

INDUSTRY REPORT

SPARETECH

Unlocking cost savings in spare parts management

The 2026 benchmark report on MRO spend, productivity, and working capital



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Unlocking cost savings in spare parts management:
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Introduction and key findings

Introduction

Industrial spare parts management has a direct and material impact on the spend, productivity levels, and working capital of the world's largest manufacturers. Yet, a disconnect remains in the industry between the high-level financial impact of Maintenance, Repair and Operations (MRO) excellence and the underlying value drivers.

Last year, SPARETECH's MRO Strategy Gap Report identified four structural disconnects holding the industry back: inventory spending continues to rise while stockouts persist, increasing amounts of working capital remain tied up in spare parts that may never be used, MRO remains a low strategic priority despite its impact on operating margins, and MRO software adoption continues to lag behind the evidence of its value. This report seeks to move beyond these gaps to provide manufacturing executives with clear guidance on how gains in spare parts management can directly create value for the business.

This year's research measures the scale of the spare parts challenge. It looks at inventory levels across global manufacturers and the visibility they have across their factory networks. It then shows how these factors affect spend reduction, productivity gains, and working capital.

The report also helps manufacturing executives frame the business case for MRO improvement. It gives them the language to connect operational change with senior management priorities.

Together, this forms a framework that allows organizations not just to identify where cost savings and working capital reductions are possible, but to quantify what these improvements are worth, and to put the business case in front of the people who need to hear it.

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Methodology

To gain deeper insight into the state of spare parts management across global manufacturing, we commissioned a survey of 362 manufacturing executives across the United States, Canada, Germany, Austria, Switzerland, the Nordics, and the Benelux countries. The survey was completed by Global Surveyz Research, an independent global research firm, and took place during March and April 2026.

Respondents held director-level and above positions across lean manufacturing, maintenance, manufacturing, operations, reliability, procurement, and supply chain functions. All worked within manufacturing organizations operating in the automotive, food and beverage, electronics, chemicals and cement, and pharmaceutical sectors, with annual revenues of $1 billion or more. Respondents were recruited through a global B2B research panel and invited via email to complete the survey online. Where applicable, the order of answers in non-numerical questions was randomized to prevent order bias.

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Key Findings

More than 50% of organizations have no global visibility across their operations

01

Lack of transparency across sites was ranked the number one challenge in last year's survey. This year's data shows it remains unresolved. More than half of organizations still lack global visibility across their operations. The result is structural inefficiency. Factories work in silos, each with its own standards and incomplete view of available spare parts. This creates the conditions for duplicate purchases, excess inventory, and poor data quality.

Organizations hold $169M in spare parts, while inventory reduction is ranked as having the lowest potential

02

Respondents placed reducing inventory among the lowest impact value drivers, yet the average organization holds $169M in spare parts and an average of $7.3M in obsolete and dead stock. Addressing overstock represents a material financial opportunity that the data suggests is largely going unrecognized.

Bridging executive and operational priorities strengthens the business case for MRO improvement

03

C-suite leaders are more than twice as focused on inventory reduction as directors, while operational leaders see the greatest potential in productivity gains. This difference matters. Initiatives framed around working capital reduction may resonate more strongly with the C-suite than directors and vice presidents expect. Bridging these priorities is essential to building a stronger business case for MRO improvement.

Productivity use cases account for four of the five top MRO value drivers

04

Productivity gains are valued by operational teams, but are often harder to substantiate, so they carry less weight when building a business case. Spend and inventory reduction are more directly measurable, yet respondents placed less emphasis on them. As a result, organizations may be undervaluing some of the clearest routes to lower spend and release working capital tied up in excess inventory.

18% of MRO inventory remains unused after five years

05

Meaning roughly one in five parts purchased today will not be used in the next five years, a similar figure to what the data showed last year. Avoidable spend, which bloats spare parts inventories, remains a persistent problem.

12% of orders are placed outside negotiated framework agreements

06

Roughly one in eight spare parts orders is placed outside negotiated framework agreements. These maverick purchases bypass negotiated pricing, supplier controls, and data standards. They also compound data-quality issues, making spare parts harder to find, compare, and manage across the organization. Bringing more orders back on contract is one of the most direct ways to improved MRO spend control and stronger master data.

45% of organizations have no standardized data enrichment process globally

07

Spare part data enrichment determines whether a material can be found, understood, and managed across the organization. Yet 45% of organizations have no standardized global process for enriching this data. Most rely on local plant-level approaches, leaving teams to interpret incomplete records in different ways. This lack of standardization weakens the foundation for global spare parts visibility.



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Survey Findings

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The average global value of spare parts inventory sits at $169M per company

Spare parts inventory has become a significant capital challenge.

70% of manufacturing leaders report holdings above $100M, and 11% of companies have more than $250M tied up in spare parts alone. This is a substantial amount of capital that is not actively generating returns.

The scale of the problem varies by sector. Automotive companies carry the highest average inventory value at $190M, giving them the most to gain from better spare parts management. Chemicals and cement companies follow closely at $187M. Food and beverage companies report the lowest average, at $153M.

