



Satellite or Secret Storerooms- How They Can Hurt Your Bottom Line

We all know what satellite or hidden storerooms are, parts stored and located outside of the documented spare part and supply system. Parts and pieces stuffed in crowded closets, spare rooms, loading docks, lockers, tool boxes, under desks, and even stored in locked tractor trailers parked at unused loading docks. We have all have been there, done it, and been part of the fairytale that: *if we don't hide it we will never have it when we need it!*

When we become part of the conspiracy we assume we are *saving* the plant or facility and the *place is only running because we squirreled just the right part*. The truth of the matter is we have cost the organization more money and in most cases higher downtime because we have no idea about what we have, or where it is.

The other and even more interesting part of this problem is that the organization has lost all accountability of:

- Where parts are being installed
- What the cost is to the particular asset or piece of equipment
- What the life cycle cost is to operate and maintain this device

Satellite and hidden storerooms are always a symptom of poor supply and parts procedures, and in most cases, a symptom of a maintenance program that has major problems or is broken altogether.

So what do you do?

- Investigate and determine the size of the hidden stores
- Bring all of the hidden items back to a central and documented location
- Make sure all parts are checked out and linked to a work order

Once you have all of this, you will be able to track your parts usage, link it to your assets, and only stock what you really need.

If you can pull this off, you will have a better and more cost efficient operation and, most importantly, you will be able to reduce the cost of what you stock and add more profits to your bottom line.