

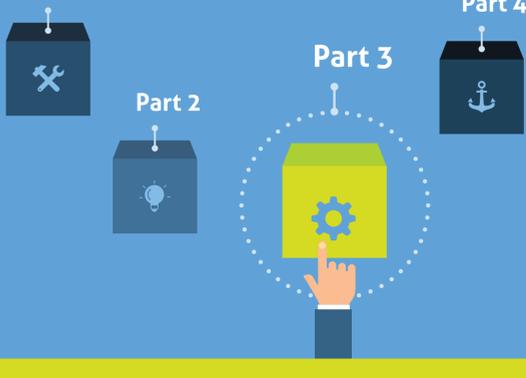
# 10 WAYS

## TO CONTROL INVENTORY COSTS



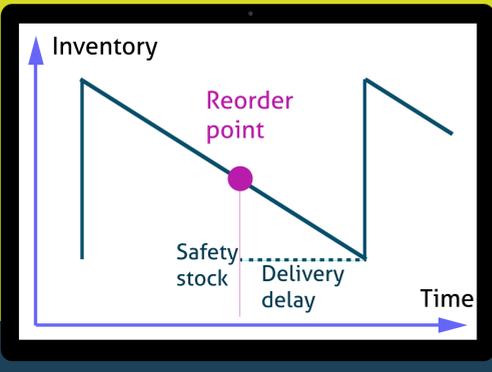
### Track parts

- ▼ The most core and basic component of effective inventory cost control is tracking spare parts and materials at your company. Powerful CMMSs allow you to keep track of each part and to find everything when you need.



### Manage replenishments and determine the safety stock level

- ▼ Try to keep your stock levels at the sweet spot where there is always enough spares for your company needs and at the same time you don't have excess inventory.
- ▼ Good CMMS can help you with that suggesting you the reorder point and the order quantity.



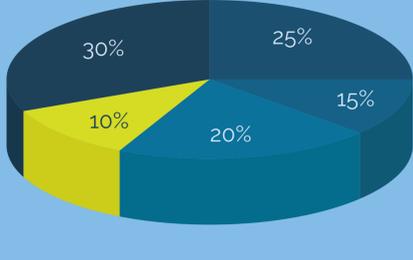
### Find redundant parts

- ▼ Holding too much inventory is not wise because you need more storage, your warehouses become messy and you hold money in the inventory.
- ▼ If you are using a CMMS you will easily find spare parts that are in excess quantity.



### Get reports

- ▼ Reporting is a starting point from where you should begin optimize your maintenance inventory costs.
- ▼ With powerful CMMS systems you can analyze current stock levels, average spare parts usage, work orders, purchase orders etc.



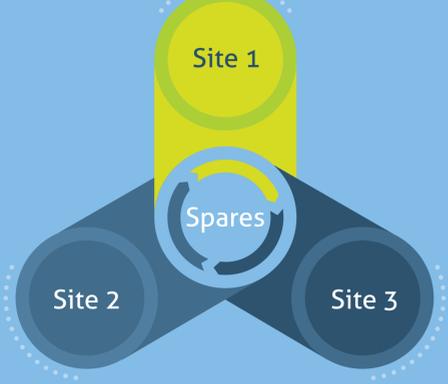
### Connect CMMS to ERP system

- ▼ If the two systems are fully integrated you can track spare parts and maintenance in one system without the need to import or export anything.
- ▼ Your reporting will be even more powerful if you use the data available in both ERP and CMMS systems.



### Safety stock calculation

- ▼ Using CMMS analysis choose spares that are used rarely, have high price and are expensive to store and that you can easily transport between your sites.
- ▼ Then, choose one central place where you prefer to store these spare parts and retain inventory that will be enough just for one or two sites.
- ▼ By doing this you will get back some money that were invested in inventory and free up some storage space.



### Revise bill of materials

- ▼ Bill of materials needed for maintenance operations may change over time.
- ▼ This may cause in holding some spares that are not used at your company anymore.
- ▼ Powerful CMMS systems have tools that can analyze all your bills of materials and your inventory and find spare parts that are not needed anymore.



### Make sure parts and materials are stored properly

- ▼ Find out how all of your inventory must be stored and upload this information to your CMMS.
- ▼ Then, check if spare parts and materials are stored correctly at your company.



### Revise your stocks physically

- ▼ If you don't check your inventory from time to time you may be surprised if you don't find spare parts in store or find them in bad repair when you need them for urgent repair.
- ▼ In order to avoid such situations create a schedule and physically revise your stocks from time to time.



### Work with vendors negotiating price, returns and automate reordering

#### Price

- ▼ Decrease the amount of money freed in inventory by negotiating the prices with your vendors.

#### Supply chain

- ▼ Lower the costs associated with storing of inventory by agreeing about returns and setting up a more reliable and fast supply chain.

#### Reordering

- ▼ Integrate with vendors ERP system and set up automated reordering system.



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