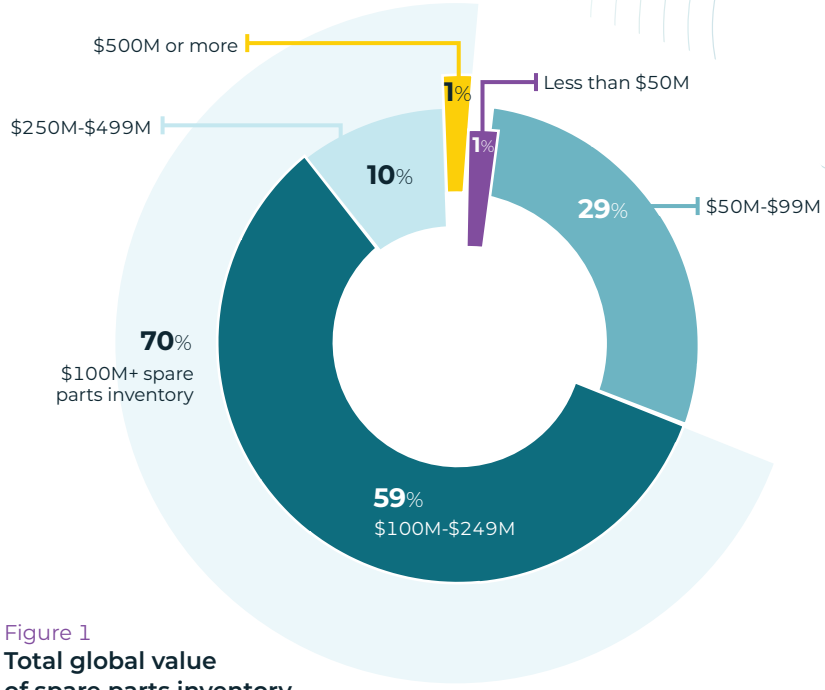


Figure 1
Total global value of spare parts inventory

Average **$169M**

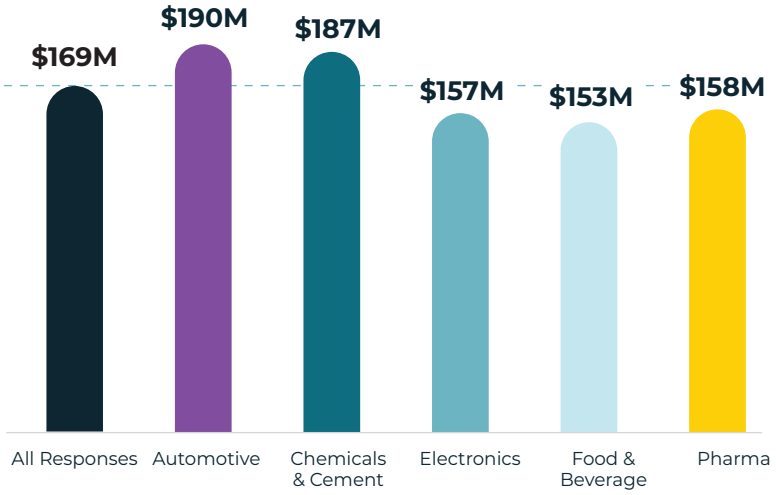


Figure 2
Weighted average of total global value of spare parts inventory by organization's maintenance structure

53% of organizations have no global visibility across their operations

Visibility is the foundation of effective spare parts management.

Without a network-wide view of what exists and where, every inefficiency compounds. Sites order parts that may already be available elsewhere. Safety stock is based on local assumptions rather than shared data. Duplicate purchasing, excess inventory, and off-contract ordering become built into the process.

Only 47% of respondents say they have global transparency across their production network. That means more than half are still managing spare parts in silos. Each facility operates with an incomplete view of what the broader organization holds.

The result is reactive spare parts management. Without transparency, cross-site coordination is limited, and no process can fully compensate for the lack of visibility.

