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- 4.4 The cost of procurement and cost of carrying inventory are part of the life cycle cost of the asset. How would you improve your processes to lower life cycle cost?
 - 4.4.1 Ensuring quality of the spare parts
 - 4.4.1.1 At receipt
 - 4.4.1.2 In storage
 - 4.4.1.3 When distributed
 - 4.4.2 Minimizing inventory
 - 4.4.2.1 ABC Analysis
 - 4.4.2.2 EOQ, Reorder Point
 - 4.4.2.3 Regular review of min/ max levels
 - 4.4.2.4 Obsolesce management plan
 - 4.4.2.5 Non-active part review
 - 4.4.3 Spend Analysis- Where are we spending the money
 - 4.4.3.1 By vendor, component, asset, area, line
 - 4.4.3.2 By maintenance crew, planner scheduler
 - 4.4.3.3 Planned, Emergency, PM's Maintenance work
- 4.5 Measure the storeroom performance by KPI
 - 4.5.1 Select the Metrics which are important to your organization
 - 4.5.1.1 Cycle Count accuracy
 - 4.5.1.2 Out of stock and not in stores
 - 4.5.1.3 Inventory value / asset replacement value
 - 4.5.1.4 Emergency purchase orders
 - 4.5.1.5 Vendor performance
 - 4.5.1.6 Demonstrate business returns
 - 4.5.2 Know how these metrics role up the business metrics
- 4.6 Ensure all information and parts is complete within the system
 - 4.6.1 Bill of Materials complete for assets
 - 4.6.2 Primary and Secondary Vendor information available
 - 4.6.3 Consistent and accurate descriptors
- 4.7 Review the storeroom layout for effectiveness and efficiency for storeroom personnel
 - 4.7.1 Security
 - 4.7.2 Fast moving items near window
 - 4.7.3 Proper storage equipment
 - 4.7.4 Proper handling equipment
 - 4.7.5 Kitting Area
 - 4.7.6 Receiving / shipping area
 - 4.7.7 Central and/ or Remote locations
- 4.8 Work with planner schedulers to do proactive vs. reactive work.
 - 4.8.1 Kitting
 - 4.8.2 Communications
 - 4.8.3 Partnering to minimize both planned and unplanned downtime

Here is the key. If you are see opportunities to improve your MRO storeroom operation, that's great, but you will only improve your storeroom operation after you start trying. Keep your focus on improving business results and others will join in to help because they will see the benefit.

If you have any question, we can be contacted at www.metdemand.com.