

Client Reference

Manufacturing | Automotive Spare Part ABC Criticality Ranking



Background

Our client is a leading automotive manufacturer in South Africa. The client embarked on a journey to implement various asset management systems based on the Pragma Way. The aim of this is to optimally mature specific asset management key performance areas to world-class standards.

None of the spare parts held in the engineering store was assigned to an ABC criticality rank, resulting in the client having no line of sight of the criticality distribution of its stock holding.

Pragma led the process and worked closely with the stores' personnel and maintenance departments to identify information related to the existing stock holding.

Key Challenges

- No rating model is used to rank the criticality of spare parts.
- No dashboard to easily view the status and availability of spare parts.
- The spare part inventory value was consistently increasing.
- The Covid-19 pandemic and the Ukraine war has disrupted supply chains resulting in longer lead times and increased risk to the business.
- Redundant spare parts from decommissioned equipment is still kept in stock.



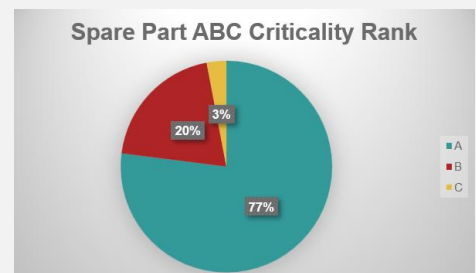
Our client now has the right type and amount of spare parts available in the engineering store to use when required.

Pragma Intervention

- Pragma used a systematic and scientific approach to spare parts management. An automated process was developed to rank the spare parts.
- Factors used in the evaluation criteria included items such as:
 - What is the production impact?
 - How often has the spare part been used?
 - What is the lead time for the spare part?
 - What does the unit cost?
 - What are the failure characteristics of the spare part?
- The process was piloted at one of the maintenance shops, with over 3000 spare parts analysed and their criticality automatically ranked.
- The ABC criticality ranking was assigned to each spare part in SAP®.
- The results were reviewed and confirmed by the technical team.

Value Add

- All parts have been assigned an ABC criticality rank.
- Easier to identify when critical spare parts are out of stock.
- Spare parts are linked to technology groups.
- A dashboard has been developed to show current spare part levels.
- The spare part criticality field is linked to SAP®.



Tools and Technology

- SAP® Plant Maintenance
- SAP® Material Management
- Microsoft Excel