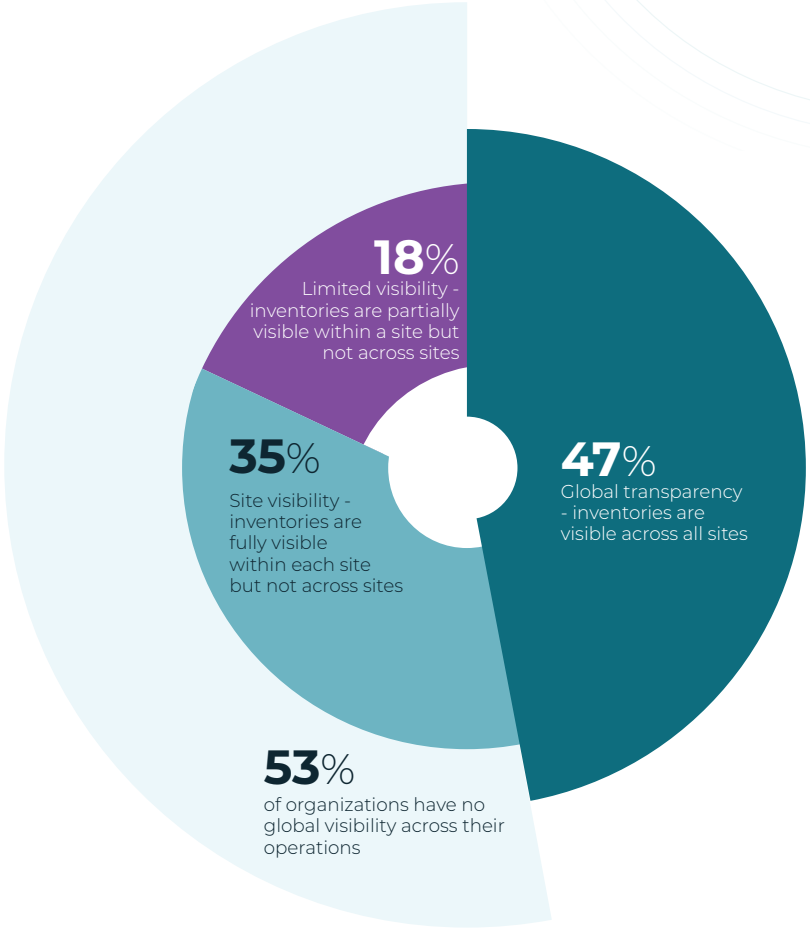


Figure 3
Level of spare part inventory visibility across the production network

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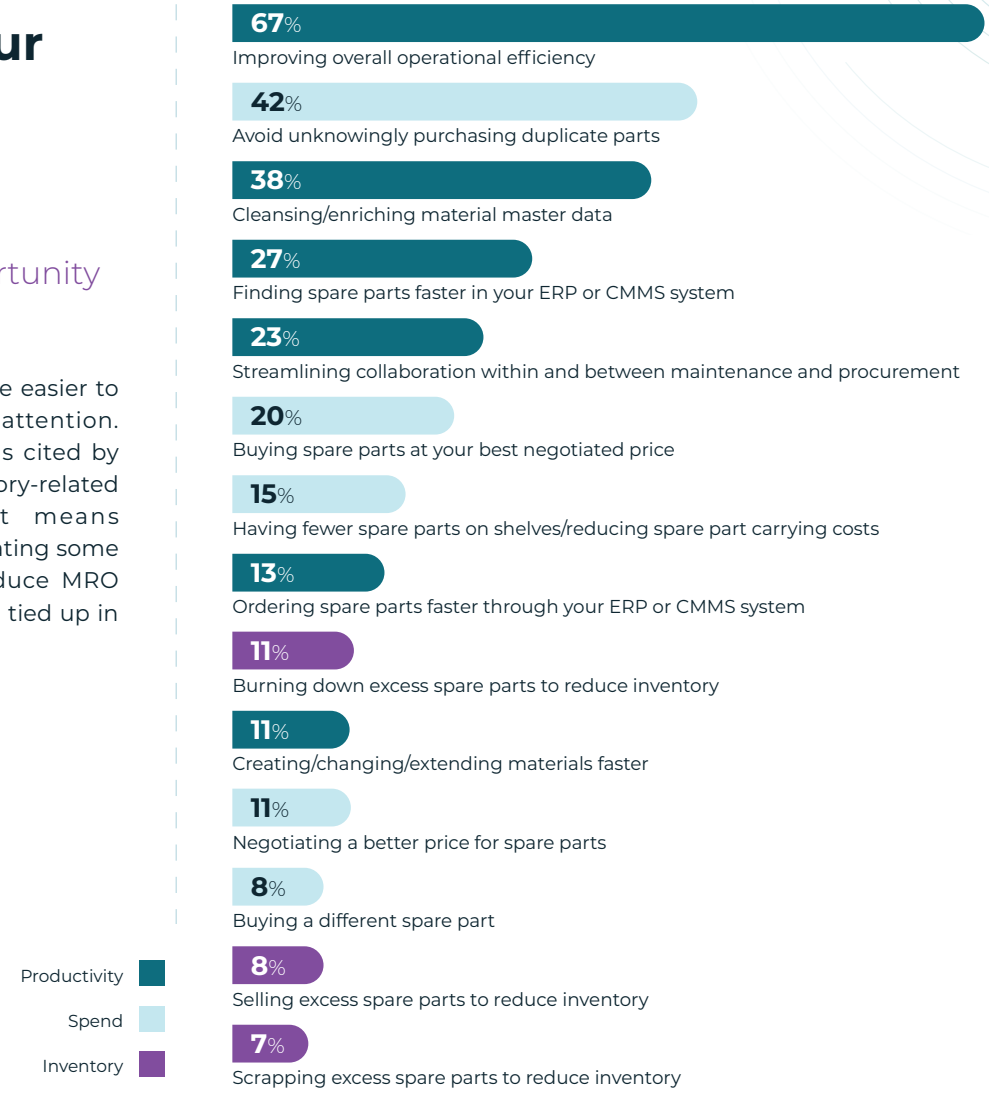
Productivity use cases account for four of the five top MRO value drivers

Manufacturing leaders see productivity as the biggest opportunity in spare parts management.

Improving operational efficiency was the most cited value driver at 67%. Cleansing and enriching material master data followed at 38%, while 27% selected finding spare parts faster in ERP or CMMS systems. In total, four of the five most cited drivers relate to productivity.

This is a clear signal from operational teams. They see the daily impact of wasted time, poor data, and inefficient workflows. But it also reveals a blind spot. Productivity gains are important, but they are often harder to convert into a financial case.

Spend and inventory reduction are easier to quantify, yet they receive less attention. Avoiding duplicate purchases was cited by 42% of respondents, while inventory-related drivers ranked lowest. That means organizations may be underestimating some of the most direct routes to reduce MRO spend and release working capital tied up in excess inventory.



**Question allowed more than one answer and as a result, percentages add up to more than 100%*

Figure 4
Key drivers with greatest potential organizational impact

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C-suite leaders are twice as focused on spare parts inventory reduction as directors

When asked to choose between reducing MRO costs, reducing inventory, or both, most organizations took a balanced view. 82% say both are equally important.

Among the remaining respondents, 15% named inventory reduction as their sole priority, while just 3% focused only on MRO and spare parts costs.

The more revealing pattern appears by seniority. The more senior the respondent, the more likely they are to prioritize inventory reduction on its own. Focus on reducing spare parts costs remains broadly consistent across all levels. Inventory reduction, however, becomes significantly more important higher up the organization.

For C-suite leaders, reducing spare parts inventory is more than twice as important as it is for directors. 24% of C-suite respondents selected inventory reduction as their sole priority.

This reinforces a broader finding in the data. Senior leaders place greater focus on working capital tied up in inventory. Operational leaders are more focused on productivity and spend.

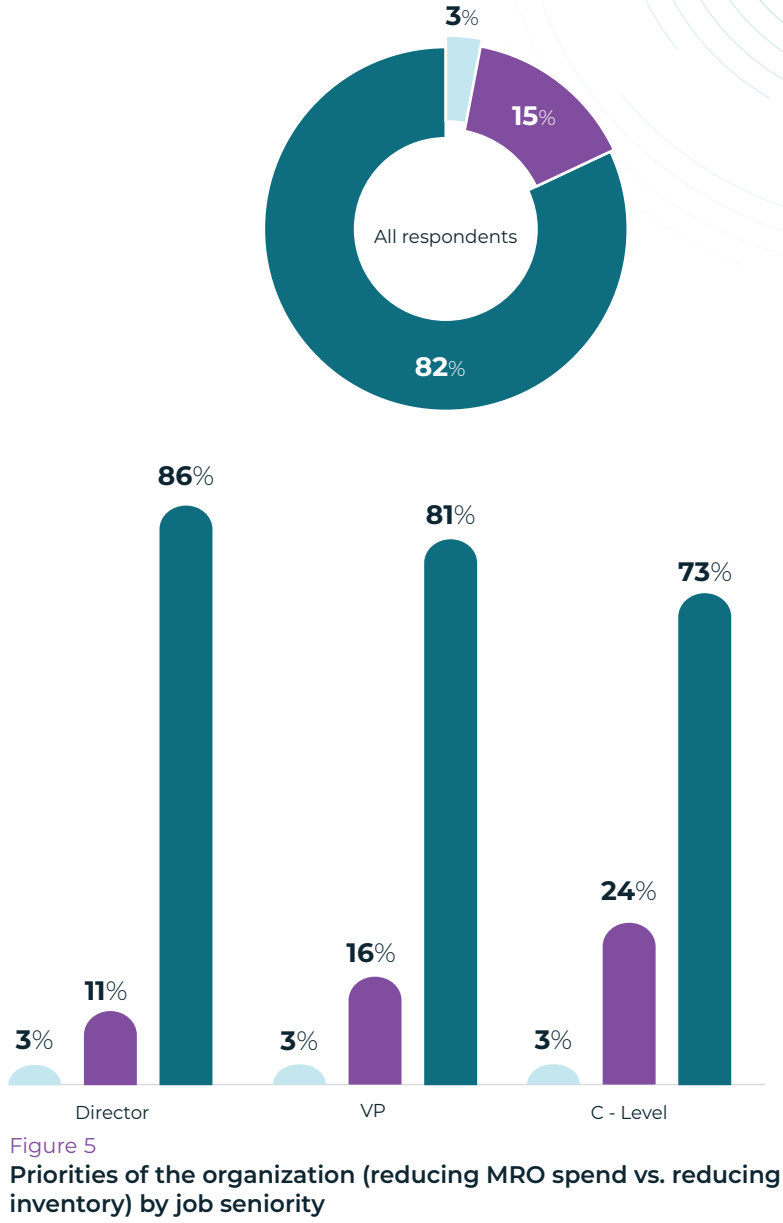


Figure 5

Priorities of the organization (reducing MRO spend vs. reducing inventory) by job seniority

