



What's in store?

It could be profit, if you have streamlined stock-holding in the storeroom and established a well-documented operating process, says Paul Lynch, Commercial Director of ERIKS.

Thinking has advanced considerably in recent years when it comes to planning and managing inventories and stores. We're used to the idea that efficiency will prevent waste but storerooms are now being considered as 'profit centres' in their own right. Why?

MRO stores are often overstocked, typically because engineers don't know exactly what they are going to need or when, so there is a tendency to keep large amounts of parts in the stores just in case. Think of these lumps of metal on a shelf as money - piles of five and ten pound notes - and you can see the inefficiency.

But without a well-stocked storeroom there's surely a danger of downtime? Of course, but all too often the items in storage are not always necessary. Either that or the list of 'required' spares is so out of date that only around 20% are used within an 18-month period. Even some critical items are not worth storing. For example if it takes a day to strip out a critical item such as a large bore bearing it is unnecessary to incur the expense and additional effort of holding them in stock when they could be delivered before the engineers are ready for installation. Good store management is critical, as anyone who has made their way to the stores and discovered

that an urgently required replacement item is missing or unusable knows only too well, but that doesn't mean stocking everything 'just in case'.

Instead, establish the truly vital parts that are needed on-the-spot without delay and make them readily available and in good working order. An easily accessible, well organised, on-site store, full of well-maintained parts, saves time and money. A good outsourcing partner can evaluate and sometimes redefine what is and isn't a critical part, enabling you to operate more compact and efficient stores. It may even help identify issues on the factory floor; by carefully monitoring stores, a sudden rise in the use of a particular spare part can indicate a problems you never knew were there, which can be addressed swiftly to bring significant improvements to production line availability.

Storeroom optimisation is a defined function within ERIKS, which now has over 10 years of stores transformation and project management experience to draw upon. ERIKS recently helped a customer turn around its storeroom operation after it failed an internal financial audit because of issues such as poor storage and lack of documentation. Following a series of measures including the streamlining of fast-moving stocks and a new storeroom layout using high-grade, pre-galvanised steel shelving, the audit status of the stores was raised from RED to AMBER and ultimately to GREEN.

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