



2009 BEMA Annual Meeting

BIF – Spare Parts

Rowdy Brixey, Bimbo Bakeries, USA

Rich Berger, Sara Lee

Jeff Dearduff, East Balt, Inc.

Dave Hipenbecker, Kroger

Sunday, June 21, 2009

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Spare Parts

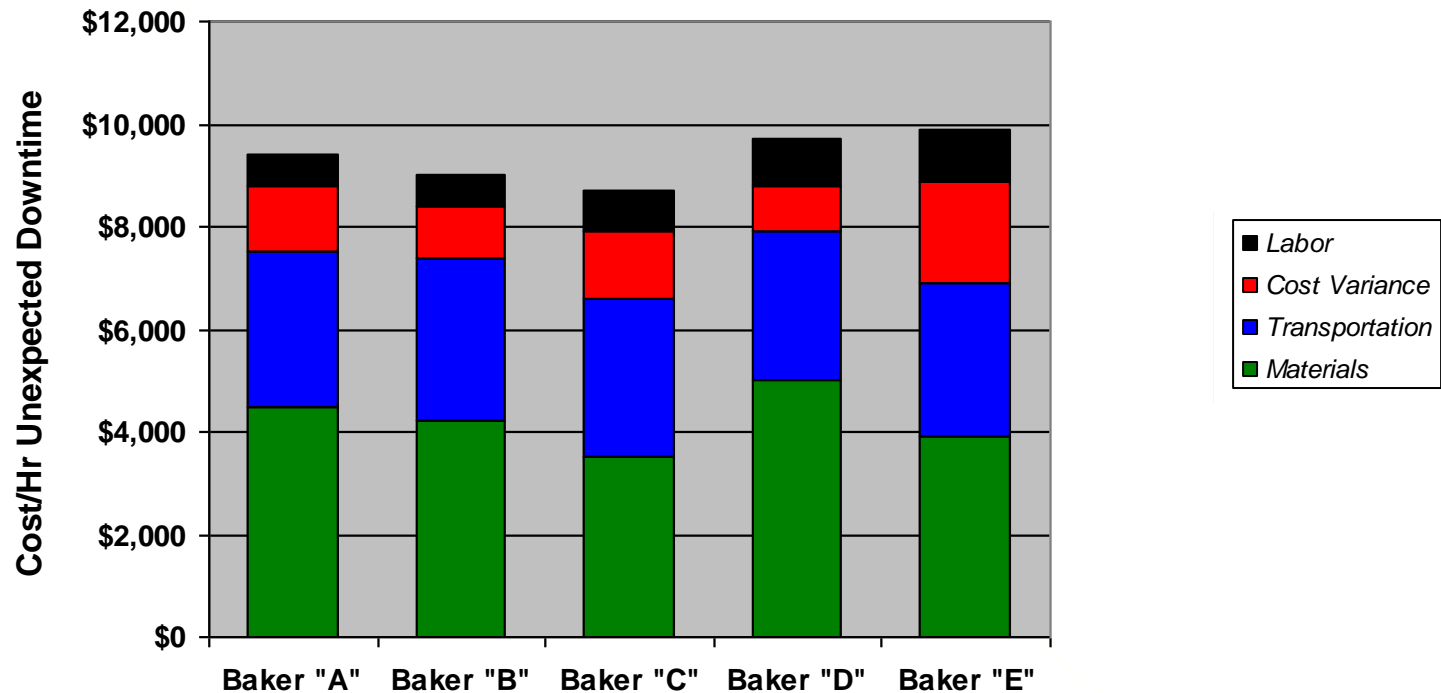
"What Do Bakers Want?"





Unexpected Downtime

More costly than you think. An industry sampling...



Avg costs are shown. Actual costs are situational & depend on many variables, such as proximity of alternative sourcing and line crewing. Excludes sales & customer account costs, which could be significant and long-term.



The Spare Parts List

Informative content is key.