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Spare parts inventory against the 2.8% average SPIR

SPIR, or Spare Part Inventory Ratio, measures stocked MRO inventory as a percentage of RAV, the total replacement value of all assets.

It is a practical benchmark for understanding how much spare part inventory a business holds relative to the equipment it supports.

Across respondents, the average SPIR is 2.8% of RAV. This gives organizations a clear reference point for benchmarking their own performance.

There are also differences by sector. Automotive companies report an average SPIR of 2.9%, while chemicals and cement companies average 3%. Both sit slightly above the respondent average. Food and beverage companies are below average, at 2.6%.

For organizations looking to benchmark performance, these figures offer a useful starting point. A reduction from 3.6% to 2.4% represents a 33% decrease in spare parts inventory value. At enterprise scale, that can unlock a substantial amount of capital.

Average **2.8%** SPIR

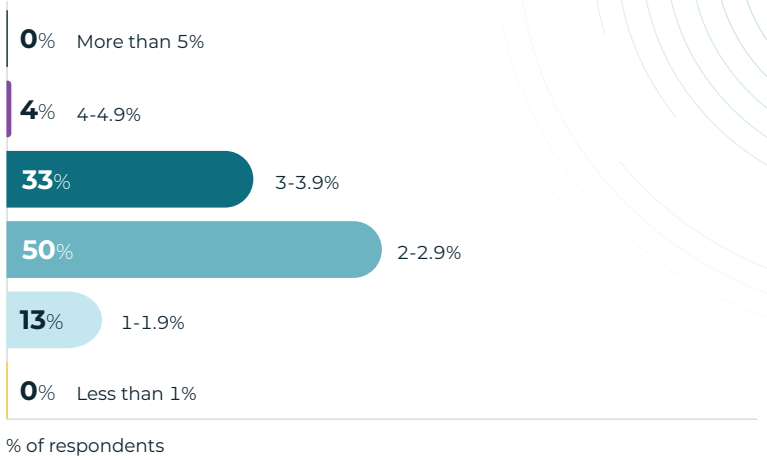


Figure 6
Spare part inventory ratio (SPIR) as % of RAV

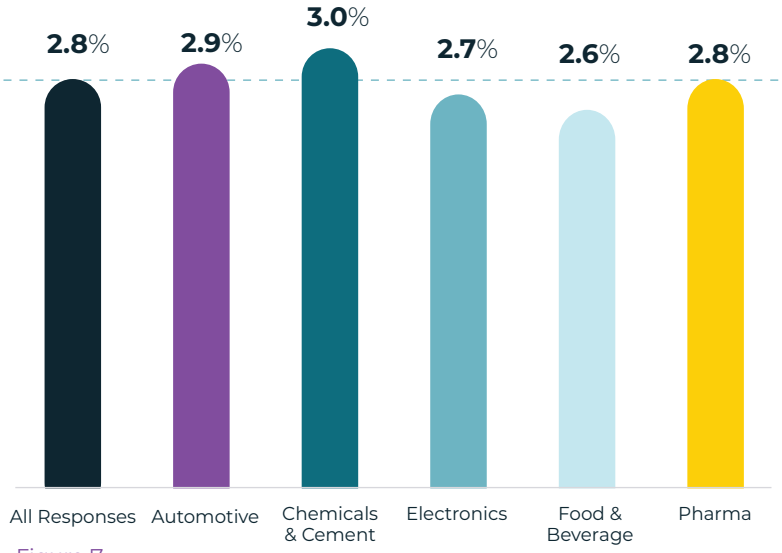


Figure 7
Weighted average by industry

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Excess and obsolete inventory is a multimillion-dollar opportunity

Excess and obsolete spare parts include overstock, dead stock, and parts that can no longer be used.

On average, respondents hold $7.3M in inventory that has no active use. 59% report between $6M and $10M in excess and obsolete parts. In 9% of organizations, that figure rises to between $11M and $20M.

The issue is most pronounced in the US and the DACH region, the two largest markets in the dataset. The DACH region reports the highest average at $8.1M, with the US close behind at $7.6M, compared with $6.0M in Canada. This is capital that could potentially be recovered.

For organizations looking to improve their financial position, excess and obsolete inventory is one of the most direct opportunities in the data. The potential savings are material, and for many companies, they are already sitting in the storeroom.

