



Industrial Press, Inc. | Newsletter

Focus On Inventory Solutions: Spare Parts and More!

A Word from Our Editor

Since 1883, Industrial Press, Inc., has been publishing essential resources for the machining community and related manufacturing industries. This newsletter focuses on the challenges of inventory management in today's rapidly changing global marketplace. We have two new titles that present effective inventory management and teach how to revamp your company's approach to spare parts. Learn more about these and related topics from the "Q&As" with our expert, international authors. We hope that you enjoy this newsletter. And as always, we look forward to hearing your comments. —*Judy Bass, Editorial Director*



Spare Parts Survival Solutions

Talking with Author and Maintenance Expert Joel Levitt

A leading educator in maintenance management, Joel Levitt has trained more than 17,000 maintenance professionals in 25 countries. Since 1980, he has been president of Springfield Resources, a management/consulting firm serving clients on a wide range of maintenance issues. A frequent speaker at maintenance and engineering conferences, Levitt has published numerous articles on the subject, as well as a number of successful books. Among his best-sellers are the Industrial Press titles: *Complete Guide to Preventive and Predictive Maintenance*, *The Handbook of Maintenance Management*, *Lean Maintenance*, *Managing Factory Maintenance*, and *Managing Maintenance Shutdowns and Outages*.



His newest book is *Surviving the Spare parts Crisis: Maintenance Storeroom and Inventory Control*.

Industrial Press: *How did you become an expert in inventory control? What is most interesting about what you do? What kind of companies have you worked with?*

Levitt: I'm not an expert in inventory control. What I am an expert in is the issue of not having parts when they are needed in maintenance. I'm also an expert at making sure the maintenance department does everything it can do to help the warehouse pick and (hopefully) deliver the right parts at the right time.

I love working in weird situations globally with dedicated people trying to make things happen in all kinds of environments. A very partial list of some companies I have worked with includes Alcoa, Reynolds, U.S. Steel, One Steel SABIC, ADCO, BP, Exxon, Suncor, Newcrest Mines, Barrack Gold, Holcim, General Motors (GM), Mercedes Benz, Volvo, Pepsi, Con Agra, Merck, and Abbotts. I also have provided services to the U.S. Coast Guard, the U.S. Army, the U.S. Navy, and the National Security Agency (NSA). Perhaps more important are all of the people I have reached through my maintenance classes in nations around the world.

Industrial Press: *What is your overall focus? And how do this new book and your previously published titles tie into that subject matter?*

Levitt: I spend time thinking about reliability. I dream about it. When I talk to people, travel, read, hike, I'm thinking about reliability. One of my primary goals is to figure out how we can get the word out and convince people to adopt a long-term strategy.

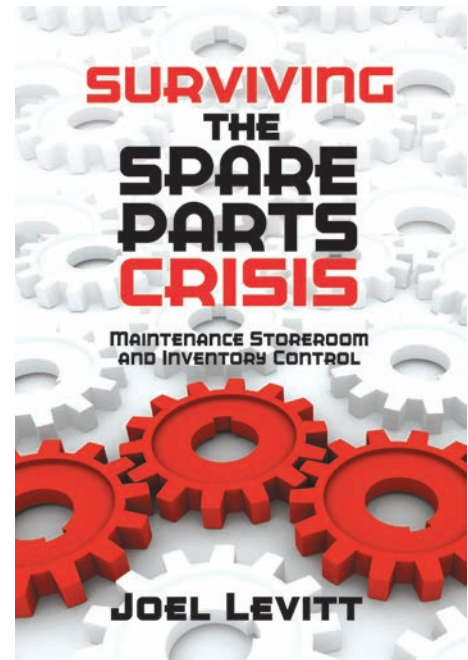
My other books are about making the whole system of asset management work, from soup to nuts, for a wide variety of assets. Without an effective inventory strategy, all of the other work is done in vain.