- Manufacturer's (Sub-supplier's) part numbers
 - Electrical, such as starters, drives & PLC's
 - Mechanical, such as bearings, sprockets, bushings, seals, & o-rings
 - Domestic part equivalents if internationally supplied
- Group by importance to operation
 - High / On site
 - Medium / Suggested
 - Low / Available Locally
- Typical stock level from the equipment manufacturer
 - In-stock part? Special order, with lead time?
- Volume discount availability
 - Wear-parts, for example, may be a volume purchase



The Spare Parts List

Information – Organized/Comprehensive

Vendor Supplied Spare Parts List - Example

<u>Ref #</u>	<u>Common Part Name</u>	<u>OEM Number</u>	<u>Mfg Number</u>	<u>Made by OEM</u>	<u>Outsourced</u>	<u>OEM Stock Levels</u>	<u>Lead Time Days (Order to Ship)</u>	<u>Current Price</u>	<u>Discount Qty</u>
Common number used by OEM and Baker	Common Terminology used by Baker or suggested by OEM	As applied by Manufacturer	As supplied by outsourced provider	Yes/No for Understanding	Yes/No for Understanding	Tell us how many of these you TYPICALLY keep on hand	Realistic info here please!	What are we paying now?	How many do we need to purchase to see a discount?

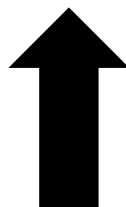
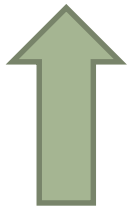


The Spare Parts List

Information – Organized/Comprehensive

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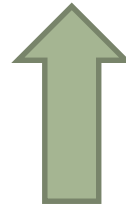
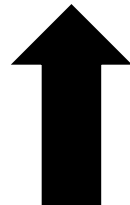
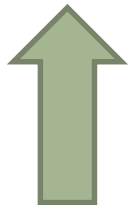




The Spare Parts List

Information – Organized/Comprehensive

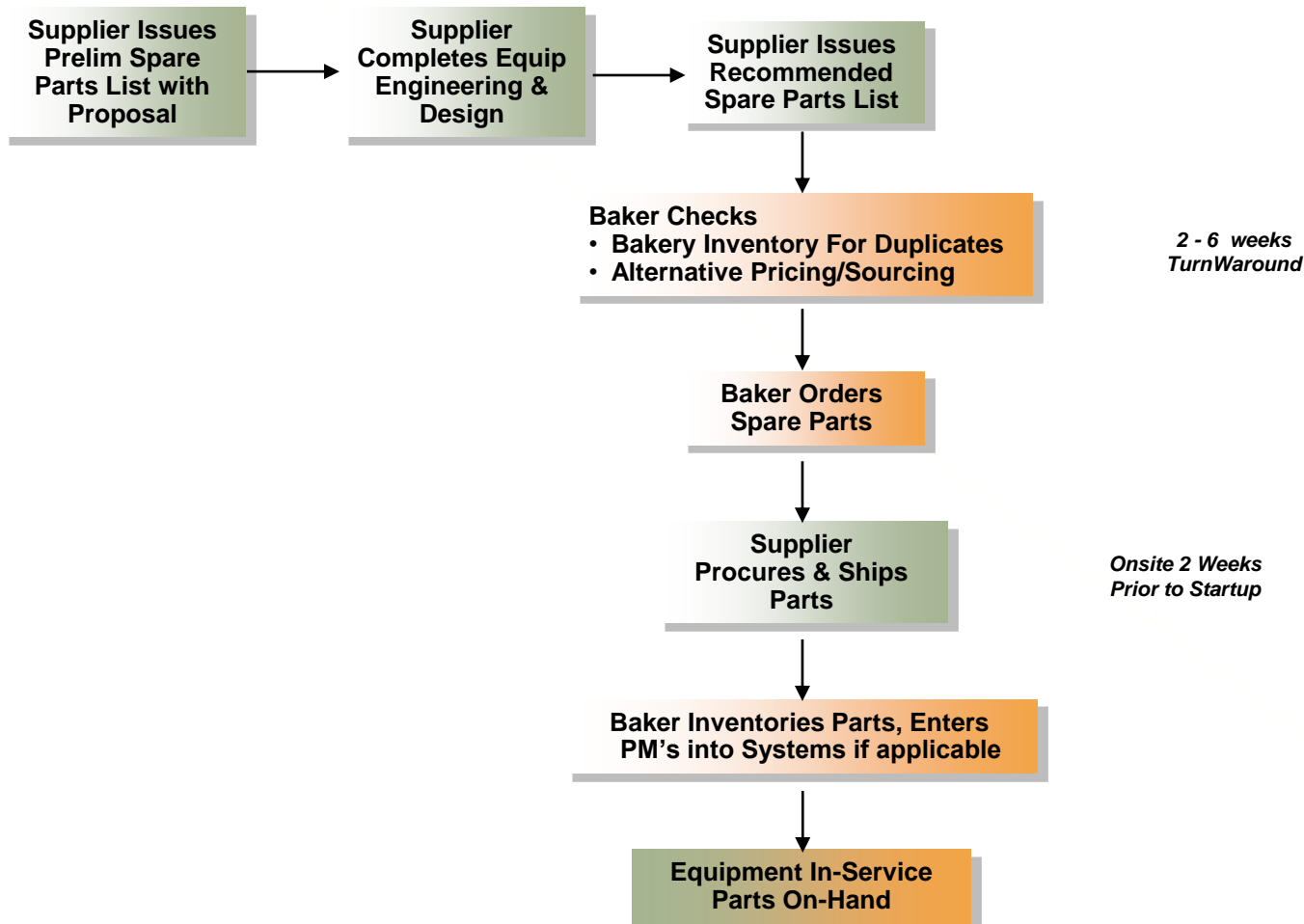
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A Recommended Flow Chart

