

LINKING THE MAINTENANCE TO PROCUREMENT VALUE CHAIN

Optimizing MRO spend cannot be managed in traditional silos of Operations, Procurement and Accounting when activities are not interconnected. The term “supply chain” implies the need for linking.

Operations

Operations must be nimble to adapt to both planned and unplanned activities, be they maintenance or safety related. Easy shop floor access to inventory and timely spot-buy purchasing drives operational efficiency and purchasing compliance.

Procurement

Beyond controlling purchasing guideline compliance, Procurement activities need visibility into Operations to assess inventory quantities and utilization to optimally rationalize inventory across locations, track replenishment frequencies, and analyze spot-buy costs and orders. Insight into maintenance allows Procurement to know the lifetime cost of asset ownership giving them data to negotiate with Original Equipment Manufacturers (OEMs).

Accounting

Whereas receiving is the responsibility of Operations, Accounts Payable requires visibility to validate invoices, so having both teams use the same system just makes sense.



New processes and systems are challenging change management exercises. With COVID-19 already forcing business changes, layering new innovation needs to minimize disruption to be successfully accepted and adopted. Blending procurement with operations makes these new processes easier to absorb and integrate when there is a strong benefit for all participants.

CONCLUSION

A single system with a single data repository saves time and money throughout the maintenance to procurement value chain. Internal stakeholders are linked within the organization as well as to preferred and critical suppliers. Procurement systems that are embedded in Operations, rather than as sidecar, make for a win-win solution throughout the supply chain. Process efficiency becomes a focus and money spent on MRO is optimized, making Operations Management easier, not harder. Usability drives adoption which drives compliance.

Tofino was founded in 2008 on the belief that fully integrated intuitive e-commerce capabilities embedded with inventory and maintenance management creates value for each participant in the supply chain. Ensure your company has the right MRO at the right time at the right price. Tofino's fully integrated software suite is feature-rich while providing the option and flexibility to easily integrate with your existing ERP to ensure all data is available for financial reporting and analytics. Tofino's flexibility means you can also use your existing CMMS and integrate with Tofino's e-Procurement capabilities. We understand your choice should be complementary with existing solutions—evolutionary, not revolutionary—to speed adoption, buy-in, and ROI on the implementation.

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