

MRO Inventory Management KPIs

Metric	What it is	What it measures	Why it is used	How to calculate it	World-class benchmark
Inventory Accuracy	Inventory Accuracy (%)	The percentage of how closely your CMMS inventory records match actual physical inventory.	To ensure reliable data is available for inventory management activities such as procurement, storage, forecasting demand, and replenishment.	$(\text{Number of counted items with accurate inventory records} \div \text{Total number of records checked}) \times 100$	>98% ^{1,2}
Reorder Point Turnover	Reorder Point Turnover	The frequency at which an inventory item is being reordered.	To evaluate whether an appropriate reorder point is set in relation to actual usage.	$\text{Usage (in a given time period)} \div \text{Current reorder point}$	Depends on many factors.* Best practice: <1 to cover the highest consumption period within a normal reordering time frame
Stockouts	Stockouts (%)	The percentage of time parts were not in stock when needed for maintenance activities.	To measure and reduce the frequency of inventory shortages.	$\text{Total number of occurrences where item cannot be obtained} \div \text{Total number of requests for the item}$	<3% ^{1, 2, 3}
High Supply on Hand	High Supply on Hand (%)	The percentage of inventory items for which the supply on hand exceeds your organization's accepted threshold.	To identify the proportion of items at risk of tying up capital due to being overstocked or obsolete.	$\text{Total number of inventory items with excessive supply on hand} \div \text{Total number of inventory items}$	Depends on organization's unique accepted limits for supply on hand.* Best practice: Aim for a low percentage of items with too-high a supply on hand.

* Benchmarks vary depending on industry, part type, part criticality, supply chain efficiency, and other factors.

Sources:

1. Ross, J. (2020, January 2). Introduction to world class inventory management. RELIABILITY CONNECT®. <https://www.reliabilityconnect.com/introduction-to-world-class-inventory-management/>
2. Field Report: What is a "Perfect MRO Storeroom?" Is the ROI Worth the Effort? (2015, December 18). Manufacturing.net. <https://www.manufacturing.net/operations/article/13216477/field-report-what-is-a-perfect-mro-storeroom-is-the-roi-worth-the-effort>
3. Pierce, G. (2022, December 14). 5 Critical MRO supply chain metrics you should be tracking. SDI. <https://www.sdi.com/resources/blog/5-critical-mro-supply-chain-metrics-you-should-be-tracking/>