

5 Common Mistakes Made When Sourcing ATM Parts.



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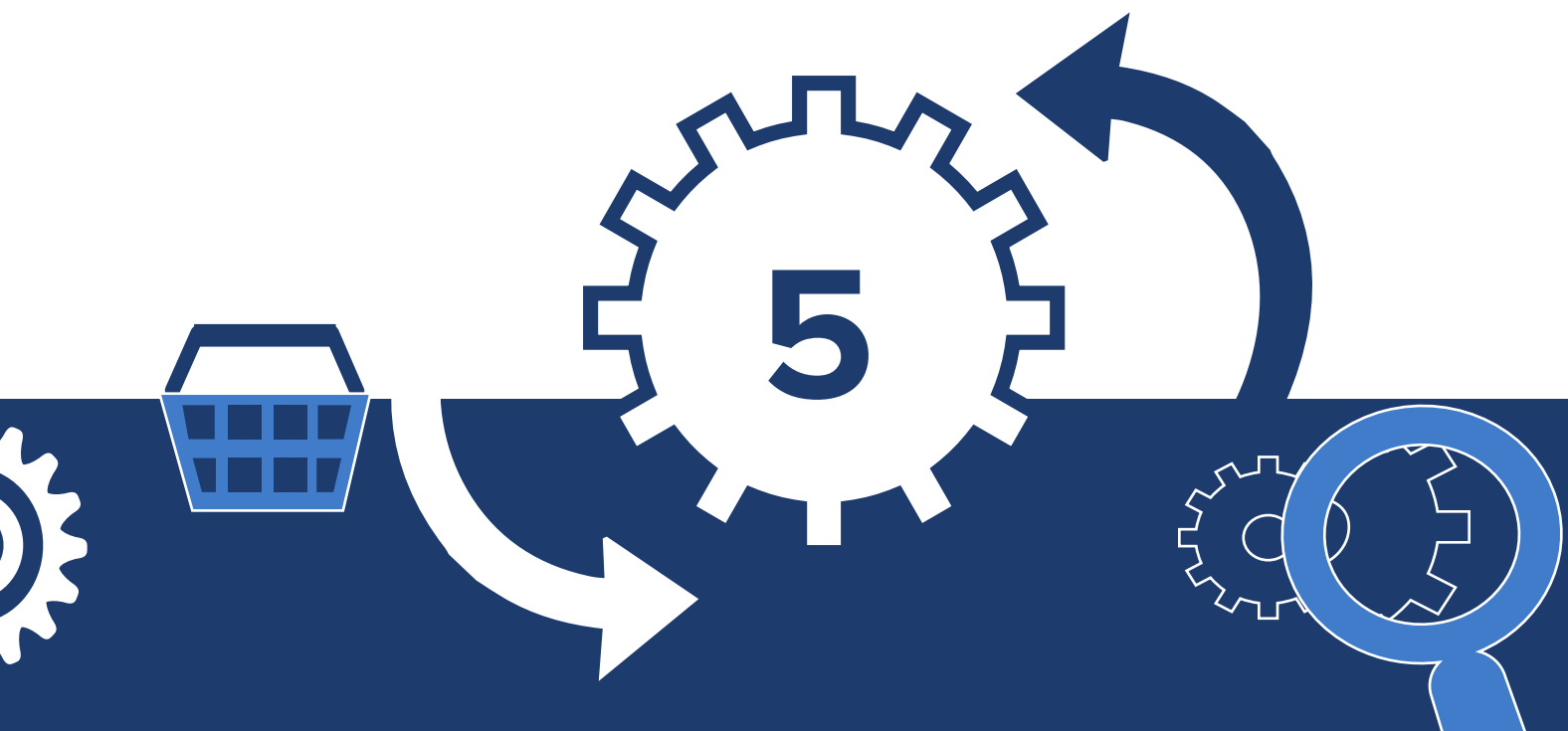


5 Common Mistakes Made When Sourcing ATM Parts.

ATM service organisations rely heavily on holding a comprehensive inventory of parts in order to effectively complete maintenance work and satisfy the requirements of customers.

However, Buyers can encounter a number of potentially serious issues which may be detrimental to the organisations success.

The following are 5 of the most common mistakes made when sourcing ATM parts:





1. Purchasing on price alone.

Achieving the cheapest price has an immediate, tangible effect on your budget and profitability.

However, purchasing the cheapest compatible parts you can find is not necessarily the best option for your business and may ultimately become detrimental.

Cheaper versions will save you money in the short term but they are also known to have lower quality materials and technical specification. As a result they are more susceptible to wear and failure over time.

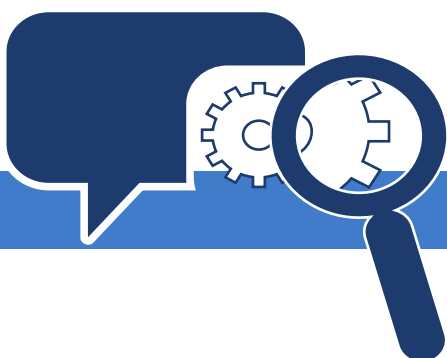
2. Getting the wrong part.

Another common issue is simply purchasing the wrong parts. This often is due to a lack of technical knowledge or an insufficient database of part numbers.

Getting the wrong part means you have to go through the order process again leading to inadequate levels of uptime.

