

eMRO Action Plan Module 8

Ready to apply what you have learned?

Step 1: Review the KPIs below for each MRO area. Which ones are the most critical to your organization? Select your KPIs then use those to design a scorecard below. A sample has been provided.

Buy		Store		Use		Dispose	
<input type="checkbox"/>	Inventory Dollars Received: Total dollar value of shipments received by the storeroom.	<input type="checkbox"/>	Total Storeroom Inventory Value: Total dollar value of end-of-month stores MRO inventory.	<input type="checkbox"/>	Inventory Stock-Outs: The number of unplanned material requirements that could not be satisfied due to unavailability of the required material at the time of request.	<input type="checkbox"/>	Identified Obsolete Inventory: Percentage of total storeroom investment comprised of MRO parts determined to be unusable due to age, damage, excess inventory, part redesign, or other reasons.
<input type="checkbox"/>	Number of Receipt Transactions: Total number of line items received by the storeroom.	<input type="checkbox"/>	Annual Inventory Turnover: A measure of how quickly inventory is flowing through the storeroom system. The number of times the MRO stores inventory is cycled through on an annual basis.	<input type="checkbox"/>	Number of Issue Transactions: Total number of line items issued from the storeroom.	<input type="checkbox"/>	Inventory Scrapped: The total value of MRO inventory removed from the storeroom and discarded due to obsolescence, damage, excess inventory or other reasons.
<input type="checkbox"/>	Expediting Costs: Total of priority freight charges and premium material prices incurred for expedited purchases.	<input type="checkbox"/>	Storeroom Cycle Count Accuracy: Percentage of items cycle counted where the inventory quantity matches the CMMS quantity.	<input type="checkbox"/>	Inventory Dollars Issued: Total dollar value of all MRO parts issued from the storeroom inventory.		
<input type="checkbox"/>	Past Due Orders: Orders that were not shipped by the supplier's expected ship date.	<input type="checkbox"/>	Dollar Value of Inventory Adjustments: Net value of adjustments to inventory levels as a result of cycle counts.				
<input type="checkbox"/>	Monthly Transportation Cost: Total transportation costs. Results vary by geographic location of site and suppliers.						
<input type="checkbox"/>	Vendor Delivery Performance: Number of instances (expressed as a percentage) in which vendors have delivered MRO materials on or before a specified target date.						

eMRO Action Plan Module 8



Step 2: Based on your evaluation, use the document to develop a scorecard. A sample is shown for your assistance.

Phase	Key Performance Indicator (KPI)	Unit of Measure	Best Practice	Target
Buy	Inventory dollars received	\$	Trend	
	Number of receipt transactions	#	Trend	
	Expediting costs	\$	\$0	
	Past Due orders	\$	0	0
	Monthly transportation cost	\$	Trend	
	Vendor delivery performance	%	98%	98%
Store	Total storeroom inventory value	\$	Trend	
	Annual inventory turnover	Ratio	2.0-3.0 >1.0 monthly	2.0
	Storeroom cycle count accuracy	%	95%	95%
	Dollar Value of Inventory adjustments	\$	Trend	
Use	Inventory stock-outs	%	<2%	2%
	Number of Issue transactions	#	Trend	
	Inventory dollars issued	\$	Trend	
	Requisition fill rate	%	>98%	98%
Dispose	Identified obsolete inventory	\$	<5%	5%
	Inventory scrapped	\$	Trend	

Sample

Phase	Key Performance Indicator (KPI)	Unit of Measure	Best Practice	Target
Buy				
Store				
Use				
Dispose				