SPARES REPLENISHMENT TOOL / ILLUSTRATIVE CASE

When should a buyer review spare-part stock?

The management decision

Agree which situations merit a purchase review. A part with a long delivery time may need attention while stock is still on the shelf, especially if that stock is already reserved.

Stock figures can look comfortable until the team discovers that parts are reserved for another job or take longer to replace than expected. Buying more across the board can tie up money in the wrong items. A replenishment tool brings agreed stock thresholds and lead times together so the buyer can review a focused list.

Worked example

A part is used at three units a week and takes six weeks to arrive. Expected demand during that time is 18 units. With 12 available, the gap is six before any allowance for reserve stock.

Example figure	What it represents
18	Expected use before delivery
12	Available
6	Shortfall before reserve stock

What changes the answer

At two units per week, the same 12 units cover expected demand. Confirm use, reservations and lead time before releasing a purchase order.

Spares replenishment tool

What to commission

Build a stock review list for one agreed group of parts using available quantities, lead times and reorder rules.

We agree which stock figures and delivery estimates to use, and what to show when a value is missing or uncertain. Test cases cover routine changes as well as situations where the tool should ask someone to check the inputs.

How to judge the result

The buyer can trace a sample alert to its inputs and distinguish a confirmed shortage from a missing or unverified figure.

Compare the cost of holding stock with the operational effect of running short. Use supplier-confirmed lead times and actual reservations before authorising a purchase.

Decision worksheet

Project detail	Starting point for your team
Decision owner	Inventory or procurement manager. Name the person who will approve the next step.
Records to gather	A parts list, current stock, expected delivery times and existing reorder rules.
Agreed output	A planning tool with a reorder list, stock thresholds and alerts for missing information.
Decision date	Record the deadline, any unresolved assumption and who will confirm it.

Discuss this case

Tell us which stock shortages cause the most disruption and how your team currently chooses when to reorder. Mention whether parts are shared between sites or reserved for specific jobs. An example of one delayed purchase can help define the first set of rules.

Email info@oxetc.co.uk and mention DEV-06. All figures in the worked example are illustrative.