

# **Asset Optimization Services**



## Technology-based services for a greater competitive edge

Minimum downtime and the optimum use of staff and resources are key to sustainable success in industry. Siemens provides the basis for greater productivity, flexibility, and efficiency with technology-based services throughout the lifecycle of an industrial plant – reliably, globally, and around the clock. In-depth technology and product knowledge as well as industry expertise within Siemens' global network of experts ensure a considerable competitive edge.

## The challenge: High availability through optimized spare-parts supply

A systematically optimized supply of spare parts plays a crucial role in maintaining a balance between high plant availability and productivity on the one hand and minimal capital lock-up in spare-parts inventory on the other. Spare-part inventory and logistics offer considerable potential for improvement that can lead to lower costs. Many companies underestimate the amount of these savings. In this context, finding the right balance between technical necessity and economic feasibility is a challenge.





The four phases / service modules of Asset Optimization Services





The growing variety of products and systems, ever shorter innovation cycles, and increasing cost pressures for maintenance are forcing many plant operators to seek new ways to keep costs under control.

The results of inventory analyses reveal constantly recurring problems:

- The manufacturer can no longer supply needed spare parts because they have reached the end of the product lifecycle
- The successor models to replaced or substituted products are either incompatible or only partially compatible
- After a modernization or upgrade of the plant, the spare parts stock is no longer compatible with the current status of the plant
- The availability and lifecycle of the products and systems employed are generally unknown, although manufacturer information is available
- Spare parts are overstocked in the interest of ensuring availability

### The solution: Asset Optimization Services

With Siemens Industry Services, customers can rely a partner who is the manufacturer of the components and systems used in the plant, and not only has all of their lifecycle information but the necessary professional expertise in all matters involving spare-parts supply for industrial maintenance.

Our Asset Optimization Services take a structured and systematic approach to the comprehensive optimization of spare parts supply. The individual phases are designed as modules in our service portfolio, so that they can be sourced individually as needed.

In particular, the analysis and concept modules are independent of implementation and operation. But they are a perfect fit for ensuring optimum spare parts supply.



For the simple and efficient analysis of plant and stock inventories, we first determine the existing parts situation on-site in terms of:

- Availability of spare partsProduct lifecycle
- Lead times for the delivery of spare parts

A standard report indicates the current product status of spare parts in the plant and in the warehouse, and also which parts do not belong to inventory, but are only reparable. A comparison between the inventories in the plant and in the warehouse reveals both inventory surpluses and shortages, and provides recommendations for actions to be taken in the future.

Concept

The "concept" service module is sub-divided into the actual requirements analysis, the formulation of a plant-specific spare parts concept and costing based on regional and central warehouse structures. Upon request, an offer for operational spare parts supply will be prepared.

#### **Requirements analysis**

- Identification of the customer's actual requirements
- Identification of critical products, in cooperation with the customer
- Inventory optimization proposal for critical products
- Proposal for closing supply gaps and reducing surplus inventories
- Proposal for scope of inventory

#### Spare parts concept

- Definition of spare parts packages with regional and central availability
- Definition of spare parts with quick availability (customer warehouse)
- Proposals for inventory management (see implementation concept)
- Concept for logistical infrastructure and inventory replacement / lead times

#### Costing

- Optimized central and regional inventory structures
- Costing of spare parts inventories, with due consideration given to regional factors

Implementation

An implementation concept is first drawn up, based on the results of the concept phase, and especially the inventory management requirements. Implementation begins with the organization and establishment of the required warehouse structures. The warehouse locations and defined spare parts will follow as the next step. This way, existing supply gaps will be reliably closed. Existing inventory surpluses can be continuously reduced, sold or disposed of.

After completion of the "Implementation" service module, the customer's spare parts supply will be optimized with respect to technical, economic and logistical aspects.

Operation

The optimized and continuous spare parts supply assures the high availability of the plant in continuous operation. A cyclical analysis of spare parts inventories will be conducted, depending on the scope of the contractual agreement with Siemens Industry Services. The regular provision of information on all inventory additions and withdrawals and all changes keeps the customer up-to-date at all times.



Optimization potential of Asset Optimization Services



## Customer benefit: The comprehensive optimization of spare parts ensures the highest degree of plant availability

By utilizing our Asset Optimization Services, you stand to benefit from a number of advantages in the supply of spare parts for your plant maintenance activities:

- Secure, reliable supply of spare parts
- Improved serviceability and thus heightened plant availability
- Inventory optimization, technically and economically (reduced capital lock-up)
- Reduction of maintenance costs
- Minimized risks related to functional obsolescence
- Maximum transparency in inventory management

For further information and support, please contact your local Siemens partner: siemens.com/services/partner

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