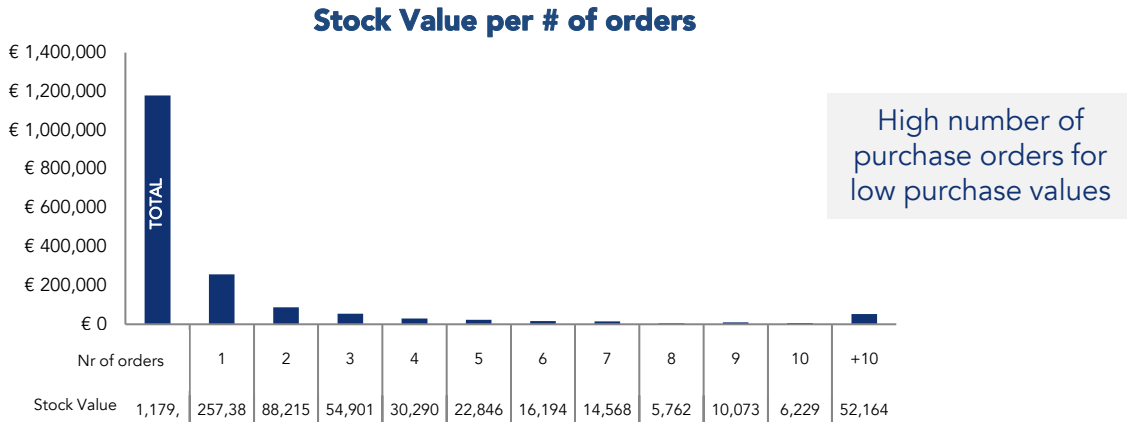


Spare Part Stock Reduction in Assembly

PICTURES BEFORE



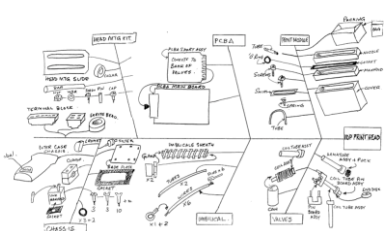
Problem

- High stock level of spare parts: excess number of SKUs in large volumes
- Criticality criteria of parts not clear: same management processes for all parts
- Lack of supplier service level compliance: high Lead Times and errors

Root causes

- Complex computer system for calculation of replenishment points: lack of knowledge leads to poor utilisation of tools
- Lack of trust in available stock management information
- Limited visibility of stock reservations

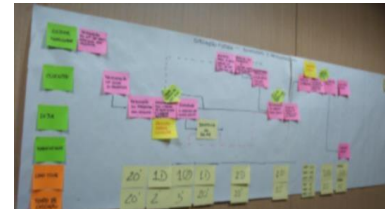
PICTURES AFTER



VAE Exercise

Assessment Example	Priority A	Priority B	Priority C
S Safety and environment	An equipment failure might cause serious problems regarding safety and environment	A failure might cause some safety and environmental problems around the equipment	A failure might not cause safety and environmental problems around the equipment
Q Quality and performance	A failure might cause faulty products or low efficiency with the equipment	A failure might cause quality problems or affect the equipment performance	A failure might not affect the quality or performance of the equipment
W Working state	The equipment is needed 24h per day	The equipment is needed between 7 and 14h per day	The equipment is needed for periodical production
D Delivery	A failure might cause a shortage of the ready part	A failure might cause the system to stop	A failure might cause stoppage because there are no spare parts
P Maintenance Frequency	System with frequent stoppage (every 8 months or less)	System with occasional stoppage (every 12 months approximately)	System that rarely stops (once every 2 years)
M Quality time and delivery cost	Repair time: 1h or more Repair cost: More than 5	Repair time: 1h to 30min Repair cost: Between 5 and 5	Repair time: 30min or less Repair cost: Less than 5

Classification of Parts



Inventory Process Design

Solution Approach

- Design of a new system for classification of parts and replenishment point calculation
- Value Analysis Value Engineering to reduce the number of SKUs
- Renegotiation of supplier Lead Times and design of classification standard
- Reservation status follow up board: visual and accessible by all team members
- Development of consignment contracts
- Standardisation of the inventory process

Benefits