Average **$7.3M**

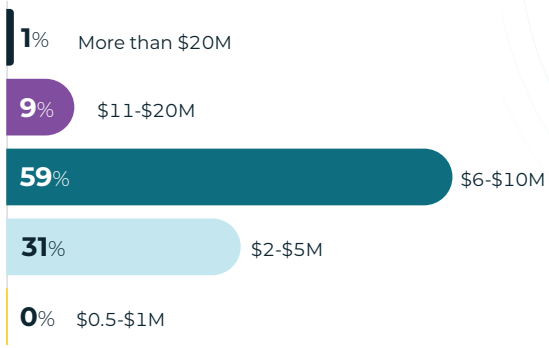


Figure 8
Total value of excess and obsolete spare parts stock

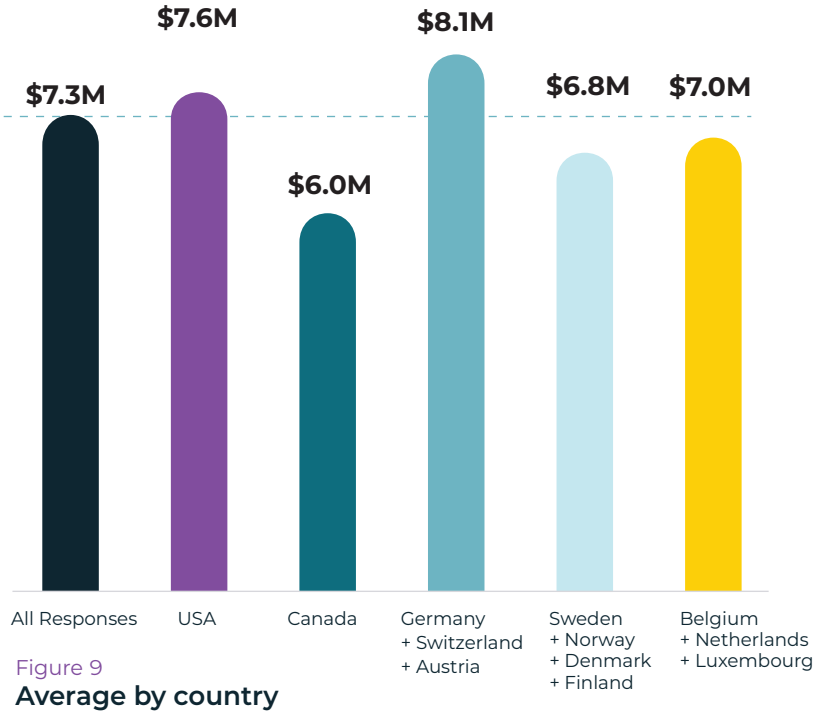


Figure 9
Average by country

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The persistent inventory challenge: one in five spare parts remains unused after five years

On average, 18% of MRO inventory remains unused for more than five years. This is down from 22% in 2025.

The share of respondents reporting that more than 20% of their inventory falls into this category has dropped from 57% to 29%. The direction of travel is positive.

But the scale of the problem remains significant. The finding from last year's report still holds: buy five parts today, and one will still be sitting in the storeroom in five years. For organizations carrying large inventories, this represents a significant amount of capital going nowhere.

The impact is not limited to working capital. Manufacturers could reduce MRO spend by 18% if they only bought parts that would be used within the next five years.

Company size adds another dimension. Among organizations with revenues between $1B and $9B, 21% report that between 21% and 30% of their inventory remains unused after five years. Among organizations with revenues of $10B and above, that figure rises to 31%. More strikingly, 9% of larger companies say that more than 30% of their inventory remains unused after five years. That is three times the share reported by smaller companies.

2025 Average **22%**

2026 Average **18%**

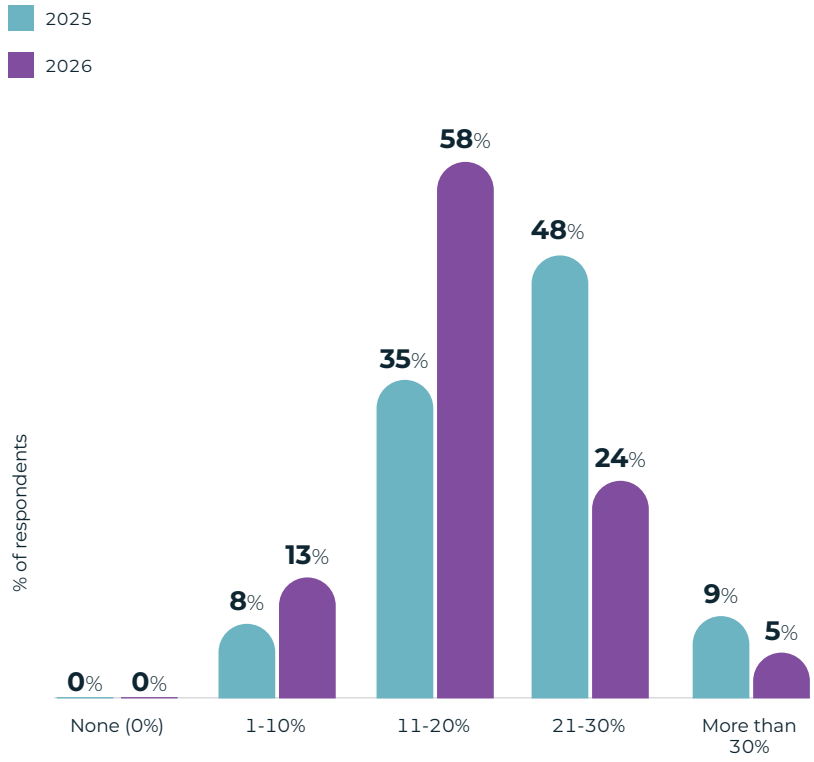


Figure 10
Percentage of MRO inventories unused for over five years

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One in eight orders goes off contract

Maverick and free-text orders are purchases made outside negotiated framework agreements.

Instead of selecting catalogued material at a pre-agreed price, buyers use free-text fields or purchase through unapproved channels. This often happens when a part is needed urgently and the formal route is too slow or difficult.

On average, 12% of spare parts orders are procured this way. 48% of respondents say that between 11% and 20% of their orders fall outside negotiated agreements. Only 11% say this applies to 5% or less of orders. That means roughly one in eight orders goes off contract, bypassing negotiated pricing and supplier controls.

The impact goes beyond lost savings. Off-contract orders often bypass proper categorization, descriptions, and data standards. This creates downstream problems in material master data and makes parts harder to find, compare, and manage.

Procurement teams report a slightly higher rate of maverick and free-text ordering than maintenance teams, at 13% compared with 11%. The issue is also more common in North America, where 56% of respondents report that 11% to 20% of orders go off contract, compared with 41% in Europe.

Reducing maverick purchasing is one of the clearest routes to better spend control. It brings more orders back on contract, captures negotiated savings, and improves the quality of master data.

