

Client case

Nampak optimises spare parts inventory

Packaging manufacturer Nampak implements Lanza to optimise its spare parts inventory management

For Nampak, optimal performance of its asset base is imperative. However, Nampak suffers from capital intensive parts that rarely move and are struggling to balance the costs and risks associated with its spare parts management. A key element is to have the right spares at the right time, at a healthy and sustainable costs. Together with Lanza and Pragma, Nampak implemented Lanza to find the optimal balance in a fact-based manner.

High number of non-moving parts and unbalanced decision making

Over 80% of Nampak's inventory value is in slow and non-moving parts. A quantitative analysis, performed using Lanza, revealed significant improvement potential: a 13% reduction of working capital in spare parts and increasing the availability of spare parts to over 95%. The corresponding business case has a significant bottom line impact and convinced Nampak to include spare parts optimisation as a work package in its Asset Improvement Programme.

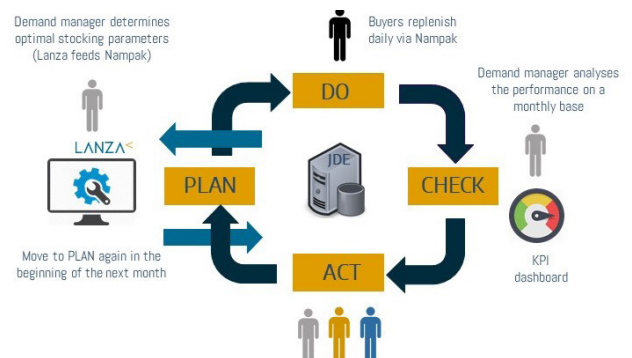
Spare parts management: a discipline yet to mature

Various initiatives were already undertaken to create a foundation for spare parts management. Satellite stores were

closed, an part coding procedure was implemented, and parts were stored in a central facility. However, the discipline of spare parts optimisation, often carried out by the demand coordinator or MRP controllers, was not yet in place. Therefore, selecting and training these professionals was key. Moreover, implementing a planning decision-support tool, such as Lanza, was identified as an important factor to support Nampak's spare parts management.

A continuous spares improvement cycle

To ensure continuous improvement of Nampak's spare parts management, Nampak and Lanza defined a Plan-Do-Check-Act cycle. The aforementioned demand coordinator is responsible for executing this improvement cycle periodically. To do this, he/she makes use of Lanza, the optimisation tool implemented at Nampak. Lanza interfaces with Nampak's ERP system, JD Edwards, to provide the demand coordinator with optimal stocking parameters and insight in current performance..



"Ownership of stocking parameters and rationalised decision making are keys to harvesting the improvement potential."

Tycho Lejeune, Consultant

For more information: Tycho Lejeune - t.lejeune@gordian.nl

