**Case 3: Inventory and Supply Management**

**30% reduction in inventory value, redefinition of stock profile and improved purchase value lead to massive savings both on inventory costs and stock dependent production down time.**

The first walk round a new department or area of responsibility is usually a mix of excitement and trepidation. In this case it was more a case of “what *have* I done!?”.

Having worked on a one year contract on projects, I had been offered a job running a badly neglected maintenance and consumable stores servicing a massive distribution centre. The notional six figure inventory value was not supported by a casual look round, record keeping was minimal, scheduling of stock effectively non-existent.

My predecessor had left under something of a cloud and there was certainly plenty of opportunity for me to drive improvements.

To start we began with housekeeping and introduced some discipline in terms of access to stores and work allocated to evening and night shifts.

The relationship with the primary customer, the maintenance department, was strained to say the least. Technical services, however, had just moved under the control of the senior commercial manager to whom I now reported too. This was to prove pivotal in a quite “political” organisation.

Poor stores performance had impacted on spares availability which could lead to downtime on key equipment. It had also provided an iron clad alibi for failure to repair equipment (no spares, mate, we will be back tomorrow). Sorting out this finger pointing now became the responsibility of my boss.

By accurately scheduling spares requirements, and encouraging competition between suppliers by means of fair and transparent sourcing, we actually increased availability whilst reducing inventory and improving value. The opportunities for scapegoating the stores were massively reduced in the process. As expectations on the maintenance function were raised, their need for an effective stores support function became more acute as well.

Relationships developed a positive spin, bridges were built and a lot more equipment promptly repaired.

Over an extended period I gradually adopted a number of redundant supervisors’ responsibilities and broadened my experience considerably.The first two years’ work in sorting the purchase and control of the products that supported a huge operation are still, however, the source of enormous pride and very fond memories for me.

*Inventory management rarely appears at the top of anyone’s To Do list. Having the stuff your customers want, and not parking cash in your warehouse is as critical as any other aspect of your business though.*

*If you feel we can help with any aspect of supply chain management, please get in touch.*

*AP*

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