



WHITE PAPER

Creating a Virtual MRO Storeroom

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Creating an Internal Virtual Warehouse (or Corporate MRO Catalogue) allows a multi-site corporation to leverage its assets across the entire organization and deliver maximum value for inventory parts.

With a Corporate Catalogue, 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’s take a look at a case study example.

A multi-site pulp and paper manufacturer with eleven locations had envisioned creating a corporate catalogue for several years. While the desire was there, the project never went any further because whenever the company tried planning the implementation, without a single system in place, it seemed to be an impossible task.

Finally, at a trade show, they were introduced to a Data Cleansing company and the path became very clear. The foundation for any corporate catalogue is a standard data layout and a single numbering schema.

Through data scrubbing, standardization and enhancement, the data from each place was normalized, independent of the system in which it resided. Within the normalized data, a company nomenclature was established. A corporate numbering schema was introduced to act as an alias to each site’s current item numbers so that workers could continue to use the item numbers that they were familiar with, while corporate supply chain people could consolidate item information across the site.

The results of the project speak for themselves. The company was able to build a corporate catalogue of MRO items, duplicate items were removed from each site’s internal stores inventory, excess active inventory was identified to be used down through attrition and/or returned to vendor for credit, both suppliers and product lines were consolidated for further volume-based savings, and sites located close in proximity began to share common critical spares.

These initiatives generated real cash savings and were only achievable through the creation of a Corporate Catalogue. All eleven sites began to operate as a single entity through their “Virtual” warehouse. Each site was able to realize approximately \$500,000 in savings, proving that they project was a huge success.

To maintain the ongoing integrity of the MRO Corporate Catalogue (and each site’s catalogue), the company decided to out-source its Catalogue Management activities to the data cleansing company. A Corporate MRO Catalogue is a powerful tool that allows a corporation to leverage assets and optimize inventory for the benefit of the entire organization.

ABOUT IMA LTD.

Founded in 1989, IMA Ltd. provides world-class material master data management solutions, specializing in MRO Data Cleansing, Catalog Management, and Inventory Optimization. Throughout twenty-five years of business, IMA has assisted manufacturing and asset-intensive organizations worldwide in their efforts to improve maintenance efficiency, reduce inventory costs, and optimize procurement performance. For more information, please visit www.imaltd.com.