CMMS Material Inventory Cleanup

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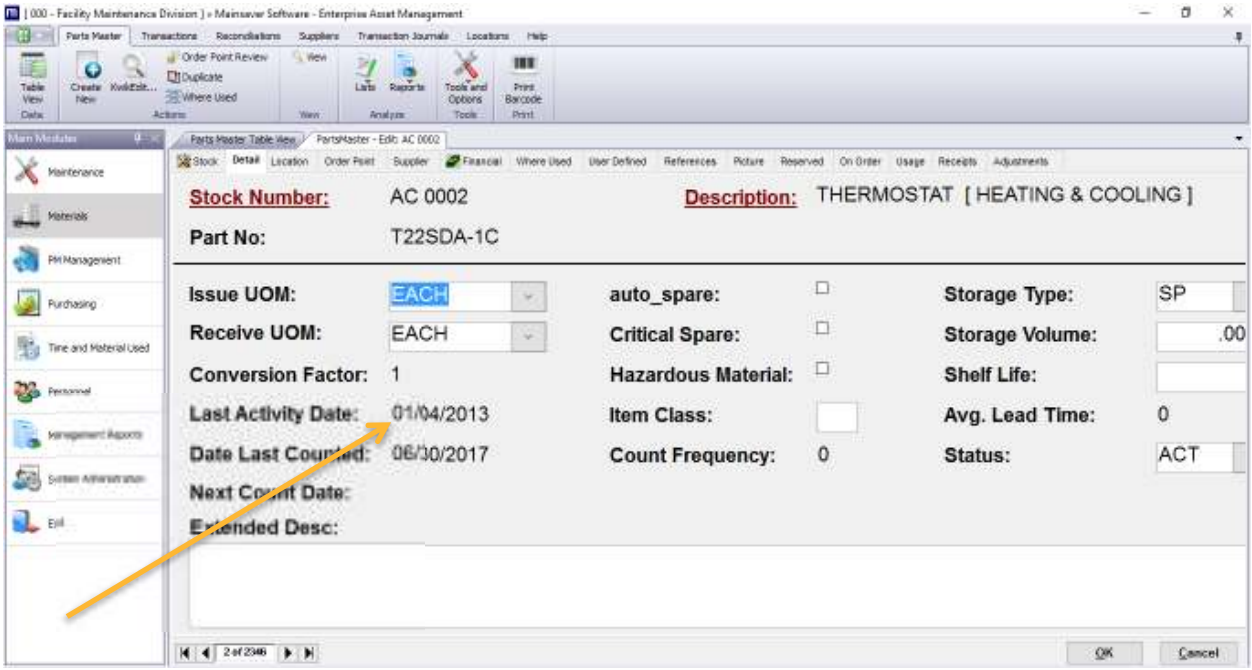
Sure, every company with a CMMS will have obsolete inventory items, either as obsolete stock numbers and/or physical inventory taking up valuable shelf space in a cramped stockroom. Obsolete stock gets in the way of efficiently locating the right parts to do the job. 5S initiatives (Sort, Set in Order, Shine, Standardize and Sustain) often drive stockroom organization projects aiming to better organize the stockroom and eliminated wasted time searching for parts. The intention of this article is to outline specific methods to clean up the CMMS inventory records and the parts on the shelves.

Well organized inventory

Myth: 'If a part is really old, we should sell it on eBay or just throw it out.' Since CMMS systems will track the last activity date of parts usage, many people charged with

cleaning up the stockroom will determine a retention period, then aim to get rid of parts with no issue or receipt activity within the past *x* years. Typically the value of x is 8 to 10 years. Just because a part has not been issued **does not mean** it is not a critical spare part. This practice could result in hard to find, long lead time, and no longer manufactured spares for active equipment being trashed.



Last activity date

The activity date method could be a starting point and should be used with other methods to decide on the parts for disposal. Other factors include;

1- Determine if the machine linked to the stock item is still in the plant. If the machine which used the part has been moved to another plant, the dedicated spares should also be sent to the other plant. If the machine is gone and the part is not used elsewhere it can be disposed of.
2- Discuss disposal candidate parts with the machine subject matter experts. Create a report of the candidate parts possible with the usage history so the experts will understand how the part was used in the past. They will know if the part should be retained. Retained parts should be flagged in the CMMS with their intended use so they will no longer be identified in future cleanup projects.
3- If FMEA or risk analysis has been performed in the plant, ensure that critical spares for important machines are not disposed of.
4- Inspect parts which might be subject to corrosion and false brinelling while in storage due to constant vibration and degradation of rust preventative over time.

These parts are to be trashed. Replenish as needed and evaluate storage location and environment. Jeff Grove with INA Bearing mentions other considerations of storing tapered roller bearings such as keeping them flat in order to protect the rolling elements and also the need for climate control.

