ASQ CRE Prep course

Lesson VI. B. 5.

Spare Parts Analysis

Economic Order Quantity

$$EOQ = \sqrt{\frac{2AS}{ic}}$$

EOQ = economic order quantity

A = annual usage

S = setup and order costs per order

i = interest and carrying costs

c = unit cost of a part

Other tools

ABC analysis – grouping by dollar amount

Just-in-time inventory

Reorder Point

Simulation

Forecasting Spares

Failure rate and some variability (safety margin)

Wear or Degradation

Monitoring and trending

How much money is in spares inventory?

Work the Examples, too

Take another Sample Exam

Send over your questions

fms@accendoreliability.com

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Module 8

VII. Data Collection and Use