

ONIQUA

INTELLIGENT MRO

Rapid Value Services

Potential Obsolete Analysis –

OBSOLETE

Overview

In any asset-intensive industry, the sheer volume and diversity of MRO materials and spares, all in a fluid and constantly changing environment, makes it extremely difficult to hold the right materials at the right time and at the right cost.

When usage patterns have changed or ended due to supplier parts replacement and upgrades; or when equipment usage changes occur due to operational peaks and troughs or equipment end of life; then potentially obsolete and excess stock is the inevitable result.

It is understandable if potential obsolete stock occurs, despite adherence to the best business policies and procedures, due to the challenging operational environments in the asset intensive industries. That said, it's typically not acceptable to ignore the potential obsolete stock, as this has an adverse effect on many areas of your business, including higher holding costs, reduced storage capacity, increased manual handling and reduced financial purchasing power for critical items.

The Oniqua Potential Obsolete Analysis *Rapid Value Service*™ will highlight any inventory items that are no longer being utilized by the business, and that may be available for re-sale or disposal.

Objectives

1. Review and analyze materials on a per item basis in alignment with the Materials Management strategy for potential obsolete items
2. Identify key stakeholders who can determine if items are Obsolete or Insurance/Capital spares, and if the potential obsolete items are fit for use
3. Provide guidelines on provisional write-off processes

Benefits

1. Embed a review process for potential obsolete items to maximize financial recovery to the business
2. Align work activities to your business strategy around cost control and waste minimization
3. Achieve greater visibility of usage trends across equipment and suppliers to enable proactive management of materials

Value

1. Provide an automated monthly report showing items that comply with your potential obsolete stock management framework, and highlighting any exceptions
2. Provide report highlighting potential obsolete items by
 - a. Value
 - b. Quantity
 - c. Business criticality
 - d. Age of materials
 - e. Materials last issue or usage
 - f. Site or equipment groupings
 - g. Net effect on Materials value
3. Highlight risks and costs resulting from an overstocking situation, as well as Optimized Stock levels

Deliverables

- A detail report showing a targeted list of potential obsolete items grouped in different ways (currently undefined)