

# How Net Results Group Has Helped Clients Optimize Their MRO Practices



## CASE STUDY: Accurate, Usable BOMs

A company realized the Bill of Materials (BOM) for its MRO items was confusing and often incorrect. Different words described the same function, and the people who identified the parts sometimes had to guess the part name and function (and often guessed wrong). Spares were not found quickly (if at all). Poorly made BOMs sabotaged effective decision making for capital spares.

### **Our solution:**

Net Results Group built BOMs quickly and accurately using its MRO3i™ tool and the “Where Used” exercise of walking down the company’s storeroom, itemizing spare parts and assigning them to an asset hierarchy constructed specifically for the company. During this process, the company did NOT need to stop production, and the MRO3i tool captured each part’s information with absolute certainty regarding its technical attributes. Without shutting down production, between 75-85% of each equipment’s total parts were itemized. A short shut-down allowed the remaining 15-25% to be captured—an exercise that can typically be completed during a regularly scheduled Preventative Maintenance (PM) outage.

### **Outcome:**

There was no guessing by the person identifying the parts about each part’s attribute—each attribute’s data descriptions were made standard and consistent. The tool instantly recognized and assigned the part number to all associated assets. With MRO3i, building a BOM was efficient, user-friendly, and unquestionably accurate. The “Where Used” exercise ensured PM outages were even briefer due to the highly accurate input obtained from the MRO3i tool. Return on investment was realized by parts being issued accurately and found quickly in the storerooms during every future PM.



## CASE STUDY: Regain Control and Compliance

A company recognized its abundance of MRO spares in the storerooms, unidentifiable parts, and even obsolete MRO stock. The Maintenance Department had difficulty managing the tens of thousands of its SKUs. The operations department questioned its equipment's sustainability and their ability to preempt a failure. The finance team worried about the amount of capital allocated to dead stock and the accuracy of its accounting for the value of this inventory.

### **Our solution:**

Net Results Group deployed its MRO Insight™ process starting with the self-assessment instrument to determine the company's baseline measurement. Net Results Group collaborated with the company in a physical walk down on-site to build the enriched database, cross-referencing every MRO item and its associated equipment, use, manufacturer, and procurement consideration. Analyzing this data to identify MRO items and quantities critical to operational sustainability yielded an optimized procurement strategy which streamlined the MRO inventory holdings.

### **Outcome:**

With a more efficient replenishment strategy, the Maintenance Department held more optimal inventory on-site and leveraged just-in-time supplier deliveries. With improved parts management and visibility, Operations was more confident in the maintenance and performance of its capital equipment. The Finance Department realized more cash flow to invest in higher earning projects that otherwise would have been used to purchase unneeded MRO inventory, and the company complied with fiscal reporting standards including Sarbanes-Oxley (Section 409).



## CASE STUDY: New Build/Initial Provisioning

A growing company evaluated bids for new capital equipment as part of a planned expansion. To make an informed decision, the company needed help understanding the capital spares requirement for each bid.

### **Our solution:**

Net Results Group used its decades of experience and proven methodology to determine the Total Cost of Ownership for each bid option based on price, warranty conditions, performance, and maintenance requirements. This information informed the bid award as Net Results Group determined the optimized MRO inventory and spares procurement plan to support the new equipment and maximize its sustainable life cycle.

### **Outcome:**

This proactive approach ensured the company achieved the greatest return on its capital investment.