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## **Good Storeroom Management Benefits Maintenance**

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Is your storeroom or tool crib a beneficial asset to your maintenance team or is it just overhead? If you answered “overhead,” it is time to better manage this needed asset. The storeroom can be a vital element in reducing machine downtime and maximizing machine uptime. Proper organization, inventory control, and vendor selection will help improve the efficiency of your tool crib and maintenance team.

### **Organization**

A well-organized storeroom, in terms of storage space and individual parts, makes it easier for maintenance people to locate parts faster. Time spent in the crib increases the downtime of the machine that is being maintained. If your facility is fortunate enough to have a full-time clerk, it will be easier to keep the crib area organized and will lessen the time it takes to find a part.

### **Proper inventory control techniques**

It is always a struggle to have all of the parts your maintenance department needs when it needs them. It is also a struggle to please the accounting department on the appropriate dollar amount for maintenance, repair, and operations (MRO) inventory. It is this dilemma that makes proper inventory control imperative to your operations. The following techniques should be practiced in every tool crib:

- Set maximum and minimum levels so the storeroom keeps the high-usage items on the shelf and the software package automatically generates reorder reports.
- Track usage history using an integrated computerized maintenance management system (CMMS).
- Enter issues and receipts into the CMMS on a daily basis.
- Identify critical long lead-time items and track their usage separately.
- Tie each item used to a specific machine and job. This will help determine machine life and efficiency.
- Leave items stocked by local vendors with those vendors for just-in-time delivery.
- Keep the entire crib under tight controls to eliminate shrinkage. (Card readers and/or staffed storerooms are essential.)

Inventory control is a discipline; therefore, put your most diligent, disciplined person on this task. Written procedures that the entire maintenance team follows is an essential key in maintaining the MRO inventory.

In order to keep both maintenance and accounting happy, find out what your annual MRO purchases total and shoot for an inventory level that is at least half of the annual purchases. This number will vary depending on how large an inventory you have of critical items. Most manufacturing facilities still average only one turn per year from the storeroom; however, a well-managed storeroom should achieve two to four turns per year.

### **Choose MRO vendors wisely**

It is easy for maintenance people and engineers to habitually buy from the same vendors without regard to the level of service they are getting from those vendors. Choose vendors that are willing to provide technical expertise, inventory management assistance, competitive pricing, and fewer transactions.

Technically trained sales people can be the most important reason to choose a particular vendor. Machine enhancements can help decrease downtime and increase the productivity of the machine. Commodity distributors are often unable to provide this assistance. Look for vendors that are solution providers and problem solvers.

Inventory management assistance can come in such forms as on-site consignments, dedicated off-site inventory, organizational help, obsolescence returns, over stock returns, product standardization, and equipment surveys. These are all tedious tasks that good vendors are willing to do. This assistance will help lower the overall value of your MRO inventory without sacrificing parts availability to the maintenance department.

The price paid for products should always be monitored; however, this can be done periodically instead of each time a part is purchased. Bidding each item drives transaction costs up. Set up blanket orders and negotiate those blankets periodically. Take into consideration the overall cost of procurement and do not choose a vendor on price alone. Make this a win-win relationship.

Encourage your vendors to help lower transaction costs whenever possible. Monthly or summary billing, electronic order entry, prepaid freight, and discounted payment terms are good examples of how to lower transaction costs.

The store room should be viewed as an essential asset that benefits the maintenance and engineering departments. Improvements to the storeroom should be a team effort. Everyone needs to buy in to the value a well-run storeroom brings to maintenance.

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