The Elephant in the (Store) Room
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Most people have heard about the bull in the china shop but have you heard about the elephant in your storeroom? This is not a mythical 5 ton mammal, feasting on your critical spares in the dark corners of your warehouse but a reference to the perceptions of the players involved with the effective management of spare parts. To explain this let’s revisit the story about six blind men examining an elephant.

One day an elephant walks into a village. This was not ‘elephant country’ and while the people of the village were all educated and experienced in their own region, they had never heard of an elephant. The arrival of this curious beast excited the whole village and a group of six blind men decided to find out for themselves just what this elephant was.

They made their way through the crowd and each touched a different part of the elephant.
‘Hey, the elephant is a like a tree’, cried the first blind man as he touched the elephant’s leg.
‘No, it is more like a rope’, said the second blind man who touched the tail.
‘I think that it is like a thick snake’, chimed in the third as he touched the trunk of the elephant.
‘A snake? No, it’s flat like a banana leaf fan’, said the fourth man, who was touching the ear of the elephant.
‘A banana leaf? Are you mad? It is more like a huge wall’, laughed the fifth man, feeling the side of the elephant.
‘I don’t know what you are all feeling but this elephant feels to me like a solid pole’, said the sixth man who touched the tusk of the elephant.

They began to yell at each other and argue about the elephant with each one of them insisting that he was right. A wise man was passing by [obviously a consultant!] and disturbed by the raised voices he stopped and asked them, ‘What are you blind men arguing about?’

Almost in unison they said, ‘We cannot agree about what the elephant is like’.

They each told the wise man what they could feel and the wise man immediately recognized the problem. Calmly he explained to them, ‘All of you are right. The reason every one of you is telling it differently is because each of you has touched a different part of the elephant. So, actually the elephant has all those features’. Understanding this, the blind men stopped arguing and started listening. They listened as each of them described in detail what they could feel and before too long, these men who had never seen an elephant understood exactly what it was.
What does this have to do with your storeroom?

One feature of the modern corporation is the departmentalization of functions. Companies do this to both create operational efficiencies and manage the span of management control. Thus most organizations will have, amongst others: an operations group, maintenance department, storeroom and logistics, purchasing and procurement, and finance. But what happens when these functions overlap? This is the elephant in your storeroom and its name is: the maintenance materials and spare parts inventory.

Each of the different corporate functions mentioned has an influence on your materials and spare parts management outcomes. Yet each operates independently, often with little incentive to coordinate activities to improve the overall business results. This is classically called functional silos, with each group doing what they think is needed, based on what they see. In effect, each functional group looks at the same activity and literally sees different things.

The storekeepers see a bunch of SKUs (stock keeping units) that they have to receive, store, issue, count, care for, and requisition. They get yelled at by maintenance and operations for not having enough parts and by finance for having too many.

The maintenance department sees the inventory as one part (no pun intended) of the elements needed to efficiently repair the company’s machines and other assets. They get yelled at by operations if the part is not available when it is needed and downtime results. So they yell at stores to speed up the issue process and to make sure that everything is stocked. Stores yell at them for not telling them how many of a part they really need or that it was needed at all.

Purchasing sees all the hard work to source the parts, locating obsolete parts, and negotiating the best prices and terms. They are yelled at by maintenance for taking too long when buying parts for breakdowns. They are yelled at by finance to save more money, which then means that they get yelled at again by maintenance for buying cheap parts that do not last. They, in turn, yell at maintenance to give them more time and not have so many emergencies. They also provide maintenance with meaningful advice such as, ‘failing to plan, is planning to fail’.

Finance sees money tied up that they believe could be used better elsewhere. They yell at stores, maintenance and purchasing to cut costs, cut inventory levels, and stop spending so much money. They see fixing things as a pure expense. They get yelled at by everyone else for asking for too much to be achieved from too little.

With the elephant in your storeroom it seems that everyone is yelling at everyone else!

But what if they could all see the whole elephant, if each group could understand the perspective of the other? Understand what they were trying to achieve and the constraints within which they were working. Maybe then they could have a meaningful discussion about the management of this strange
beast known as materials and spare parts inventory management. And maybe then they could work out a way to collectively improve the overall business results.

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About the Authors

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