



Inventory Performance: How 3D Printing will help you to manage your long tail stock

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SpareParts 

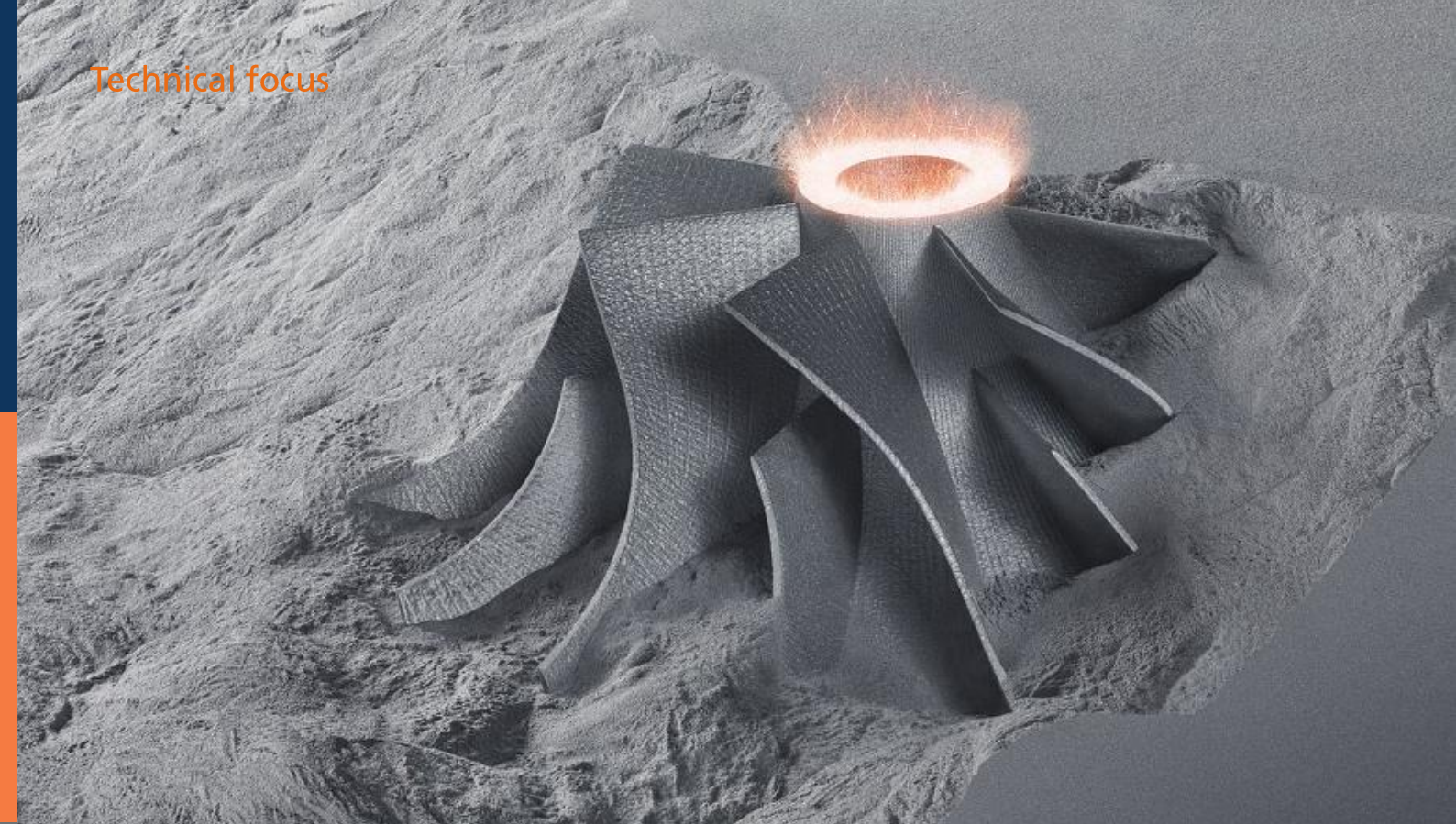
“How many references do I have in my inventory?”

