IBM Services
Brochure

IBM Maximo MRO Inventory Optimization for mining

Unearth double-digit savings sooner than you thought possible

Industry challenges

- Assets used round-the-clock in punishing conditions
- Commodity prices in lengthy down-cycle
- Labor-intensive projects scattered across the globe
- Smaller time windows for maintenance operations
- Exponential technology change

Resulting pressures

- Minimizing costs while maintaining asset uptime
- On-site availability of critical materials and spares
- Elimination of MRO inefficiencies essential to bottom-line success
- Visibility across operations
- Zero unplanned downtime
- Evolving inventory, avoiding obsolete stock
- Falling commodity prices and declining demand mandate deep cost cutting

IBM® Maximo® MRO Inventory Optimization – a smarter approach*

- Cut MRO inventory-related costs by up to 40 percent
- Significantly reduce unplanned downtime by up to 50 percent
- Establish criticality rankings for all spares
- Improve internal service levels
- Optimize MRO inventory leveraging analysis of existing data

Client Case Study – Unearthing Significant MRO Inventory Savings

Client profile

- Major Australian Mining Company
- At one point, the largest coal miner and exporter in Australia, and operated 7 mine sites and 1 terminal port

Process improvements tools and accountability

- Deploy a centralized operational model that is scalable across all sites
- Increase visibility and accountability across the company on a global level
- Establish and embed stock parts rules into the system
- Share critical spares within a geographical region
- Reduce obsolete and inconsequential inventory items
- Standardize procurement functions
- Track supplier performance

Problem: Reactive vs. Proactive

- Spiraling cost of critical parts purchasing; carrying costs of non-essential spares.
- Critical parts out-of-stock with overstock of non-essential parts
- Competing functional objectives for purchasing and maintenance
- Lack of standardized systems and consistent processes

Results-to-date

After implementing IBM Maximo MRO Inventory Optimization software, the mining company:

- Decreased MRO inventory value from $73M to $21M USD over a six-year period
- Achieved savings of $11M USD in the first year
- Sustained a 50% year-over-year reduction in MRO inventory for 6 years running – with no attributed production loss
- Additional estimated savings of $7.5M USD using MRO Shared Inventory capability

Uncover hidden opportunities to help significantly reduce MRO costs while improving service levels.
www.ibm.com/services/process/mro-inventory

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