If you have a better relationship with your supplier your Engineers may be able to talk to your suppliers Technical Support to ensure they get the right part every time.

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3. Buying too much.

Believe it or not, in a quest to achieve exacting service levels it is possible to fall in to the trap of buying too much inventory.

It is tempting to invest heavily in parts inventory to ensure Engineers are never without parts to maintain or repair the estate. However, purchasing excessive quantities can be harmful to your business.

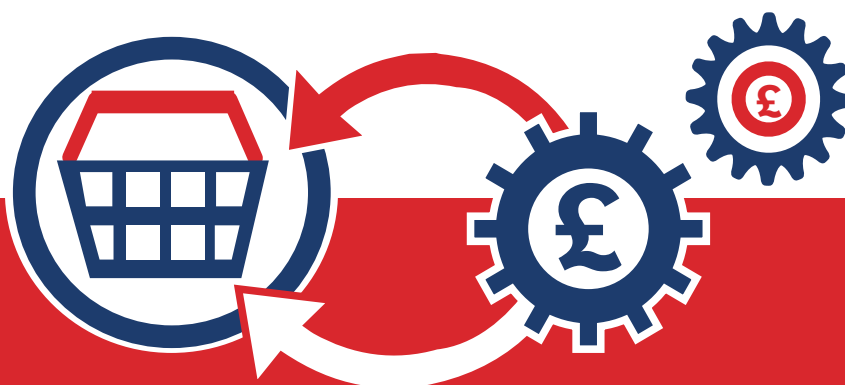
Purchasing large quantities of parts will mean your company is forced to stock far more than what is required.

This problem can be greatly alleviated by purchasing on a JIT (Just-In-Time) basis as parts will become available immediately before they are required for use in the field, minimising the capacity and overheads required for storage. To achieve this you or your supplier should operate an ongoing analysis of parts usage.

Similarly, stocking large quantities of parts can cause obsolescence issues as your estate evolves and changes.

This can result in limited inventory space, a lower return on investment and can even force your company to completely dispose of certain parts altogether.

Please refer also to our blog on 7 ways to minimise your parts inventory for more information.





4. Not considering alternative parts.

There are a multitude of ATM piece parts available on the market, yet many buyers often overlook the potential of using alternatives for their maintenance work.

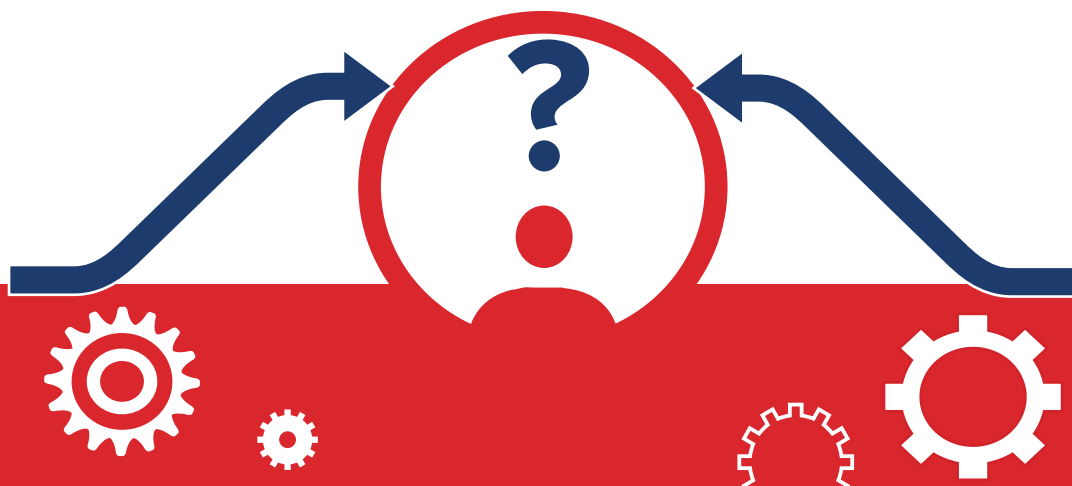
Choosing remanufactured parts can be a great way to extend your allocated purchasing budget as well as improving your overall lead times.

These are remanufactured to OEM standards and combine the build quality of the originals with third party value and, often, shorter lead times.

Furthermore, relying solely on purchasing brand new parts is another area which, despite having its advantages, can cause undue strain on your company's budgets.

Properly refurbished parts and modules offer a cost effective alternative to using conventional OEM variants whilst retaining their excellent build quality and durability.

Making the transition to refurbished parts will help to reduce your overall expenditure without compromising on the quality of your engineer work – an excellent move for creating a leaner business model.



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5. Using too many suppliers.

The last point on our list is one which will affect many people reading this article.

Finding a single supplier who is able to fulfil all of your requirements is an *almost* impossible feat due to the variety of parts required and the limited availability of rare parts.

This can force you to use a large number of suppliers at once in order to fulfil service level agreements.

Whilst it's important for you to do everything you can to achieve the needs of the business, the use of multiple suppliers inevitably entails a number of operational issues. These include increased administrative work, unreliable delivery times and increased work load and pressure on finance teams.

If you feel the performance of your business is being hindered by any of these areas, it may be worth investing the time to consider the solutions or engage a supplier that can manage your inventory requirements on your behalf.





Get in touch with TestLink to find out how your business can benefit from our extensive supply of parts and professionally remanufactured ATMs.

To find out more about how TestLink can help your company please contact us.



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