

## CASE STUDY



## MATERIALS MANAGEMENT



# Transforming inventory management & optimisation

## THE NEED

Excess inventory from legacy material, poor demand management, inaccurate data, lack of accountability, and poor forecasting.

## THE SOLUTION

Optimise the inventory across the business by holding the correct levels of inventory at the correct location meeting the demands for the business and releasing lost value.

## THE BENEFITS

- **Financial gain:** Optimised inventory with an ongoing reduction in capital tied up in inventory and improvement in working capital.
- **Business gain:** Reduction in production risk from inventory with better work attainment, automation of work execution and decision-making (such as a simplified disposal process and rules driven decision-making), full accountability, audit and legally compliant, informed and improved decision-making such as procurement, planning, inventory settings.
- **Process gain:** Improved end to end processes, efficient and effective processes, MRP and data integrity, process measurement and automated reporting and lean working best practice.
- **Human capital gain:** Competent staff, improved IO capability, compliant process, assurance and sustainable development programme.

## INVENTORY OPTIMISATION



## THE APPROACH

**Achieving an inventory accuracy of greater than 99.9% for both on and offshore across all materials, taking only weeks to complete**

1. Identify, select and implement the correct inventory optimisation, planning and decision-making tools to do the job: Effective software for managing inventory optimisation decisions and automation of work execution and automation of routine decision-making
2. Optimised inventory management, an inventory planning strategy, control of inventory spends, visibility of financial consequences and informed auditable decision-making
3. Develop business control and governance: Single source of truth, business process and architecture fit for purpose; best practice documented policies and procedures, and process control and technology that drives reporting, data accuracy and supplier performance
4. Develop the right level of expertise and capability in inventory optimisation, planning and decision-making: Clear roles and responsibilities and effective team, delivering assurance of competency, succession planning and training and a continuous improvement approach