This is a question a lot of industrial manufacturers are wondering, and that is for a good reason:

All the parts are not equal on demand, don't need to be produced on the same quantities and don't cost the same price. But all may be available anytime to provide a potential customer, whatever their rentability!

So how do you manage your stock?

Do you keep inventory levels for every part in case you would need it, or do you produce small batches according to demand? In other terms, do you prefer losing money in oversized warehousing, or buying smaller size batches at higher price per part?



When Pareto rule suggest not to focus on long tails

What we call long tails are not easy to manage. By definition, there are too many of them. The long tail is composed by an average of 81% of all items and representing around 20% of total sales volume depending on the industry. And with the faster and faster current innovation process, long tails are getting longer each year.

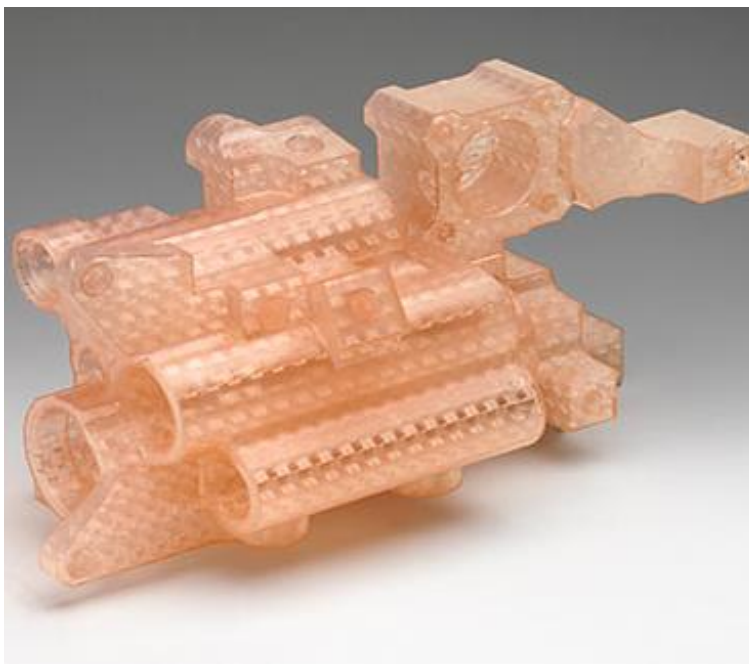
The figure looks even more extreme if we consider that only 10% of items are the usually ordered top sellers for almost 75% of sales. Of course, with a forecast value-added for items in the tail at only one sixth of what it is for top sellers, manufacturers prefer to focus their limited aftersales resources to ensure good supply of important top-selling items.

But then how to deal with the long tail?

Evaluate the TCO to better supply with AM

Producing those long tail with 3D printing is the way to solve this problem efficiently and with a competitive cost. Although the production cost per unit may be higher, other elements must be considered. Free digital storage, no transportation, added to a more valuable customer service makes the Total Cost of Ownership (TCO) with additive manufacturing often lower than the one resulting from traditional manufacturing supply chains.

And it is even less time consuming. Once a part is digitalized for AM, the supply is extremely simple and fast while sourcing from traditional suppliers might takes long lead times, difficult process/materials and quality alignments.



From 2022, 85 percent of spare parts supplier may incorporate 3D printing into their business. By digitalizing those 80% of long tail parts, you will be able to fulfill the demand very quickly, with no warehousing or extra cost only by printing it.

No longer need to keep oversized inventories for parts only purchased by customers 200 or 300 times a year: you can print on-demand and locally to supply the parts within the day.

So, who said it was hard to manage long tails?

About Spare Parts 3D

Spare Parts 3D support manufacturers and industrial spare parts users to increase their spares availability by producing them on-demand using Additive Manufacturing.

Our Services

- Analyze and cluster spare parts catalogue. Automatically select suitable technologies, provide costing and estimate potential savings brought by AM.
- Build-up digital catalogue through reverse engineering, quality tests and qualifications.
- Produce on-demand, at the closest to your need thanks to our distributed manufacturing network.

Visit Our Website

<http://spare-parts-3d.com/>



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