Building an MRO Optimization Business Case



Asset-intensive companies are seeking **lowest total cost of ownership**, while ensuring **high asset availability**.

You are under constant pressure to reduce cost, free up cash and improve operational efficiency.

Striking the balance between **working capital effectiveness** and **part availability** is critical in any performance improvement initiative.

What Does MRO Optimization Success Look Like Across FINANCE, INVENTORY MGMT., M&R and PROCUREMENT?



FINANCIAL IMPROVEMENTS

10-15%

Reduction in Moving

Inventory Value

as % of moving inventory reduction

1 30-50%

Free Cash Flow Improvement

10-20%

Reduction in Carrying Cost

Improved Inventory Management Practices Impact Your Bottom Line!

ADDITIONAL SAVINGS

↓ 2-4%

Expedited Freight Return to Vendor

↓ 5-8%

On Demand

Transactional Data Analysis Yields Actionable Insights



WORK MANAGEMENT IMPROVEMENT

3-5%

Part Availability **1** 8-10%

Maintenance Productivity **1** 3-5%

Schedule Adherence

Fewer Stock-outs. More Wrench time!

PURCHASING | PROCUREMENT IMPROVEMENT

7-10%

Category Management **1** 3-5%

Productivity Improvements ↓ 2-5%

Cost Management

Increase Profitability through Effective Procurement