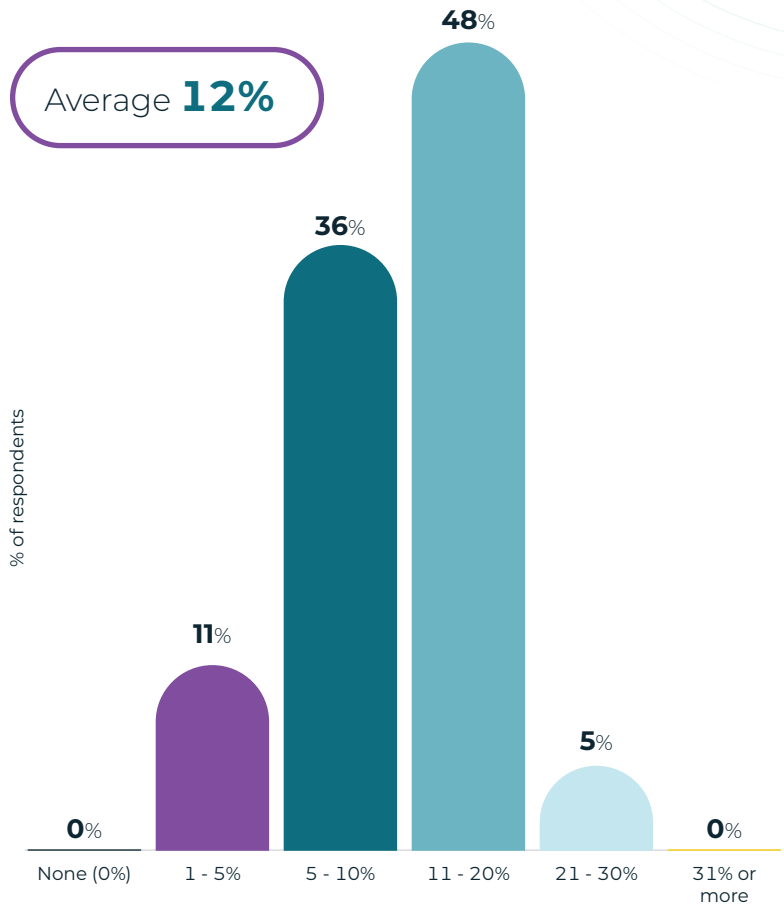


Figure 11
Maverick and free text procurement share

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Search efficiency in ERP or CMMS systems

The average time to find a spare part in an ERP or CMMS system is seven minutes.

Not because the parts are not there, but because the data behind the search is often inconsistent, incomplete, or formatted in ways that require specialist knowledge to navigate. A misplaced space, a zero entered as the letter O, or a naming convention that differs between sites can cause a search to return nothing at all.

Not a single respondent in this survey reported finding a part in under a minute.

Instead, close to three-quarters (73%) of respondents say searches typically take between 5 and 14 minutes. That is time spent by skilled maintenance and procurement professionals doing something that, in any other context, would take seconds. The problem is not the people using the systems, but the quality of the data within them.

Better search is not a nice-to-have; it breaks a cycle that touches maintenance, procurement, and master data teams all at once, and there are solutions on the market already which can make this a reality.

0% of respondents reported finding a part in under a minute.

Average **7 minutes**

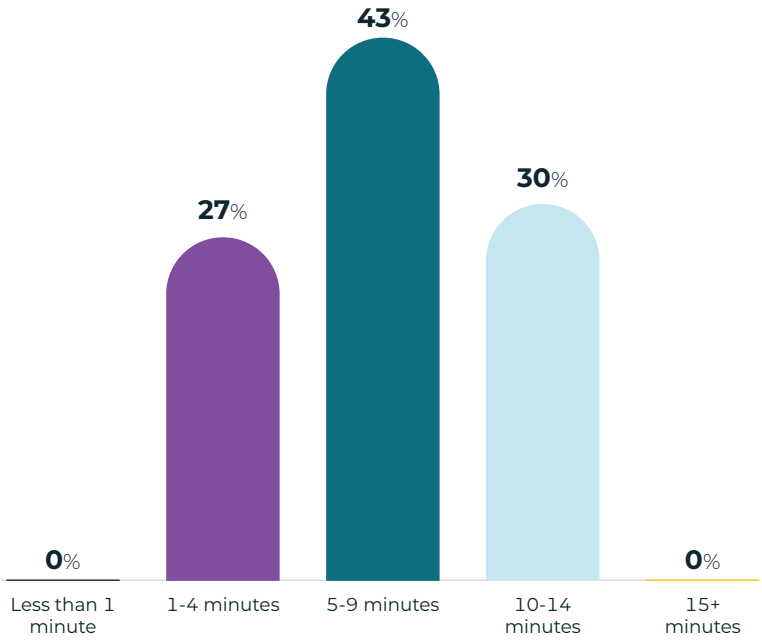


Figure 12
Average search time for parts in ERP or CMMS systems

The creation of material master data is a hindrance to data quality

Respondents share that creating a new material number takes an average of nine minutes.

Just 6% of respondents say they can do it in under four minutes, and 47% say it takes more than ten. When the process feels too slow or complicated, people opt out.

Anecdotally, one customer confided in us that the entire end-to-end process takes 5–7 working days, due to multiple approvals across maintenance, procurement and IT.

If stakeholders decide to take shortcuts, that means parts entering the system with incomplete or inconsistent data, which feeds directly into the search and duplicate purchasing problems seen elsewhere in this report.

Average **9 minutes**

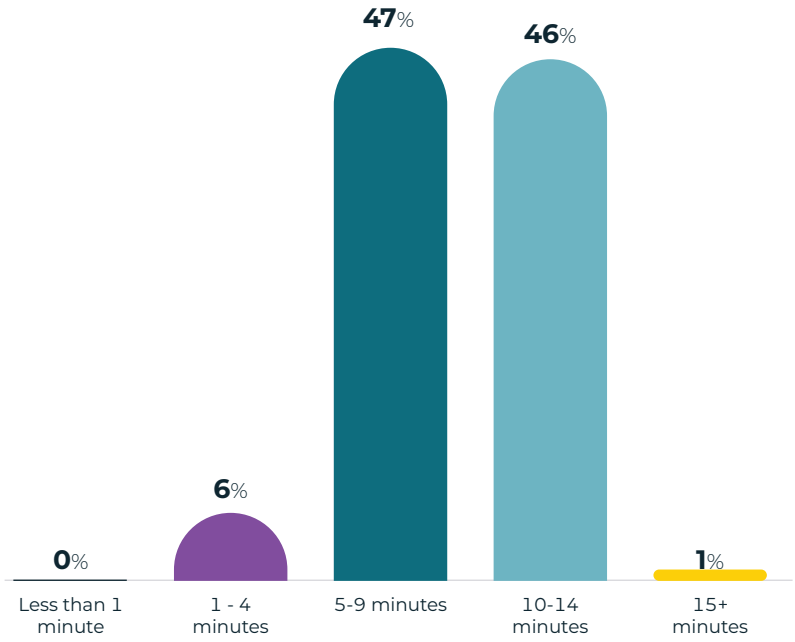


Figure 13
Average duration to create new material numbers

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In spare part data enrichment, localized approaches dominate

Spare part data enrichment adds the information that makes a part record findable, usable, and manageable.