Storing a bearing flat

5- Some items such as grease have a shelf life and expired items should be disposed of properly and replenished as applicable.

Parts that are to be disposed of may be retained in the CMMS for historical purposes however they should be set to a 'deactivated' status and filtered out of daily parts searches.

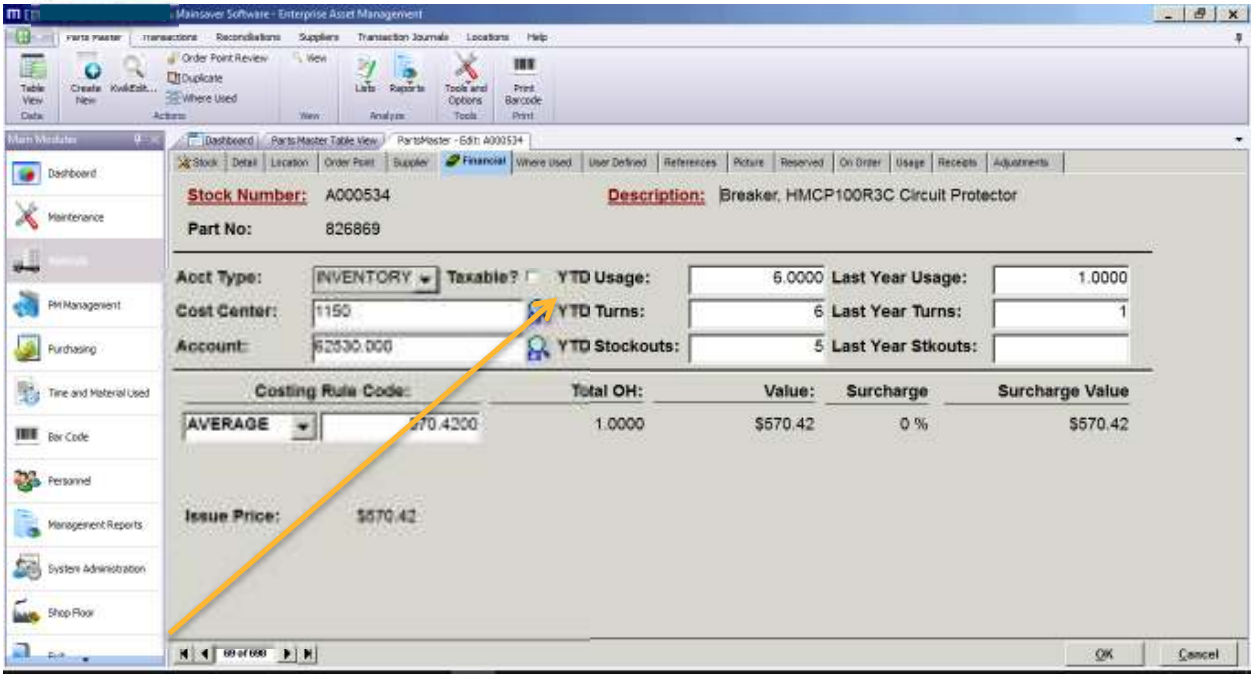
Mike Trethewey, Parts Manager at Louis Padnos Iron and Metal, a multi-location recycler of metal, plastics and more, states "The last activity date should earmark parts for disposal and then the stockroom personnel should ask questions to determine if the part should be retained." Once a part is identified an important to an operation, the part or location should be labeled to identify where there part is used.

Is it possible to return very old items to the supplier? In most cases the answer is 'no'. If a part is still a current part sold by the supplier there is a possibility they will take it back but this is often based on the customer-supplier relationship.

Along with cleaning up the inventory, it is an ideal time to rationalize the supplier database as well. Many suppliers are no longer in business of have been purchased and absorbed into another supplier. Inactive suppliers should be deleted or in the case where there is purchase history, deactivated. Material records should also be updated to point to the updated suppliers for reorder.

The CMMS system can provide valuable data to help analyze consumption patterns and determine parts that should have the min and max modified. The CMMS can report on

the number of stockouts, inventory turns and recommend an economic order quantity to minimize procurements costs.



Stockout and Usage tracking

Once the data and stockroom is cleaned up, this project can be taken one step further by performing a cycle count, ensuring all stock numbers are associated with the proper bin location and placing labels on the bins. The cycle count, also known as a physical inventory or reconciliation, not only identifies inventory that has left the shelf without being issued in the system, but it also finds items that were returned to the shelf without a corresponding return transaction in the CMMS.

The CMMS spare parts inventory is a living entity. New parts may be added daily but setting obsolete parts to a deactivated status is not done so often resulting in growth in the number of stock numbers. In summary, the last activity date should be a starting point for determining the parts to remove from both the shelf and the database. The result will be more efficient parts searches and a cleaner, more organized stockroom.