Industrial Press: *Your new book discusses the key challenges the industry is facing—globalization increasing competition, the impact of the Internet on parts distribution, and advances in technology making machinery obsolete. Can you tell us about some of these challenges and how your book can help?*

Levitt: If you are old enough to remember such things, think about the traditional rotary desk phone. The desk phone didn't change for 35 years or more. I remember when tone dialing came out. It took about 10 years to adopt it. Then, we were shocked and happy when the princess phone was released.

Zoom forward to today. Think about the iPhone upgrade cycle. About so many users getting a new phone annually. In fact, it seems that almost every machine is changing every day. The spare parts needed for those machines are changing just as rapidly. To some degree, the Internet is mitigating the need to adapt. But the world of spares is already radically different. And that difference is changing more quickly as time goes on.

What *Surviving the Spare Parts Crisis* offers is a route to leadership and decision making. This book will prepare you so that, whatever the future brings, you'll be better equipped than most to deal with it.



Industrial Press: *In your opinion, which industries are leading with effective approaches to the current spare parts turmoil?*

Levitt: No one is leading. The blind are leading the blind. The problem is that most of the most vocal people in organizations are blind, but are deluded in thinking that they can see. They see what they want to, not what is there. Everybody is on the train ride, and I don't think there is a conductor or engineer in the front of the train.

Industrial Press: *You also talk about inventory reduction reducing risk. But can't this lead to a decrease in customer service and satisfaction? What is the best way to implement a reduction in parts?*

Levitt: Most inventory reduction actually increases risk. Because most organizations I've seen reduce inventory with the cavalier attitude that the customer be damned. Only smart inventory reduction will decrease risk. We must be vigilant about removing, repurposing, and selling parts we no longer need. It is that simple—and that complex.

Industrial Press: *Finally, from where you are sitting, what do you predict the spare parts business is going to look like in 10 years? In 20?*

Levitt: I like 20 years, because in that time frame either most of the problems we have today will be solved, or it won't make any difference (a post-apocalypse scenario).

In the future, it is very likely that we will order most parts as needed from a local printer after paying a royalty for the intellectual property to the original equipment manufacturer.

Surviving the Spare Parts Crisis: Maintenance Storeroom and Inventory Control

By Joel Levitt

Pages: 272, Softcover

Published: October 2016

ISBN (print): 978-0-8311-3604-8, Price: \$49.95

ISBN (ebook): 978-0-8311-9414-7, \$39.95

The Sparesology® Solution

A Conversation with Author and Business Improvement Expert Phillip Slater

Phillip Slater has been described as “one of the leaders in the MRO information segment” and “the global spare parts guru.” We talked with the author and business improvement expert about his latest book, *Spare Parts Inventory Management: A Complete Guide to Sparesology®*.

This groundbreaking title is the first to address the topic of spare parts inventory solutions by examining the entire spare parts management life cycle. Not only does the author identify and discuss the key issues, he also presents the answers that individuals and organizations need.

Slater's other titles include *A New Strategy for Continuous Improvement: 10 Steps to Lower Cost and Operational Excellence* and *Smart Inventory Solutions: Improving the Management of Engineering Materials and Spare Parts*, both published by Industrial Press.

Industrial Press: *You are so well known in your field. Would you tell us a bit about your background and what led you to become involved in the spare parts industry?*

Slater: I actually started my career designing warehouse racking and conveyor systems and then worked in engineering, maintenance, and operations in the plastics packaging industry. So I have been involved, one way or another, in spare parts management since completing an honors degree in mechanical engineering in 1985.

Over the years, I have experienced all of the key aspects of spare parts management—maintenance, procurement, storeroom management, supply chain, finance, and, of course, leadership. It is this range of experience that enabled me to develop the insights that get translated into my work and the books that I write.

Industrial Press: *What has been the scope of your work? And what has been most gratifying about the projects you have worked on?*

Slater: I have worked across 35 countries, and I find the international aspects of my work to be the most exciting. Meeting and working with people from different countries and cultures has been a key highlight of my career.

Beyond that, my greatest satisfaction comes from helping companies transform their skills and processes to produce new, higher levels of performance. This is something that I have achieved both during my career

in manufacturing and throughout my consulting career.

