Success Story: Food Industry

1. The Situation

Life Cycle Engineering was contacted by a beverage manufacturer to assist in developing an MRO (Maintenance, Repair & Operations) storeroom for a new facility. The new facility was planned for continuous operation (24x7x365) and would employ over 350 total employees.

A proposal was developed for a series of visits that would focus on coaching, training and advising the Maintenance Manager and Storeroom Supervisor of best practice operation, care and storage of their repair parts.

The scope of the project included designing a functional and efficient storeroom layout that would utilize space and not exceed the structural capacity of the mezzanine location selected for the storeroom. The situation required storage of many small parts and the decision was made to use high density cabinets with minimal space allowed for larger items on pallet racking. It was decided that some of the larger motors and heavier items would be stored in satellite store locations on the production floor to prevent a safety hazard from raising these items to the mezzanine. Barcode labeling of repair parts was implemented to allow for real-time control of the storeroom inventory. Many employees were not familiar with the inventory management software or barcode tools they were using, which created a learning curve to enter item descriptions, develop reorder points, perform inventory cycle counts and address item criticality using the ABC inventory analysis and classification for stocked parts.

2. The Challenges

Storeroom skills and abilities were limited at the start of the project. The team was very cooperative and eager to learn the new business processes.

3. The Approach

The first visit to the site was to develop a master plan for implementation and define best practice storeroom operation training required. Straw model workflow processes were introduced to expedite the implementation of storeroom work processes and provide a basis for employee training. A schedule was developed to train employees on the CMMS program to begin entering item descriptions, manufacturer numbers and establish a smart numbering system for the stock and non-stock inventory. The supervisor was trained on benefits tracking and developed a matrix of key performance indicators to manage storeroom employees and inventory from system data. After implementation of the workflow processes, practices and policies, a series of process audits were put in place to monitor compliance to following the prescribed storeroom processes. The leadership team was supportive of the project. Funds were available and requests were acted on in a timely manner, which allowed this project to move forward at an accelerated pace.

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4. The Results

The plant is viewed by the organization as the flagship of their organization. The organization has sent several storeroom supervisors to observe the storeroom's operation. The team had never participated in a planned work kitting program and were excited to implement the kitting process. The storeroom team took the planned work kitting program and adapted the principles to the product changeover tasks in operation in the production department.

The following metrics were implemented to track storeroom performance:

- Annual Inventory Turns
- Inventory Cycle Count Accuracy
- On time Delivery of Purchased Items
- Stock Item Fill Rates/Stock outs
- Planed Work Kit Accuracy
- Inventory Issued (Line Item & Dollars Issued)
- Inventory Received (Line Item & Dollars Received)
- Inventory Total Value

5. Conclusions

The project was a success. We accomplished goals and met project milestones. The Storeroom Supervisor indicated that they have a long term strategy of continuous improvement by tracking and analyzing KPIs on a weekly and monthly basis.