This includes manufacturer details, obsolescence status, images, tax numbers, and other identifiers. Without it, parts remain incomplete records that different teams interpret in different ways.

45% of respondents have no standardized enrichment process across their organization. Instead, they rely on local plant-level approaches. In a business with twenty plants, this can mean twenty different descriptions for the same part. Teams then have no reliable way to know whether a part held at one site already exists under another name elsewhere.

This weakens inventory visibility, complicates procurement, and increases the risk of duplicate purchasing. It also creates practical issues in the storeroom, including relabeling, confusion, and wasted time.

The regional data shows that standardization is achievable. Only 18% of Nordic respondents lack a consistent enrichment process, compared with 56% in the US and 63% in Canada.

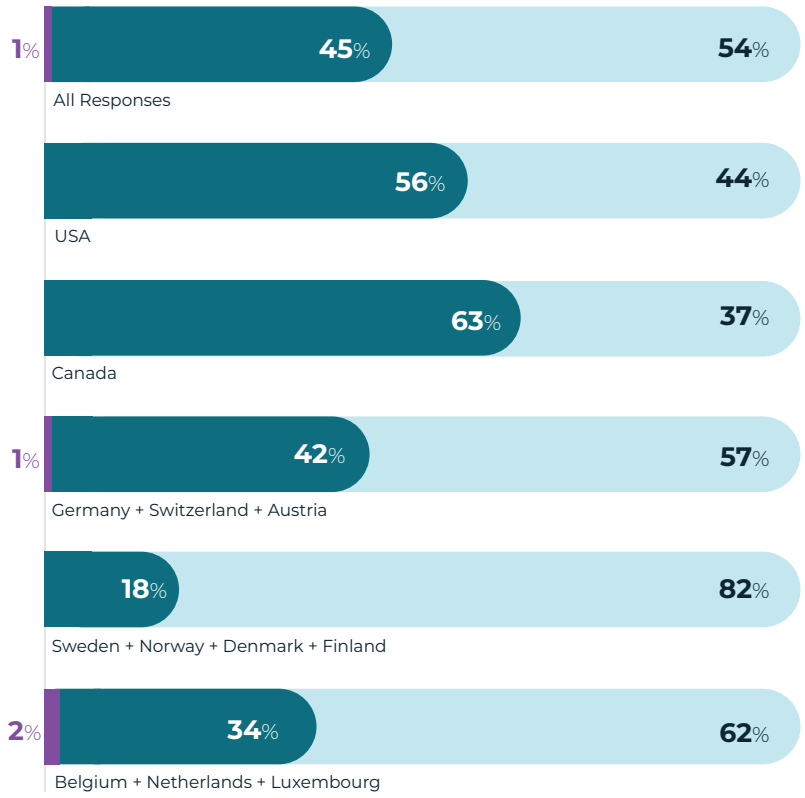


Figure 14
Current capabilities for enriching spare parts data with manufacturer and obsolescence details

99% have not achieved significant results using AI to cleanse material master data

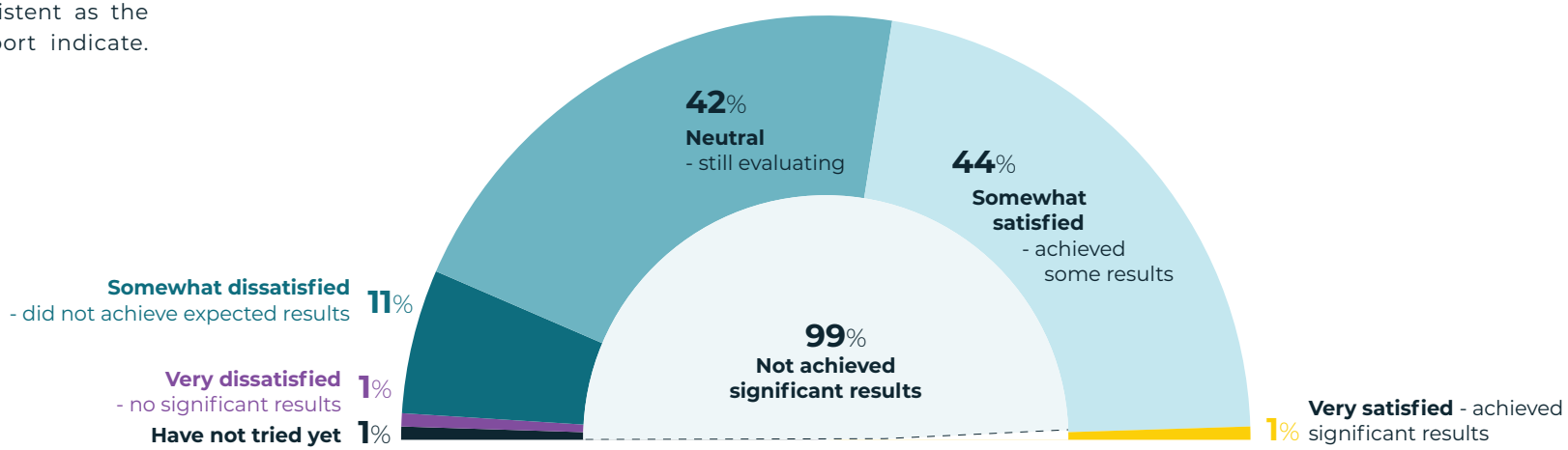
AI is being applied to material master data cleansing across the industry, but the results are not yet matching the ambition.

99% of respondents say they have not achieved significant results. 44% describe themselves as somewhat satisfied, and 12% are actively dissatisfied. That is not the picture of a technology that has found its footing in this space.

That does not mean the potential is not there. But it does suggest that deploying AI against a data quality problem does not automatically solve it, particularly when the underlying data is as fragmented and inconsistent as the previous sections of this report indicate. Cleansing poor-quality data at scale is not the answer. Rather, organizations require a structured approach to defining what good data looks like in the first place.