Industrial Press: *In addition to your ongoing writing and consulting engagements, what have you been working on?*

Slater: My major project, outside of writing and consulting, is the development of a website providing online training in spare parts inventory management: **SparePartsKnowHow.com**.

Currently, we provide five online training courses, as well as a resource library and online coaching.

Industrial Press: *Your new book discusses the whole spare parts life cycle, from initial purchase to final disposal. What does a spare parts life cycle entail? And what are the crucial issues?*

Slater: In terms of spare parts management, the life cycle really starts before the initial purchase, with the decision about whether or not to stock the spare part in the first place. This is part of what is described in my new book as the “Create and Stock” phase. What I find particularly interesting is that this is the point in time where companies have the greatest influence on their stock levels but where they tend to pay the least attention.

The life cycle then moves through the “Operations” phase, where the item is used and



then replenished. The key problem that companies most often have here is coordinating their information and activities across the range of departments involved.

Finally, the life cycle moves into the “Obsolescence and Disposal” phase. Here most companies are too slow to react, and that is why they end up unnecessarily holding on to excess stock of obsolete items.

Industrial Press: “Sparesology®” is an intriguing word, and one that you coined. You have said it is a practice that involves so much more than inventory optimization. What is this concept all about?

Slater: The problem that I see with spare parts inventory management is that it is too often perceived in a one-dimensional way. That is, typically, either focusing on optimization or managing slow-moving stock.

The practical reality is that achieving the best results in terms of availability and inventory investment requires a holistic approach, covering the entire life cycle and ensuring that all factors influencing the spare parts management outcomes work in concert to achieve the organization’s goals.

Industrial Press: Who are the players in spare parts inventory management?

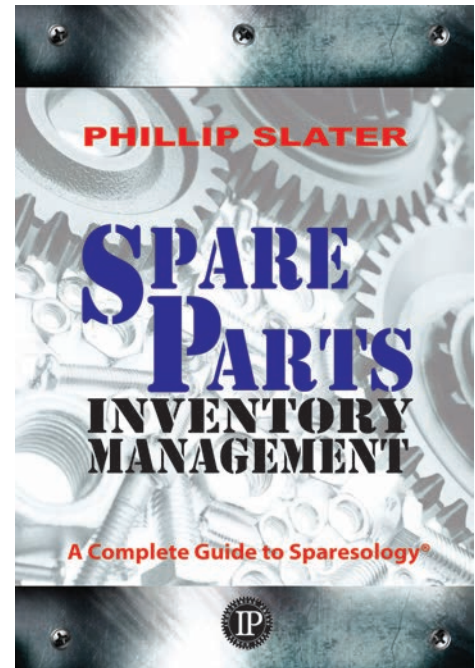
Slater: There are actually many “players,” and they each have an important role to play. For example, maintenance needs to provide quality forecasts and data on needs, the storeroom needs to manage the storage and process information in an accurate and timely manner, procurement needs to purchase in a manner consistent with inventory goals, and finance needs to understand that not all inventory is bad. By getting all of these elements working together, the best results are achieved.

Industrial Press: Who can most benefit from the discussion of the complete “ecosystem” of spare parts inventory as discussed in your new book?

Slater: Ultimately, the company benefits via reduced downtime, reduced procurement expense, lower inventory investment levels, and improved workforce efficiency. Each department benefits in its own unique way through fewer surprises and having what they need, when they need it.

Industrial Press: What does the future of the spare parts industry look like? What do you think will be the key trends and major shifts? How will these changes impact manufacturing? Finally, what are some of the most exciting things to come?

Slater: The digitization of the supply chain should continue to bring efficiency gains in terms of procurement and supply. The emergence of the “Internet of things” and advances in predictive analytics should bring about the potential for improvements in forecasting and demand management. However, technology alone won’t solve a company’s problems.



