



Nampak unlocks capital by optimizing spare parts inventory

In these incredibly challenging times manufacturing companies still need to live up to the promise but at the lowest possible costs. Nampak BevCan is no exception. However, Nampak had the vision and the courage to embark on an Asset Management Improvement program together with Pragma and Gordian. A key element of the program was having the right spares at the right location and in the right quantities.

No-one said it was easy...

Lots of slow and non-movers are typical for spares assortments in manufacturing industries. Then statistical optimization models have limited relevance. So in addition, structured business knowledge is needed to make the right decisions. Another complication is in the significant amount of direct/uncoded spend, troubling the spares administration.

A joint team taking responsibility

No fairy tales: implementing spares management at Nampak was challenging. It required adjustments to IT systems, recruitment of a demand manager and new relations between supply chain and maintenance. Clearly, the project team must be proportional to this complexity. A great blend of seasoned professionals from Nampak, Pragma and Gordian supplemented with a number of young professionals took the challenge and drove the program to results. In addition, adequate project management by Pragma ensured stakeholder commitment and project control.

Living up to the promise

Promising results is one thing, delivering a second one and measuring a third one. The spares program clearly had a *downwards* effect on the inventory. However Nampak is a dynamic business with modifications, changing suppliers strategies, etc. These dynamics have an *upwards* effect on the inventory. By measuring adequately, the downwards effect was 9% and the upwards effect 6,5%. For the support and acceptance of these results, this accurate measurement was vital.

Working Capital



Stock Availability



Operational Costs



Sustained practice

Spares management is now a professional and sustained discipline within the BevCan operations. Another good result is a solid partnership between Nampak and Pragma/Gordian. We still assist with coaching, training and extending the spares discipline to other countries as well as divisions. So all in all we are proud and thankful to have Nampak as a client!

"Optimised and proven Asset and Spares Management practices are the foundation on which the success of Nampak as a manufacturing enterprise rests. Sustained solutions and continuous improvement remain imperative." Herman Coetzee, Pragma Project Leader



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