



IBM® Maximo MRO Inventory Optimization for oil and gas

Reduce costs, minimize unplanned downtime and hit production targets

Industry challenges

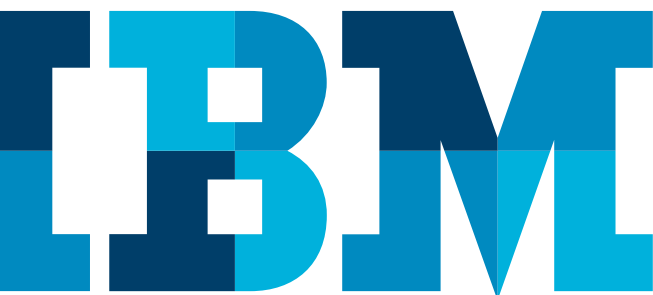
- Fluctuating oil prices
- Unsustainable operating cost reductions
- Cash flow tied up with carrying cost of MRO inventory
- Exponential growth in data
- Rapidly changing market forces

Resulting pressures

- Lower MRO inventory levels while right-sizing critical spares and materials
- Reduce excess MRO inventory without increasing risk to production
- Cut maintenance spares budgets
- Consolidate suppliers
- Achieve peak asset performance and maximum uptime while maintaining safety standards
- Improve use of data/information for prescriptive analytics and insights
- Make organization more agile

IBM® Maximo MRO Inventory Optimization – A holistic approach to help:

- Cut MRO inventory-related costs by up to 40 percent
- Leverage analysis of existing data to optimize MRO spares inventory
- Establish criticality rankings for all spares
- Remove significantly unplanned downtime by up to 50 percent
- Improve internal service levels



Client Case Study

Client profile

- One of the largest integrated oil and gas companies in the world
- Among the top five oil refiners in the world
- Operates in 15+ countries
- Over 13,000 employees

Problem: Inventory bloat, high risk

- Inherited multiple technologies and redundant systems through M&A's
- Large inventories of spare parts
- Some critical spare parts at dangerously low levels
- MRO teams functioned reactively, focused on processing transactions

Process improvements and tools

- Globally centralized to one MRO platform using IBM® Maximo MRO Inventory Optimization
- Defined criticality levels of all spare parts
- Critical spares inventories normalized to safe levels
- Significant reduction in overall MRO inventory

Results-to-date

- Reduced MRO working capital by 10 percent within six months at one site
- Right-sized critical spares decreased overall risk
- Decreased total inventory by 10 percent three years running
- Funded global roll out solely based on payback achieved
- ROI exceeded 400 percent

“What makes Oniqua (now IBM) attractive to oil and gas companies is that the solution does not simply save costs by reducing inventory. What largely differentiates the IQ Optimization suite is that its advanced MRO-specific algorithms and analytics capabilities balance both cost and risk.”

– Sankara Narayanan, Senior Analyst, Frost & Sullivan

Uncover hidden opportunities to help significantly reduce MRO costs while improving service levels.

www.ibm.com/services/process/mro-inventory





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