

ADVANCING STOCK POLICY ON REPAIRABLE, INTERMITTENTLY-DEMANDED SERVICE PARTS

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ABSTRACT

Many firms generate revenue by operating systems or fleets. The contribution of service parts to the availability of the system or fleet is well documented. Most service parts are intermittently demanded. Research on intermittent demand has primarily focused on forecast accuracy of consumable parts. Managing repairable parts is considerably more complex than managing consumable parts. We create a new approach to advance the supply chain manager's ability to determine cost-effective stock policy on these intermittently demanded, repairable service parts. We then test the new approach via a case study and show the approach to be beneficial for a given firm.