

A Case Study, Power Generation Nexiant MRO Management Services.



When a world leader in the integrated power plant production services and air quality control systems wanted to optimize the indirect materials process, they searched the market place and ultimately found the right mixture of expertise, software and services to deliver a world class solution.

Nexiant's MRO management services are designed to help companies achieve operational efficiency and sustainable results by maximizing production line uptime and reducing overall MRO costs throughout the organization.

The Business Challenge

An expert in providing quick turnaround refurbishment of critical power plant components, it was important to optimize the materials necessary to facilitate the production processes. Lacking the proper material handling, systems and



processes to support the "MRO" cycle, the client identified the need to overhaul the entire process. Limited control of inventory and no accountability of where material was being

used led to poor cost accounting practices. The goal was to provide real time control and visibility of all indirect material such that they could further improve its ability to compete on speed.

Inventory Reduction	60%
Demand Compression	30%
Process Time Savings	80%

The Nexiant Solution

Nexiant performed a data-driven assessment of the indirect inventory management processes and systems. This assessment identified excess and obsolete inventory opportunities. Additionally, the assessment highlighted several work flow redesign opportunities within the indirect inventory disposition and procurement processes. Nexiant designed a new indirect material process blueprint, implemented new processes and related control points and implemented Nexiant's Smart Inventory Manager (SIM) software system. This holistic solution, in terms of an integrated process and system, enabled them to manage their indirect material management through real time exception alerts. The ability to proactively react to out of tolerance stock-out conditions and avoid production delays and inefficiencies has led to productivity improvements.

The Results

Separating obsolete or non-moving material from the active items produced a 60% reduction in inventory and allowed us to focus on efforts on only "A" type items. Dramatic demand compression took place in some cases over 30% within 90 days of go live, while process savings of 80% were recognized in less than 30 days.

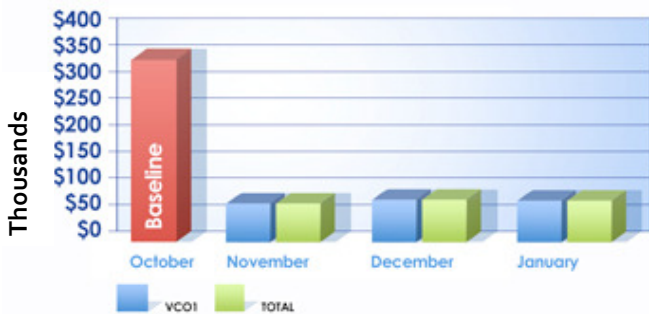


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The assessment process identified and prioritized key targets for improvement: Inventory Reduction Demand Compression and Process Time Savings. Utilizing the Nexiant proprietary “MRO Excellence” methodology, we focused immediately in these key areas. Benchmarking current state and setting goals were the first steps to building the road map to “MRO Excellence”.

Inventory Reduction



Removing 60% of the inventory resulted in bottom line savings.

Nexiant performed an extensive inventory discovery event, identifying active and critical inventory. Separating non-moving or obsolete material produced a 60% reduction in inventory and enabled us to optimize the storeroom within a leaner footprint. This key process allows for faster supplier enablement, focused on “A” material.

To begin your MRO Investment Recovery
Call 949.766.9933 or visit www.nexiant.com

Demand Compression



Over 30% demand compression took place within 90 days of go live

Process Time Savings



A 80% reduction in storeroom traffic, directly related to an increase in productivity