Public Utility Inventory Planning

**HIGHLIGHTS**

- Delivered a comprehensive Supply Chain Improvement Roadmap
- Identified inventory reductions of more than $15 million
- Spinnaker continues to provide program management, supply chain best practice alignment and program management support as the individual improvement projects are implemented

**CHALLENGE**

For regulated utilities operating nuclear power generation facilities, safety and production are paramount. Supply chain errors can shut down a plant quickly and at great expense operational performance takes a back seat to ensuring safe, high-availability energy generation. For many utilities, fleets and production facilities are aging while capital and MRO inventories are skyrocketing. With the desire to address rising inventory levels and control operating costs, a regulated utility engaged Spinnaker to assess and improve supply chain planning and inventory management processes.

**APPROACH**

Spinnaker was selected to utilize our Supply Chain Assessment Methodology to lead the client through a structured and thorough examination of their current state Supply Chain processes. The engagement included a Rapid Supply Chain Assessment of supply chain planning processes and capabilities, detailed analysis of inventory data, and the development of a comprehensive process improvement roadmap. The Assessment Methodology reviewed demand planning, supply planning, procurement, inventory management and fulfillment activities through Process, Organization, Metrics, Technology, and Policies lenses to determine what improvements were possible in each. By combining our established methodology with our experienced consultants, Spinnaker delivered a comprehensive examination of the client’s current-state supply chain practices.

www.spinnakermgmt.com
**SOLUTION**

This project was conducted over a six-week timeframe, with Spinnaker taking the following actions to drive savings and increase the client’s operational efficiency:

- Identification and assessment of critical gaps in the current processes for materials planning, procurement and inventory management
- Evaluation and analysis of historical inventory levels and usage patterns
- Assessment of MRO, capital, revolving and critical spares inventory management
- Prioritization of specific improvement projects

**RESULTS**

Spinnaker delivered a detailed improvement roadmap incorporating organizational realignment, process redesign, performance metrics and inventory optimization. Recommendations were incorporated into the client’s operations improvement objectives and budget for the following year. Specific recommendations focused on:

- Process recommendations to improve analysis and management of critical spare parts
- A formalized inventory management process borrowing best practices from Sales & Operations Planning (S&OP) methodologies
- Organizational change recommendations related to inventory planning and management
- Reporting and performance metric recommendations

---

**Spinnaker** is a global leader in supply chain consulting and execution services. We deliver supply chain excellence with world-class people, processes, technology and operational know-how.

Founded in 2002, Spinnaker operates on two guiding principles – measure our success by our client’s accomplishments and treat every situation with honesty and integrity. It’s from these guiding principles that Spinnaker has been able to achieve tremendous growth.

Spinnaker has worked with entrepreneurial start-ups to Fortune 100 enterprises in industries such as Energy/Oil & Gas, Consumer Products & Retail, High Tech & Semiconductor, Industrial Manufacturing, Medical & Pharmaceutical, and Telecommunications. We combine our vast supply chain and business process knowledge with industry best practices to deliver solutions that drive tangible results for our clients.

**Denver • Boston • Memphis**  
**London • Singapore**

[www.spinnakermgmt.com](http://www.spinnakermgmt.com)  
**US +1 877-476-0576**  
**International: +1 720-457-5500**  
**info@spinnakermgmt.com**