Early collaboration provides for the reduction of risk.





The Spare Parts List

Other value-added features for bakers.

- Begin warranty at time of startup, not purchase
- Provide revision bulletins and part upgrade notices
- Part life cycle estimates for future predictive maintenance
- Know & understand each customer's standard specifications
 - Local bakeries may elude corporate oversight



Alternative Approaches

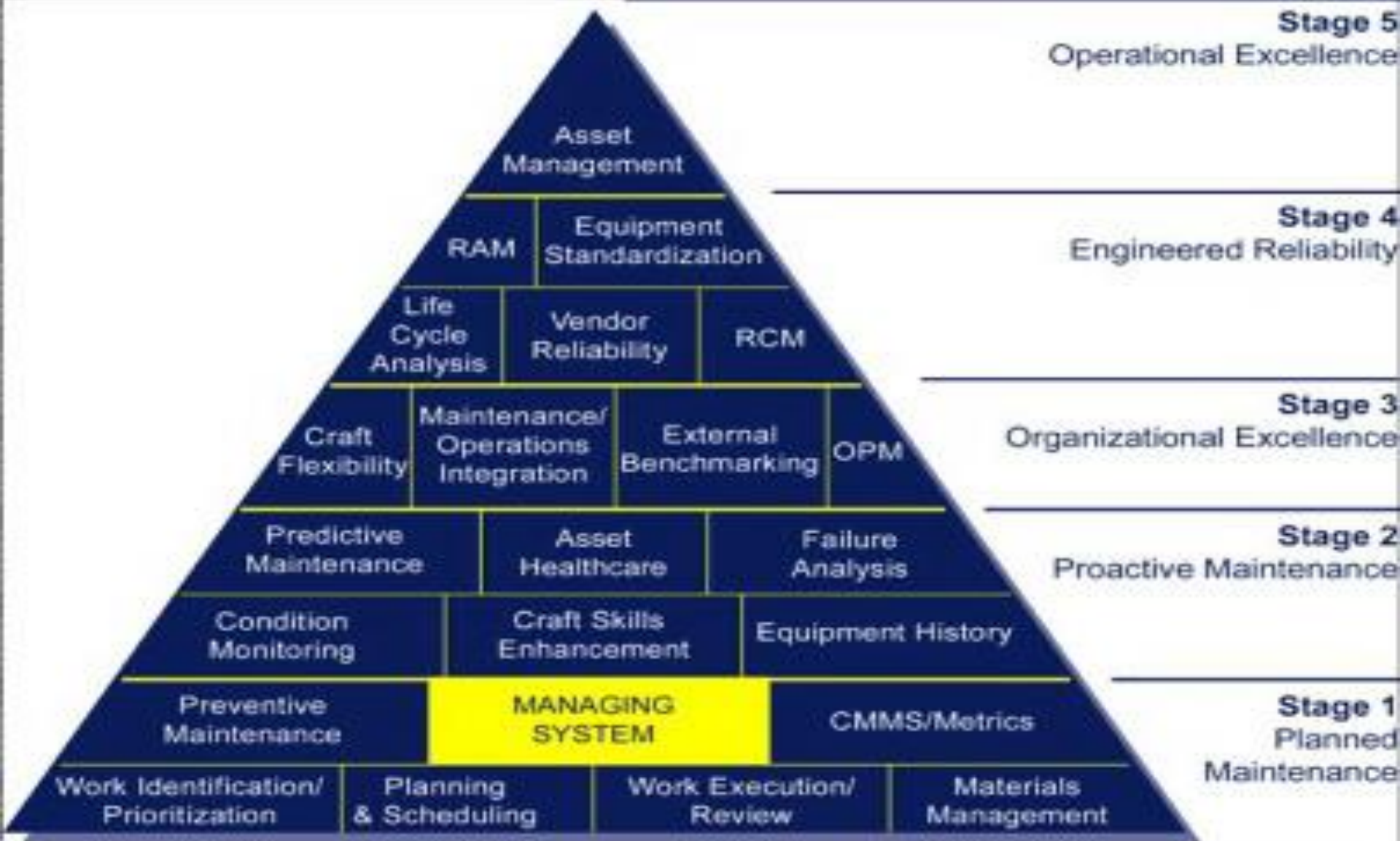
Proven to be effective in reducing costs & risk.

