



OPTIMISED SPARES MANAGEMENT >>

Releasing cash from your supply chain

Aftermarket spares operations can be a major source of revenue and profit but can expose businesses to high inventory costs. This is often due to the inability of mainstream planning systems to cope with the peculiarities and fluctuations of spares and service-part demand. Atos Consulting have partnered with Armac Systems to provide a spares inventory management service which optimises and re-profiles the spares inventory investment, improving availability and reducing inventory costs.

In the current financial climate businesses with an aftermarket spares operation are in a position to maximise revenue and cashflow but are constrained by the limitations of their spares planning capability.

The provision of service parts and spares is complex as eighty to ninety percent of spares demand is sporadic, and therefore difficult to manage. The result is either poor availability or a high inventory exposure with a high proportion of static stock items.

If not addressed, the impact is:

- >> Lost revenue due to poor fill rates
- >> Poor dispatch rates
- >> Equipment downtime
- >> Over-investment in inventory leading to surplus and dead stock
- >> Continued purchase of surplus and dead stock.

A LOW-RISK APPROACH TO IMPLEMENTATION ASSURES A SHORT PAYBACK, REDUCTION IN COSTS AND A RAPID IMPROVEMENT IN FILL RATES

OUR SOLUTION

Our Optimised Spares Management solution allows businesses with a substantial investment in spares inventory to significantly reduce their exposure while dramatically increasing their fill rates.

The solution combines Atos Consultings process and change management expertise with the technical capability of Armac Systems. RIOsys, developed by Armac Systems, is an inventory optimisation and decision support tool which imports easy-to-obtain spares transactional data and parameters, specified by your inventory planner and optimises spares provisioning levels. Thereby enabling businesses to re-allocate existing spares investment to active spares items, resulting in maximum fill rates whilst minimising capital investment.

RIOsys has been specifically designed for use in spares inventory management:

- » Uses advanced algorithms designed to accommodate sporadic demand patterns
- » Takes into account multiple variables including criticality, seasonality, individual part costs and lead time variations
- » Can support inventory that is directly consumed or provision for complex repair loop supply chains where many assets are recycled and not consumed
- » Allows continuous inventory optimisation, ensuring ongoing efficiency through delivery of service levels and avoidance of surplus.

OUR APPROACH

Stage 1 – Proof of concept

Quick analysis, using your data, to identify the potential scope of benefits. We take a sub-set of your inventory and analyse it using RIOsys to evaluate your potential to increase fill rates, reduce overstocks and remove obsolete stock. The proof of concept will identify the scope of potential benefits and provide the evidence required to build a case to move to the pilot stage.

Stage 2 – Pilot implementation

Limited-scope pilot incorporating data cleansing system integration, analytics, decision making processes, and stakeholder support and behaviours. The pilot will provide a measured analysis on the parameters that will drive financial benefits. During the pilot our experienced consultants ensure that:

- » Data and process issues are identified and resolved
- » Low-risk plans are formulated to manage inventory reductions
- » External influences on inventory levels, such as poor schedule adherence by suppliers are identified
- » Participants within the inventory management process receive one-to-one coaching on behaviours and support through decision-making
- » The benefits of the solution are tracked and valued to assess the potential for a full-scale roll-out.

The end result will be a robust business case to support Stage three implementation.

Stage 3 – Roll out

The final stage in the process is to roll-out the solution across your entire spares estate. This can include aspects of data, systems, process, supplier and change management to ensure an optimised and sustainable solution. Delivering improved performance and optimised competitive advantage.

THE BENEFITS

- » Revenue growth through increased fill rates without increasing investment in inventory
- » Release of working capital back into the business
- » Reduced inventory holding costs
- » Reduced depreciation costs of obsolete stock.

NEXT STEPS

For more information or to arrange an introductory meeting and a free initial assessment of the potential benefits of optimising your inventory, please contact us on +44 (0)20 7830 1944, or email ukconsulting@atosorigin.com

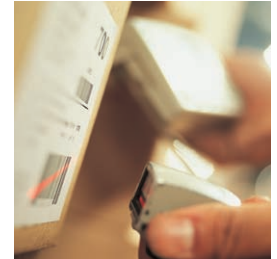
WHY ATOS CONSULTING

Atos Consulting has over 20 years' experience with inventory management and ERP solutions. We are an SAP Global Services Partner, an SAP Global Hosting Partner, a member of the SAP NetWeaver Partnership Initiative and a leading member of the Enterprise SOA adoption programme.

- » Dedicated team of experienced Inventory Management and ERP consultants
- » Received the SAP Partner Excellence Award in four consecutive years
- » Partnership delivery approach, working with you to ensure that change is adopted and effectively embedded in to your culture
- » Partnership with Armac Systems for the application of best-of-breed optimisation solution to your inventory investment.

“I HAVE REVIEWED PURCHASE REQUISITIONS OVER A FOUR MONTH PERIOD AND USING THE RIOSYS OPTIMISATION SOLUTION I HAVE SAVED 25% OF WHAT WE WOULD HAVE SPENT ON UNNECESSARY PARTS”

Russell Parish, Rotable Inventory Optimisation Manager, SR Technics



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