

## eMRO Action Plan Module 6

Ready to apply what you have learned?

**Step 1:** Review the key processes discussed in the module. Evaluate your current organization's status. Are you reactive, emerging, proactive or excellent?

Process	Reactive No process or procedure in place	Emerging Informal process in place, or process in place only for regulatory compliance	Proactive A formal process is established and well understood. Process includes flow charts, step definitions and responsibility matrix	Excellent Process effectiveness drives business results. Data is shared and used for decision-making. Process audits drive improvements
Return to Vendor (RTV)	<ul style="list-style-type: none"> <li>Sporadic evidence of incorrect or unneeded materials identified but not returned to the vendor</li> <li>Vendor returns are not tracked</li> <li>Unneeded or incorrect parts kept "just in case"</li> </ul>	<ul style="list-style-type: none"> <li>Material returns are informal and ad hoc</li> <li>Vendor returns are inconsistently tracked in the system</li> <li>Many incorrect parts are not returned to the vendor</li> </ul>	<ul style="list-style-type: none"> <li>A formal return to vendor process is followed with <math>\geq 80\%</math> compliance</li> <li>Closed work orders are audited quarterly for unused materials documentation</li> <li>100% of unused or incorrect materials are returned to the vendor and tracked in the system</li> <li>No parts kept in shops, tool boxes, or lockers</li> </ul>	<ul style="list-style-type: none"> <li>A formal return to vendor process is followed with <math>\geq 99\%</math> compliance; work orders are audited for unused materials</li> <li>All returns of unused, incorrect or defective parts are negotiated with the vendor and returned within seven days</li> <li>Return to vendor data has been tracked for 3+ years and is used for vendor rating</li> <li>A distinct reduction in maintenance costs</li> </ul>
Obsolete Inventory Identification (OII)	<ul style="list-style-type: none"> <li>No evidence of slow-moving or obsolete inventory measures or reports</li> <li>Known or suspected obsolete material is in inventory; the items, quantities, and values are undetermined</li> <li>No process exists to remove obsolete inventory</li> </ul>	<ul style="list-style-type: none"> <li>Slow-moving and obsolete inventory are measured and reported annually</li> <li>Limited evidence that some materials are written off, moved to laydown yard or sold for scrap value</li> <li>Carrying costs are unknown</li> <li>Identified obsolete inventory <math>&lt; 5\%</math> of total inventory value</li> </ul>	<ul style="list-style-type: none"> <li>Standard definition and metrics are established, measured and reported in the system</li> <li>Justification documentation is associated with each slow moving and obsolete inventory item</li> <li>Engineering projects consider inventory additions and subtractions</li> <li>Identified obsolete inventory is <math>&lt; 3\%</math> of total inventory value</li> </ul>	<ul style="list-style-type: none"> <li>The right materials are in inventory in the right quantity with the right priority</li> <li>Slow-moving and obsolete inventory is measured, reported and the status is updated annually</li> <li>A reserve is established to remove obsolete inventory; obsolete inventory levels are <math>&lt; 1\%</math></li> <li>Reduction in carrying costs</li> </ul>

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**Step 2:** Based on your evaluation, use the document to develop an improvement plan. Select 2 specific areas of opportunity from the process descriptions and create a plan to implement improvements. Good areas to target are those that can be quickest to improve and those that will make the biggest impact.

Materials Management or Storeroom Goal	Behaviors	Results	Organizational Goal
<i>Area of desired improvement</i>	<i>Within 30 days I will....</i>	<i>What KPI or result can I achieve within 90 days?</i>	<i>What organizational goal is impacted by the results?</i>