

Oniqua Manages MRO the Right Way

By Sid Snitkin

Summary

Oniqua recently gave ARC a thorough demo of Oniqua Analytics Solution (OAS) which is their unique, comprehensive set of solutions for managing MRO materials. While most EAM and ERP systems have modules for managing MRO materials, Oniqua's solution takes this to the next level,

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Having the right MRO materials on hand is critical to ensuring high availability of asset-intensive operations. At the same time, MRO materials are a major expense for owner/operators, representing

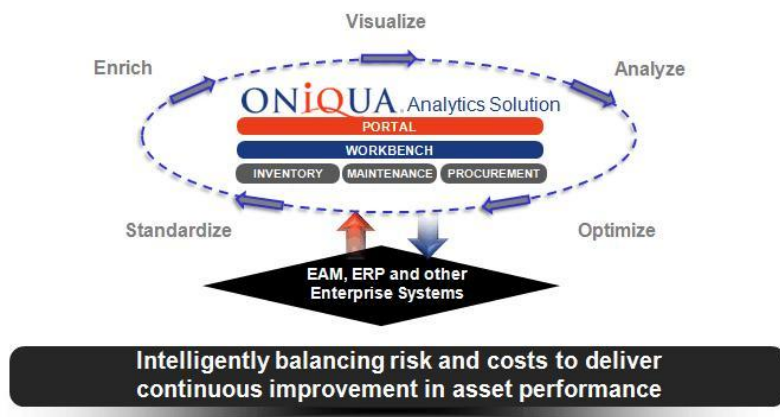
hundreds of millions of dollars in annual expenditures for many organizations. So reducing MRO materials has become a key focus for many APM initiatives. Balancing these two conflicting goals is the essence of good MRO Material management and Oniqua's OAS solution provides the tools that users need to accomplish this.

MRO Material Improvement is a Strategic Challenge

Managing MRO materials is a big job. Most work orders involve some materials and a typical plant can need thousands of different items, from hundreds of different suppliers and distributors.

Without a doubt, EAM and ERP systems have proven to be invaluable aid for everyone involved in the management of MRO materials by providing order and automation to the processes involved in ordering, storing and disbursing of critical parts and consumables. But their focus is limited to the tactical aspects of MRO materials managements. Deciding on what materials are needed, when they should be ordered, how much stock to maintain and what suppliers to use are strategic responsibilities left to





others. And this is where the real opportunity lies for improving asset availability and material costs.

OAS is focused on the strategic aspects of MRO materials management and it supports this with a collection of software capabilities that enable organizations to make these decisions rationally. Their metrics capability

enables organizations to track and control the availability and cost impact of MRO Material decisions. And their analysis tools enable organizations to identify potential improvements and do rapid what if analysis of the impact they will have on operations before changes are actually made.

The Right Tools for Every Stakeholder

OAS provides strategic support for each of the key stakeholders in MRO materials management, whether they manage materials, procurement or maintenance & reliability. First, they enable the organization to profile their MRO supply chain in terms of asset performance and business impact. Then, they provide the tools needed to drive performance improvements:

