



## **Create an Internal Virtual Warehouse**

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Creating an internal MRO virtual warehouse (or Corporate MRO Catalog) allows a multi-site corporation to leverage its assets across the entire organization and deliver value for inventory parts.

With a Corporate Catalog, a company is able to have a single view of all corporate data. Consolidating parts across the company into a “virtual” warehouse becomes a powerful tool for the organization. Total inventory can be viewed to determine volume usage, part equivalences, common suppliers, price variations, etc.

To further increase volume purchases and reduce pricing, product lines can be selected and mandated, the supplier base can be consolidated, and Preferred Supplier programs can be put in place.

Let me illustrate with a case study example. A multi-site pulp & paper manufacturer with eleven locations had envisioned creating a corporate catalog for several years. But they never got beyond the just talking stage. It sounded fine in theory, but whenever they tried planning the implementation, without a single system in place, it seemed to be an impossible task.

Then, at a trade show, they were introduced to a data cleansing company and the path became clear. The foundation for any corporate catalog is a standard data layout and a single numbering schema.

Through data scrubbing, standardization and enhancement, data from each plant was normalized, independent of the system in which it resided. Within the normalized data, a company nomenclature was established.

A corporate item numbering schema was introduced to act as an alias to each site’s current item numbers. That way maintenance tradespeople could continue to use item numbers that were familiar, but at the same time corporate supply chain people could consolidate item information across sites.

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The results speak for themselves. The company now has a corporate catalog of MRO items; duplicate items were removed from each site's internal Stores inventory; excess active inventory was identified for use through attrition and/or for return to the vendor for credit; both Suppliers and product lines were consolidated for further volume-based savings and; sites located in close proximity to each other now share common critical spare parts.

These initiatives generated real cash savings and they were only achievable through the creation of the Corporate Catalog. Now all eleven sites can begin to operate as a single entity; they have a "virtual" warehouse as far as MRO inventory is concerned.

To date, six of the eleven sites have been completed and included into the Corporate Catalog. Each has realized approximately \$500,000 in savings, proving that the endeavour more than justifies itself.

To maintain the data integrity of the MRO corporate catalog (and each site's catalog), the company has decided to out-source its on-going Catalog Management needs to the data cleanser. It's a true partnership relationship.

A Corporate MRO Catalog (or virtual warehouse) is a powerful tool that allows a corporation to leverage assets and optimize inventory for the benefit of the entire organization.

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