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COURSE BROCHURE

Spares Rationalisation and Carrying Cost Reduction Training Course

9 – 13 May 2027
Doha

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Registered in the United Kingdom and Saudi Arabia

Spares Rationalisation and Carrying Cost Reduction Training Course

Ref: 1924_70799 **Date:** 9 – 13 May 2027 **Location:** Doha **Fees:** 5500 GBP

Spares Rationalisation and Carrying Cost Reduction is a 1-week training course for maintenance, materials and inventory managers who decide which spare parts to hold, how many and for how long, and it ends with a costed spares rationalisation register for one plant or fleet. Finance directors now question the working capital locked in storerooms while operations still demand instant availability of critical parts. The course is delivered by Jupiter Prime Training.

Why Spares Rationalisation and Carrying Cost Reduction Matters Now

Three pressures meet in the storeroom today: finance teams pushing to release cash tied up in slow-moving stock, reliability engineers insisting that critical spares stay on the shelf, and auditors challenging inventory valuations and obsolete stock provisions. Handled well, rationalisation frees capital and protects uptime; handled badly, it brings large write-offs or long outages. The course rests on established methods: equipment criticality ranking, ABC and VED classification, min-max and reorder point policies, and total carrying cost calculation.

Who Gains Most from Spares Rationalisation and Carrying Cost Reduction

- Managers who set stocking levels and approve new stock codes
- Maintenance leads who decide which parts must be held for critical equipment
- Inventory controllers who monitor turnover, slow movers and stock accuracy
- Cost accountants who value inventory and book obsolete stock provisions
- Buyers who negotiate consignment, vendor-held stock and lead times

A site that sends its maintenance, stores and cost accounting leads together gains most, because stocking decisions then balance uptime risk against the cost on the balance sheet.

Spares Rationalisation and Carrying Cost Reduction Capabilities

Participants move from a cluttered item master to a costed set of stock decisions that maintenance and finance can both sign.

- Calculate total carrying cost for a spares holding — finance directors
- Rank equipment and parts by criticality — stocking or non-stocking decisions
- Detect duplicate and near-duplicate stock codes — item master cleansing
- Set min-max and reorder point levels from usage and lead time — storeroom replenishment
- Assess obsolete and surplus stock for disposal or write-down — cost accountants
- Build a business case for vendor-held or pooled spares — procurement heads

Key Spares Rationalisation and Carrying Cost Reduction Terms

- Carrying cost — the yearly cost of holding stock, including capital, storage, insurance, handling and obsolescence.
- Spares rationalisation — removing duplicate, obsolete and unjustified stock codes so the holding matches real equipment needs.
- Criticality ranking — scoring equipment and parts by the impact of failure on safety, production and cost.
- Min-max level — the lowest stock that triggers a reorder and the highest quantity the storeroom may hold.
- Slow-moving stock — items with little or no issue history over a set period, candidates for review.
- Insurance spare — a costly, rarely used part held only because its absence would cause a long outage.

Spares Rationalisation and Carrying Cost Reduction Day by Day

Day 1: The Cost of Holding Spares

- Carrying Cost Components — Capital, Storage, Insurance and Obsolescence Charges
- Inventory Turnover and Days of Cover — Benchmarking the Storeroom
- Spares on the Balance Sheet — Valuation and Working Capital Impact
- Stock Profile Extraction from the ERP — Baseline for Reduction Targets
- Stakeholder Map of Maintenance, Stores and Finance — Decision Rights

Day 2: Criticality and Classification

- Equipment Criticality Ranking — Which Assets Justify Held Spares
- ABC Classification by Annual Usage Value — Focus of Review Effort
- VED Classification of Parts — Vital, Essential and Desirable Stock
- Insurance Spares Assessment — Holding Costly Parts for Rare Failures
- Bill of Materials Linkage — Connecting Stock Codes to Installed Equipment

Day 3: Cleansing the Item Master

- Duplicate Code Detection Rules — Merging Identical Parts Across Sites
- Noun-Modifier Description Standards — Consistent Naming of Stock Items
- Interchangeability and Supersession Records — Reducing Variant Parts
- Slow-Moving and Non-Moving Stock Reports — Candidates for Review
- Obsolete Stock Disposal Options — Return, Resale, Scrap or Write-Down

Day 4: Stocking Policies and Supply Options

- Min-Max and Reorder Point Calculation — Replenishment Triggers per Item
- Safety Stock from Lead Time Variability — Protecting Critical Availability
- Poisson Demand for Low-Usage Spares — Stocking Rarely Issued Parts
- Consignment and Vendor-Held Stock Agreements — Shifting Holding Cost
- Spares Pooling Across Sites — Sharing Insurance Spares Between Plants

Day 5: Practising the Spares Rationalisation Register

- Case on a Water Utility Pump Fleet — Applying Criticality and VED Rules
- Case on a Food Processing Line — Merging Duplicates and Setting Min-Max
- Carrying Cost Savings Calculation — Quantifying Released Working Capital
- Disposal Approval Pack — Evidence for Finance and Audit Sign-Off
- Spares Rationalisation Register — Costed Stock Decisions for One Plant

Applying Spares Rationalisation and Carrying Cost Reduction After the Course

- Run a duplicate code check on the top value class of stock items and submit merges for approval.
- Recalculate min-max levels for the twenty highest-value slow movers and report the carrying cost released.

Spares Rationalisation and Carrying Cost Reduction Questions FAQ

What is spares rationalisation and carrying cost reduction, and why does it matter now?

It is the practice of cutting spare-parts stock to what equipment truly needs while lowering the yearly cost of holding it. It matters now because finance teams want working capital released without risking long outages on critical assets.

Which roles gain most from spares rationalisation and carrying cost reduction?

Maintenance, materials and inventory managers gain most, together with cost accountants and buyers. Each controls one lever of stock cost, from criticality decisions to valuation and supplier agreements.

How does spares rationalisation and carrying cost reduction differ from a warehouse operations course?

It focuses on which parts to hold and what they cost, not on receiving, picking or storeroom layout.

What do you bring back from spares rationalisation and carrying cost reduction training?

You bring back a costed register of stock decisions for one plant, a carrying cost model and a disposal approval pack. These let you justify every stocking change to maintenance and finance alike.

Spares Rationalisation and Carrying Cost Reduction: The Way Forward

The spares rationalisation register is the first tool to use: it informs which stock codes are merged, re-levelled or released for disposal. Maintenance leads, storeroom controllers and cost accountants use it at each stock review. After the first cycle, revisit the criticality scores, since equipment changes and new failure history often shift which parts truly deserve a place on the shelf.