



Managing your Stores Service

Colin McInnes, October 2016

www.apse.org.uk



Points for Discussion

- What are the Stores / Supply options?
- Stock Hold or JIT delivery?
- Onsite delivery v stores uplift?
- Avoiding waste in stock control

Background



- Materials Supply /Planning critical element of service delivery
- Pressures being placed on Council budgets
- Deliver efficient and effective services
- Drive to reduce costs
- Drive for Continuous Improvement
- Increase Customer Satisfaction

Stores Delivery Options



- Traditional In-house Stores facility
- Centralised or decentralised stores
- External supplier / stores facility
- Off site storage facility
- Mobile Stores
- Impressed van stock
- Mixed solution

What are you trying to deliver / achieve?



- High performing service
- Outsourcing of service
- Reduction in costs
- Reduction in overheads
- Improved efficiencies
- Reduction in capital outlay
- Change in strategy

Key Issues



- Undertake Options Appraisal
- Set out what you are trying to achieve
- Identify what is or is not working
- Communicate with Service Users to see what they are looking for.
- Base decisions on Facts **not** Sale Pitches!



In-house Stock Holding v JIT Delivery

In-House Stock Holding



- Benefits
 - Managed stock levels to meet operational demands
 - Quality checks carried out at source
 - Capacity to handle surplus materials for cancelled jobs
 - Options to stock wider range of products across all service areas
 - Response to emergency situations

In-House Stock Holding



- Disadvantages
 - Overhead Costs
 - Logistics i.e. Location of facility
 - Costs associated with obsolete / redundant stock
 - Lost site time to uplift materials
 - Non Productive Time
 - Audit / Control Processes



JIT Delivery Model

Benefits:

- Risk transferred to suppliers
- Reduced overhead
- Reduced capital outlay
- Removes obsolete stock
- Reduction in transport costs

Just In Time (Cont'd)



Disadvantages

- Risk of materials not arriving as planned
- Managing Quality Control
- Handling Surplus Materials
- Increased pre-planning
- High demand placed on supplier performance
- Harder to control change in workload demands

On-Site Delivery verses Traditional Stores (Benefits)



On-Site Delivery

- Risk transferred to supplier
- No resource downtime
- No Transport Costs
- No defects costs to organisation

Traditional Stores

- Quality checks at source
- Response to emergency situations
- Local knowledge
- Storage facilities available
- Access to other trade materials quickly

On-site Delivery verses Traditional Stores (Negative)



On-Site Delivery

- Bulk deliveries/limited storage
- Replacement of damaged materials
(Time)
- Site delivery times unpredictable
- Over promise / Under deliver

Traditional Stores

- Additional costs
- Transport requirements
- Delays at trade counter
- Audit checks
- Staffing issues – Holidays, absence,
workload



Which Stores Solution best suits you?

Factors to be considered



- One size doesn't fit all!
- What is your key objective?
- Consult with your users / customers
- Know what you are trying to deliver
- Lead the process do not be led!
- Use the network!
- See various options in practice. Don't assume!

Other Considerations



- How will you handle shift patterns / extended working hours?
- Replenishing stores / van stocks
- Storing surplus materials/materials for cancelled jobs
- Planning / scheduling of material requirements for various trade groups
- Manage Performance – Contract / Framework
- How effective are your local supply chains

Areas of Waste



How to Avoid Waste



- Stores don't run themselves!
- Good inventory management system
- Regular stock checks
- Analysis of stock movements
- Communications with Customers
- Pre-Planning /Profiling of Work
- Maximise Lead in Times

Avoiding Waste (Cont'd)



- Well Structured and accessible Stores Facility
- Good relationships with Supply Chain.
- Maximise economies of scale
- Have a contingency plan

FINAL SCORE



In-house Stores Delivery Model

v

External Stores Delivery Model

?



Any Questions?



LOCAL SERVICES

LOCAL SOLUTIONS



Contact details

Debbie Johns,

Email: djohns@apse.org.uk

www.apse



INVESTOR IN PEOPLE



ISO 14001
REGISTERED FIRM

GB 11409



ISO 9001
REGISTERED FIRM

GB 11132



ISO 27001
REGISTERED FIRM

GB 14074

Association for Public Service Excellence

2nd floor Washbrook House, Lancastrian Office Centre, Talbot Road,
Old Trafford, Manchester M32 0FP.

telephone: 0161 772 1810

fax: 0161 772 1811

web: www.apse.org.uk