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Spare parts matchmaker

One of the most common complaints about using the internet is that you can never find the things you need, writes *George Cole*. But now an online service has been developed that makes it much easier for companies to find the spare parts they require.

The company, sparesFinder, grew out of an idea two British consultants had while working for Price Waterhouse in New Zealand. At any one time, many companies around the world are searching for spare parts or have parts surplus to requirements, so why not use the internet to put the two parties in touch?

"If you're a power station, you're judged on your availability - what counts is whether you're working. So if you need a spare part, it's important that you get hold of it as quickly as possible," says Jan Hutchings, sparesFinder's director.

The sparesFinder system requires companies to upload their spare parts database to sparesFinder's internal server. Each company decides what information is put on to the database, and the data are then compressed and encrypted before being

placed on to a web server.

"It's not a big IT job," says David Stroud, sparesFinder's operations director. "It can be done in an afternoon, and once the database is assembled, any changes to the information are automatically logged by the system."

The system can offer varying degrees of access. For example, companies that form part of a corporate group could see all the stock-holding information for each site, and find and trade parts internally. Global subscribers can see parts that are surplus to requirements, but with the quantity information withheld.

"We are not a supplier - we simply bring companies together," says Mr Hutchings. Once a company has found the part it needs, it communicates directly with the seller and negotiates a price.

"You don't have to ring around looking for parts. You can reach a large number of people through a single focal point," says Eugene O'Connell, sparesFinder's global business development manager.

The sparesFinder system is more like a club and members pay a licence fee

on a per-server basis. And with some spare-parts brokers charging up to 30 per cent commission, considerable savings can be made, says sparesFinder. "Some oil refineries and power stations can have up to \$15m worth of spares parts with typically 15-25 per cent of them surplus to requirements. That's a lot of capital to have tied up," says Mr Hutchings.

"We believe that if our system can reduce the surplus spare parts held by a large multinational by 2 per cent, and overall spare parts by 1 per cent, we can save a company about \$250m over five years."

It is figures like these that have attracted about 35 companies to the service, including Texaco, BP Amoco, Shell, Amec, Anglo-Gold and Sasol.

Mr Hutchings says sparesFinder is focusing on the power, oil and gas, and chemical industries, with plans to move into the food, mining and process engineering sectors.

"This isn't a bright idea looking for a market. It's a response to a perceived need," he says.

www.sparesFinder.com