

Messy MRO Storerooms Always Have Bad Impact

BY FRANK MURPHY

The bottom line of any company – profit – is painfully affected by something as simple as not being able to locate an inexpensive, over-the-counter part rapidly.

Imagine a successful company whose parts storeroom looks like a five-year-old's bedroom — cars, trucks, dolls and puzzles scattered everywhere, clothes lying on the floor around the room, the toy box upended, and a small table piled high with crayons, coloring books, hardened Play Doh and spilled, dried finger paints.

While this is an extreme analogy, it is an all-too-often common occurrence. Most companies allow their storerooms to look and run like this little child's bedroom. Overlooked is the fact that storerooms are of crucial importance and need to be efficiently organized and managed. But historically, the facility spare parts storeroom has generally been neglected.

Despite the talent, experience, and dedication of storeroom personnel, MRO parts storage areas are often left with the scraps that fall under the financial table. Storerooms are allocated money for parts, but not funding for improvement in operational efficiency and storage fixtures. However, competition from both Europe and Asia, and the introduction of Kaizen, 6-Sigma, 5-S, and the lean manufacturing concept, are changing all that.

Unscheduled machine downtime has been replaced with CMMS-aided maintenance planning, predictive and preventive maintenance scheduling, and manufacturing-friendly maintenance work. These advances prove that storerooms are still as necessary as ever, and they must be more organized, more efficient, and more automated to keep up.

MRO (maintenance, repair, operations) parts storerooms are still overlooked as a source for overall corporate savings. Time is money, and unscheduled production machinery downtime is big money. In the case of the food and beverage industries, the big money can literally go down the drain. The bottom line of any company – profit – is painfully affected by something as simple as not being able to locate an inexpen-

sive, over-the-counter part rapidly.

Disorganization and inefficiency increase lost profits. If the part has to be flown in from anywhere, especially overseas, then overnight shipping becomes a very expensive option, especially with today's oil prices. One company had to charter a jet to fly to Europe to pick up two boxes of parts essential to keep their production line running. Their profit margin shrank by \$55,000! Money spent on organization in MRO storerooms is insurance against lost profit.

An MRO parts storeroom should operate like a store: clean, organized, labeled, well-stocked, and well-run. There is a place for everything and everything is in its place. The owner controls the cash flow. For a storeroom that is run like this, savings are generated in the following ways:

ORGANIZATION

- Eliminates the need for costly expansion, or the construction of a new storage facility.
- Maximizes the effective use of existing space through efficient design and setup.
- Sorts parts generically and by specific machine use, expediting location and retrieval.
- Allows for rapid part location resulting in shorter machine downtime.
- Creates accurate physical inventories which eliminate overstock, out-of-stock, or is-it-stocked problems.
- Frees up storage fixtures and storage areas for other uses.
- Enhances part and tool security, and reduces storeroom traffic.

CONSOLIDATION

- Combines like parts and tools and stores them together in one place.
- Minimizes on-hand stock, and reduces overall inventory dollar value.
- Makes the setup of minimum and reorder quantities more accurate.
- Storage areas and storage fixtures are freed up for other uses.
- Reuses existing storage fixtures if they are functional and in good repair.

AUTOMATION

- Bar coding technology makes part and tool checkout easier, quicker and more accurate.
- Allows physical inventories and cycle counts to be conducted more efficiently and easily because the parts are bar code labeled.
- The storeroom clerk continues to manage stores effectively on a day-to-day basis.

Most companies cannot afford a chartered jet to deliver emergency parts they need to keep their production line running. Along those same lines, every company that is serious about making a profit cannot afford to not to invest in an efficient, well-run parts store room.

A well-organized storeroom provides the maintenance department the support it needs to keep production machinery in the best possible operating condition. Parts are available, they can be located quickly, and they can be reordered in a timely manner. Repairs are made quickly and efficiently, and the company remains competitive and successful in the global economy.

Frank Murphy is founder and president of Inventory Management Services Inc. of Greenville, South Carolina. IMS provides "hands on/hands-dirty" consulting, setup and training services for the design, setup, relocation, consolidation and organization, physical inventory and bar code labeling of MRO spare parts storerooms and maintenance tool cribs. For more information visit www.practicalorganization.com.

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