- Consignment
- Spares for startup only, returned if not used
- Regional Inventories
 - Shared Parts
- Web-based Spend Management Solutions, i.e. Ariba
- Web-based part reference, exploded assembly views
- On-site Managed Storerooms
- Forecasting & Planning Solutions, i.e. SAP
 - Predictive ordering
 - Built into control logic
 - Assignable life cycles, i.e. order @ 80% of part life for critical parts



The Asset Healthcare Triangle

SAM – Strategic Asset Management





The Asset Healthcare Triangle

SAM – Strategic Asset Management

Supplier/Baker Relationship

- Bakers need your help to combat the infant mortality of components and the random losses of machine parts, which are the leading failure mode affecting equipment reliability.
- Often these losses are caused by human intervention through time based “Preventive Maintenance” tasks and the simple act of production cycles.
- We must move from reactionary maintenance to predictive maintenance (part life cycles) and meantime between failure analysis.
- The total cost for carrying an item in inventory may be as high as 30 – 40% of the value of the item per year.
- Predictive Maintenance saves everyone money.



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- » **November 17**
Solutions 2.0 Conference
- » **June 22**
Infrared Training Institute Level 2 ASNT
- » **June 23**
The 6th International Conference on Condition Monitoring and Machinery Failure Prevention Technology
- » **June 24**
Cause Mapping I – Effective Root Cause Analysis
- » **June 26**
Selecting The Right Manufacturing Improvement Tools Web Workshop
Total Productive Maintenance (TPM)
- » **June 26**
Standards Implications for Electrical Thermography Web Workshop
- » **July 6**
Level 1 Certification Ultrasound Training
- » **July 10**
Root Cause Failure Analysis Web Workshop Session 7: Personnel



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As leading authorities worldwide on setting part stocking levels for safety stocks to support the production process, the authors have shown that between 25 and 50 percent of the inventory investment is not necessary. Thus the overall objective of this book is to instruct readers in how to optimize their company's spare parts asset. [more info](#)



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Resources

Title	Author	Copyright	Publisher
The Future of Asset Management	S Bradley Peterson	2003	Strategic Asset Management, Inc.
Asset Productivity: The Next Wave	Ron Nichol, Phillipe Amouyal	1998	The Boston Consulting Group
Maintenance Engineering Handbook	Lindley Higgins	1994	McGraw-Hill
Improving Profitability Through Reliability	Carol Vesier, PhD	2001	RonaMax
The Six Sigma Way	Peter Pande et al	2000	McGraw-Hill
Uptime: Strategies for Excellence	John Dixon Campbell	1995	Productivity Press



Spare Parts

"From the Baker's point of view"



Q & A