

Improving Sustainability Through MRO Asset Disposition

As more countries introduce policies to ensure measurable environmental impacts and consumers continue to move towards brands working to reduce their carbon footprint, sustainability is now a major initiative for nearly every global manufacturer. Environmental, social, and governance concerns now drive many of the measurements organizations track and report and stretch across a broad range of activities. This includes enhancing the circular economy around product and material life cycles.

While many organizations focus on [reducing manufacturing emissions](#) or harmful byproducts, a number of opportunities exist to boost sustainable outcomes. One often unconsidered area lies within asset disposition of MRO materials. And for global enterprises, there is often more opportunity in this area than they realize.

Nearly every global manufacturer is working to reduce their CARBON FOOTPRINT.

Asset disposition proves a viable option

With MRO being such a critical component of operations, companies have a tendency to buy more parts than needed due to risk aversion, supplier changes, and the inability to identify existing inventory in their systems of record.

Additionally, it's not uncommon to have many unused spare parts lying around due to decades of rogue spending, decentralized management, or minimal M&A governance.

Not only does this lead to a compounding of wasted spending and working capital, it also results in unnecessary production of materials that eventually end up in a landfill. But it doesn't have to be this way. Technology, like **Verusen's Trusted Material**, now exists to allow organizations to easily identify where duplicate materials exist, even when listed under different identifiers, so that organizations can burn through existing inventory and exercise spend avoidance to ensure new, unneeded materials aren't purchased.

Furthermore, these capabilities can also provide recommendations for proactively offloading unneeded materials to offer recycle and repurpose opportunities for other companies looking to buy spare parts through an aftermarket supplier like Machine Compare. By offloading some of the materials you don't need, you simultaneously recoup some of the money previously spent while reducing the need for new production of materials.

How technology creates positive change

While supply chain management software has grown by leaps and bounds over the past several decades, the acceleration that occurred during the COVID-19 pandemic has provided organizations with better solutions purposefully designed to alleviate specific pain points. These solutions do not seek to replace existing technology, but rather serve as an extension

of an organization's tech stack. This gives teams the power to quickly identify changes that need to be made to current inventory levels without the complex data cleanse typically required when advanced analytic are needed.

Organizations have traditionally struggled to manage the MRO materials data incorporating 100,000s of SKUs simply due to a lack of time and employee headcount. Furthermore, this challenge becomes increasingly difficult when considering how parts are often referred to by a variety of names or identifiers within a system of record. Unfortunately, the system does not have the ability to tell the difference between a ½ inch bolt and 0.5in fastener, allowing for the influx of excess materials on a regular basis.

With the power of modern technology, organizations can now harness a level of intelligence around their **materials management strategy** that was previously unavailable. Advanced capabilities now provide the ability to accurately determine which excess materials are available for resale to help reduce waste within an organizational network as well as the overall market. And this can be accomplished without introducing any additional risk of asset downtime.

The benefits of technology go beyond business outcomes

When considering the positive impacts technology can have for our business, we often overlook the intangible benefits a purpose-built solution provides. It's easy to hone in on the financial outcomes, productivity increases, and actionable insights SaaS solutions provide, but it's equally important to highlight the benefits that don't show up on the balance sheet.

For many team members, not only do purpose-built solutions remove mundane tasks that are prone to error, they're also designed to eliminate the high levels of stress associated with the complex problem solving of strategic materials management. Easy access to real-time analytics removes unnecessary anxiety and gives procurement and operations managers the confidence to make informed decisions that create real value across functions.

As users demonstrate continuous improvement, the technology provides growth opportunities for team members that may not previously have been possible



due to process roadblocks and disparate data. With these hurdles removed, strategic change management morphs into an everyday occurrence instead of the occasional “*optimization project.*” Thanks to purpose-built technology, entire departments and business units are able to reach their full potential, resulting in better communication, happier employees, and higher retention.

Users gain satisfaction knowing that technology allows them to make a positive impact by reducing waste

Finally, users gain satisfaction knowing that technology allows them to make a positive impact by reducing waste and eliminating emissions associated with production and transport of excess materials. This ultimately leads to lower landfill usage, cleaner water, and purer air. As organizations discover new ways to meet sustainability targets, they realize a greater ability to save money across the enterprise through the creation of a community of sharing amongst competitors and counterparts.

Partnerships drive better outcomes

Partnering with the right technology provider is key to driving tangible business value and positive environmental incomes. Not only does a purpose-built materials management solution provide insights on which materials are prime for disposition, it also provides **access to marketplace vendors** who can help organizations easily offload excess materials to reclaim material spend. Now, companies reduce some of the waste within their four walls, and provide an opportunity for other organizations to minimize their own waste through aftermarket purchases, which benefits the entire supply ecosystem.

MRO optimization should be a top priority for organizations seeking to reduce waste, spend, and risk across their enterprise. Adopting a purpose-built materials management solution to achieve Material Truth provides countless benefits to your team, your business, and our world.

Visit [VERUSEN.com](https://www.verusen.com) today

to learn more about optimizing your MRO materials while simultaneously reducing production and supply chain risk.