Supply Chain Engagement in Obsolescence Management

2016 RAPID Conference

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Purpose

- ➤ Discuss the challenges when Procurement Engineering does not report to Supply Chain.

- ➤ Identify gaps found "when we took the initiative to look".

- ➤ Share our success and see if we can find more improvement ideas from *you.*

Challenges

➢ Supply Chain owns the Critical Spare Program

➢ Procurement Engineering owns the Obsolescence Program

➢ PE reports to Design Engineering and are located in a different building than Supply Chain

Get everyone out of their silos !!

O   Do you just throw the obsolete lump of coal over the fence to PE?

O   That's not our baby!

O   We're not engineers so we cannot be of any help!

O   Who gets the ball (initially) when an obsolete item is required for an upcoming job or for outage?
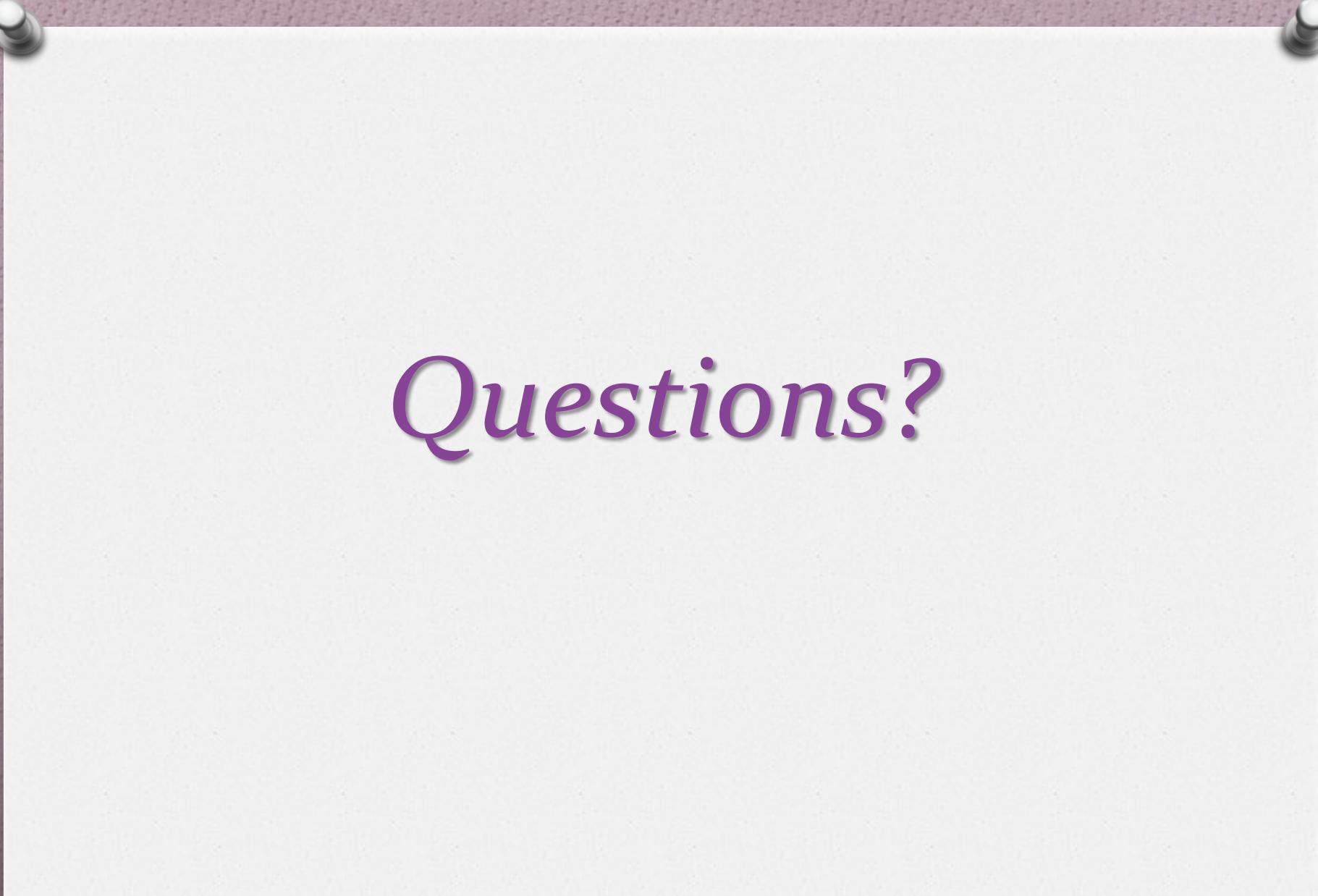
What We Found Under the Rock

✓ Obsolescence Procedure contained a Matrix which was to prioritize all Obsolescence Work Orders. It was not being used.

✓ Material Control attaches an Obsolescence Identification Form to the SWO when it goes to PE. The form is required per procedure and engineering was responsible for completing Page 2. This included addition of the Matrix Ranking.

✓ There was a Risk Significant Obsolescence Graph/PI which represented the top priority obsolete stock items, approx 33-35 items.

✓ We found very few of the obsolete items had been loaded to OIRD.

✓ Contributing factor: The individual identified as the Obsolescence Program Owner had changed several times in the last 10 years.

Process Changes/Ownership

✓ Buyers generate a CR/Condition Report/Work Order when a quote comes back and the supplier identifies the item is obsolete.

✓ Material Control then attaches an Obsolescence Identification Form to the SWO and routes the SWO to the Obsolescence Program Owner.

✓ We researched all open Obsolescence Work Orders (248) in PE and validated need, i.e. rop/roq revalidation, RAPID/OIRD searches, end use validation, was the obsolescence resolved and PE failed to close the Work Order?

✓ Material Control brainstormed and completely rewrote the Matrix.

Process Changes/Ownership

✓ Using the new Matrix, Material Control now produces the ranking (number) and adds it to a searchable field in the Work Order, as well as the Obsolescence Identification Form which is attached to the Work Order.

✓ Material Control built a Discoverer run which produces a priority listing of all the open Obsolescence Work Orders. That allows us to identify the top priority obsolescence issues on a continual basis.

✓ Material Control is now on the STARS Obsolescence Team and working daily to assist the Obsolescence Program Owner.

✓ Material Control is in the process of assuring the inventory item on all open Obsolescence work orders is in OIRD.

✓ <u>Still a Work in Progress!</u>