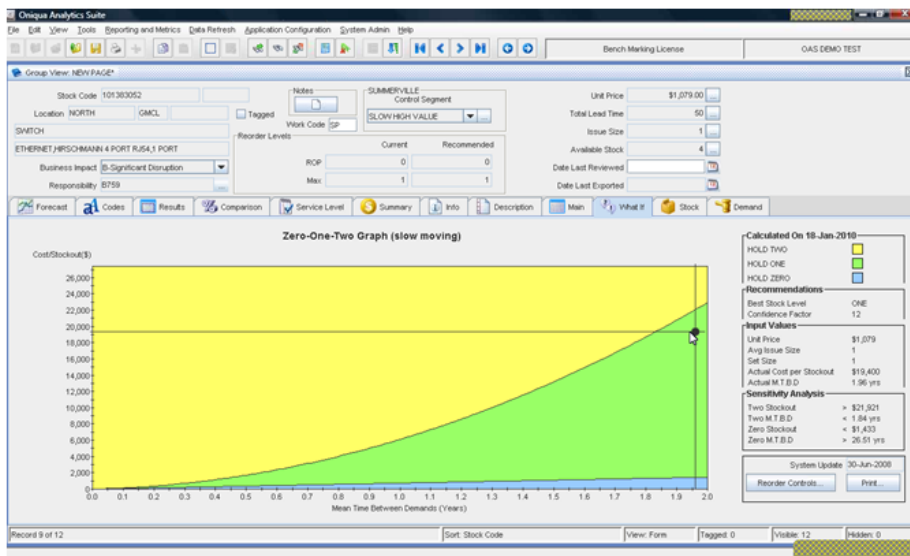
- **Material Managers** – tools to optimize stocking levels based upon a blend of optimization algorithms that consider a variety of MRO-specific segmentations and constraints such as risk, outage costs, etc. and enable optimization around a variety of goals such as service levels and costs. These tools also track inventory performance, automatically make strategy adjustments and use exception notification to keep material managers involved in major recommendation changes.
- **Procurement Managers** – tools that identify suppliers with a significant impact on asset performance (spares, services, cost of supply, quality of supply) and enable management of supplier strategies (based on risk and asset performance) through performance measurement and the rapid development of mitigation strategies should a supplier fail to perform. The associated charts and reports facilitate supplier management

and supply base rationalization and collected data is used to automatically adjust key inventory parameters like delivery times.

- **Maintenance & Reliability Managers** – tools to monitor the impact of MRO policies on asset availability in terms of cost per unit of production, mean time between failure (MTBF), etc. Metrics can be aggregated across multiple facilities, which extends the capabilities of similar metrics an organization may have in their EAM and ERP systems.

Integrated with Popular EAM and ERP Systems

As noted earlier, MRO material management involves thousands of items whose strategies need to be monitored, reviewed and adjusted frequently. And this is one reason why organizations see their MRO inventory policies



deteriorate over time. Even if they have the tools to develop good strategies, they can't maintain the multitude of parameters that are needed to keep such strategies effective.

Oniqua addresses this problem as well by integrating their tools with the owners exist-

ing EAM and ERP solutions. Strategy performance is continuously monitored by accessing work orders, purchase orders, deliveries, etc. and parameters are automatically adjusted to reflect changes. And integration enables Oniqua's tools to keep the organization's tactical solutions continuously updated with all strategy adjustments

Designed by People Who Understand MRO Materials

Expert knowledge is a key feature that we saw reflected in Oniqua's solutions and distinguishes OAS from other inventory optimization solutions. MRO materials may be similar to many products that organizations manage, but the criteria used to achieve optimum availability and cost are quite

different from those used in typical supply chain management. Oniqua has integrated the knowledge their people have about maintenance and MRO material management in other areas as well. It was also clear from the discussion that they have used their 20 years of experience in supporting asset intensive organizations to fine tune this knowledge-based approach.

Delivered in Many Ways to Users and Industries

While Oniqua began as a company supporting the mining industry in Australia, their clients today span a variety of asset-intensive industries around the globe. This includes Mining, Oil & Gas, Utilities, Manufacturing and Transportation companies across Asia-Pacific, Africa and the Americas.

They sell their products to users directly and through strategic partners. While organizations often begin their relationship with Oniqua through module-specific purchase by individual departments, like materials, procurement or maintenance, their customers generally extend their commitments to the complete solution in order to maximize the benefits. Oniqua also provides MRO Material management as a service to some clients, and in such cases they use the solutions themselves to keep their clients inventory practices optimized.

With Support that Ensures Success

With the right tools in hand, organizations can take real control of their asset performance. But their efforts can still be undermined if the organization doesn't have high quality, trustworthy information. Oniqua addresses this issue as well through content management services that help companies standardize, organize and optimize their MRO-related transactional information.

Last Word

OAS can be a valuable compliment to your investments in EAM and ERP system. It can enable you to extract additional value from the information you are already collecting and return this through higher asset availability and lower costs. Oniqua's experience indicates that most companies can experience an ROI of 100-400% and payback as fast as 3-6 months. While every case is unique, the potential for such benefits should put OAS on the radar of every asset-intensive organization.

APM is a key process in ARC's Asset Lifecycle Management (ALM) model.

For a complete description of APM and ALM see:

www.arcweb.com/Domains/Asset_Lifecycle_Management/default.aspx

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