The core functions of spare parts inventory management—understanding failure modes and sparing requirements, managing the inventory, and the physical logistics—all happen at a human level. This means that achieving major improvements is going to rely on the integration of people with the technology. The exciting thing for me will be to see how companies that get this right, through training, education, and process development, can make even greater strides in spare parts inventory outcomes.

Spare Parts Inventory Management **A Complete Guide to Sparesology®**

By Phillip Slater

Pages: 272, Softcover

Published: November 2016

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Sparesology® 101

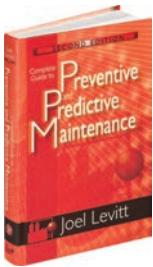
The four key aspects of spare parts inventory management are:

1. The establishment of a spare parts management system
2. The create and stocking phase
3. The operational phase
4. The management of obsolescence and disposal

These four key aspects are fundamental to the idea of Sparesology. This is a term I have coined as a shortcut for the discipline of optimizing the physical, financial, process, and human resource management of spare parts. Sparesology is more than just inventory optimization. Sparesology requires an understanding of the complete ecosystem within which spare parts are managed. It seeks to ensure that all factors influencing spare parts management outcomes work in concert to achieve an organization’s goals. This background, philosophy, and perspective has informed the structure of my new book.

—Phillip Slater

Other Books by Levitt and Slater Available from Industrial Press



Complete Guide to Preventive and Predictive Maintenance, 2nd Edition

By Joel Levitt
ISBN: 978-08311-3441-9, \$54.95

Handbook of Maintenance Management, 2nd Edition

By Joel Levitt
ISBN: 978-08311-3389-4, \$69.95



Lean Maintenance

By Joel Levitt
ISBN: 97808311-3352-8, \$49.95

Maintenance Planning, Coordination, & Scheduling

By Joel Levitt and Don Nyman
ISBN: 978-08311-3418-1, \$49.95



Managing Factory Maintenance, 2nd Edition

By Joel Levitt
ISBN: 978-08311-3189-0, \$52.95



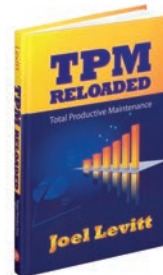
A New Strategy for Continuous Improvement: 10 Steps to Lower Cost and Operational Excellence

By Phillip Slater
ISBN: 978-08311-3320-7, \$44.95



Smart Inventory Solutions: Improving the Management of Engineering Materials and Spare Part, 2nd Edition

By Phillip Slater
ISBN: 978-08311-3401-3, \$49.95



TPM Reloaded

By Joel Levitt
ISBN: 978-08311-3426-6, \$39.95

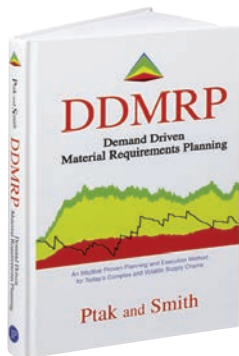


Managing Maintenance Shutdowns and Outages

By Joel Levitt
ISBN: 978-08311-3173-9, \$52.95



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—Dick Ling, S&OP Consultant and Author of *Orchestrating Success*

Demand Driven Material Requirements Planning (DDMRP)

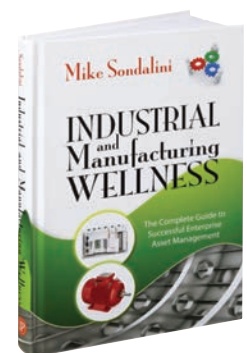
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"Mike created what could basically be referred to as an ISO 55001 implementation manual, with a big picture holistic engineering reliability approach to asset management. You will be surprised how he did that while also expanding on his existing 'Plant Wellness Way' methodology in just 286 pages! I also like how he emphasized throughout the book, attention to life cycle cost. Something that has been lacking in our industry. A must-read in today's world."

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"Mike Sondalini's new book *Industrial and Manufacturing Wellness* is one of the best in our field that I have seen."

—Len Bradshaw, Editor of *Asset Management and Maintenance Journal*



Industrial and Manufacturing Wellness *The Complete Guide to Successful Enterprise Asset Management*

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