12% of respondents feel dissatisfied with the results of using AI to cleanse material master data

Figure 15
Satisfaction levels with using AI to cleanse material master data



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Organizational maintenance structure (centralized vs. decentralized)

88% of organizations describe their maintenance structure as centralized, with 87% operating a dedicated master data team.

That is a strong majority, and the inventory data reflects why it matters. Centralized organizations carry significantly less total inventory than their decentralized counterparts, with 19% of decentralized organizations citing their total inventory was worth between $250M and $500M, and just 9% of centralized organizations holding this amount of inventory.

Although these organizations may still need support with transparency and data governance, a centralized structure tends to mean more consistent processes, shared visibility, and a single point of governance for data quality. Without that, the localized approaches and inconsistencies highlighted elsewhere in this report are far more likely to take hold. Organizations that have centralized their maintenance and master data functions appear to be reaping a tangible financial benefit with less excess, less duplication, and better control over what is actually on the shelf.

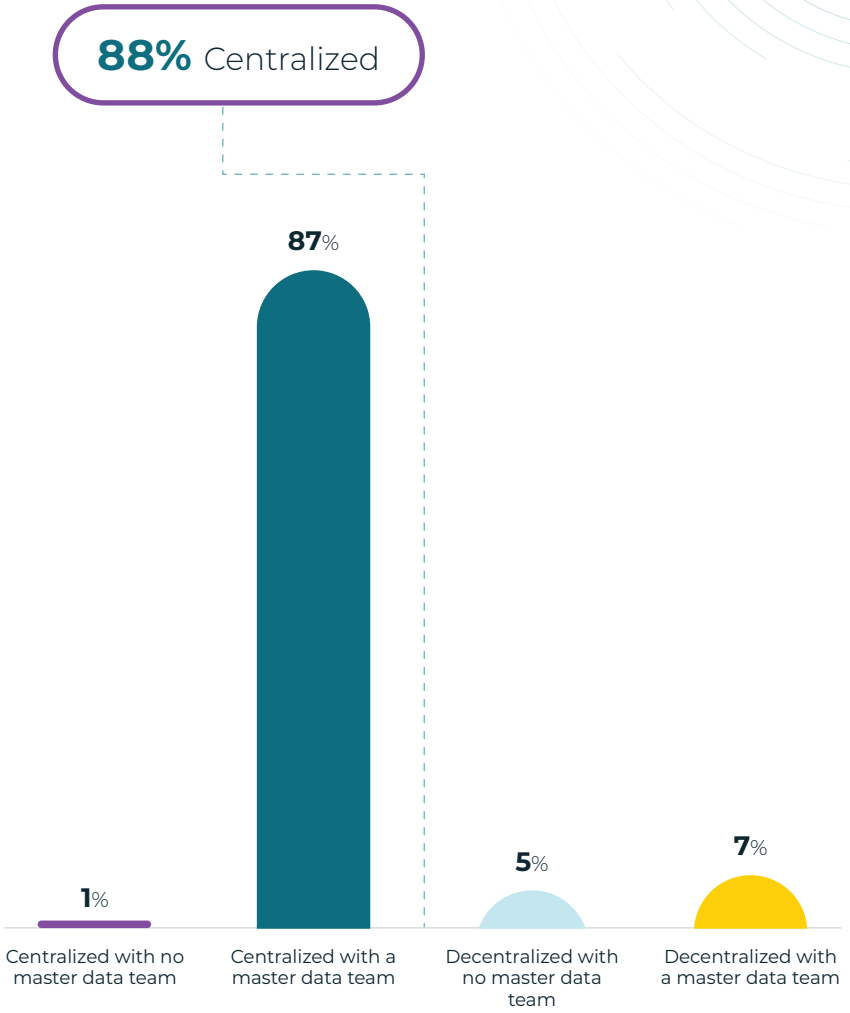


Figure 16
Organizational maintenance structure (centralized vs. decentralized)



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Demographics

Country, Industry, Company's Revenue, Role and Job Seniority

Figure 17
Country

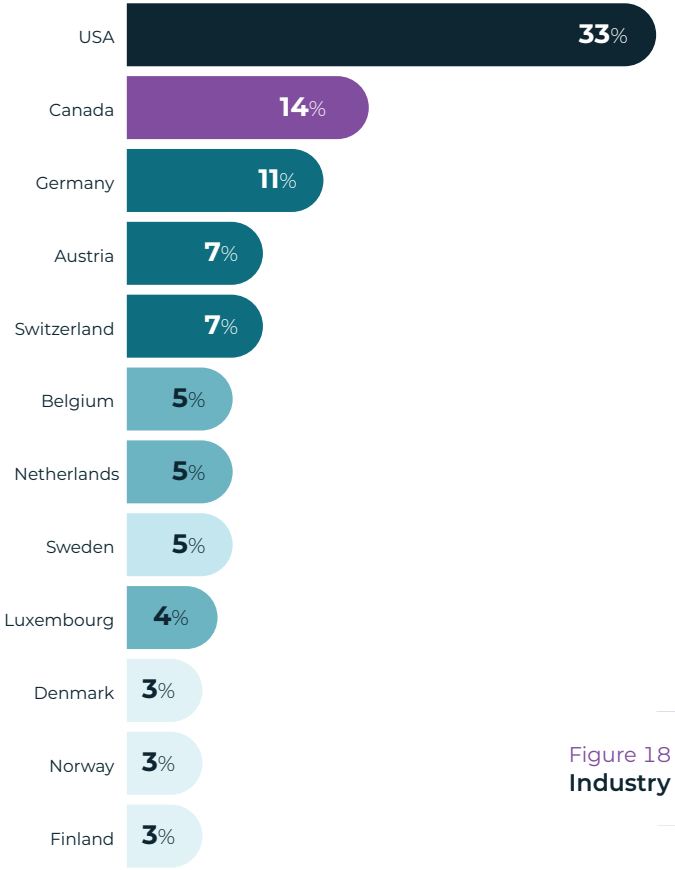


Figure 19
Company's revenue

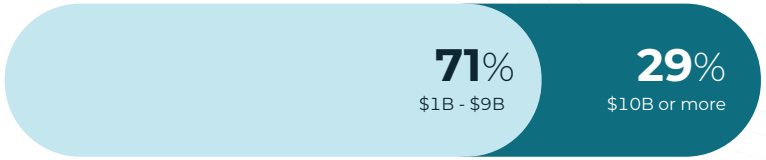


Figure 21
Job seniority

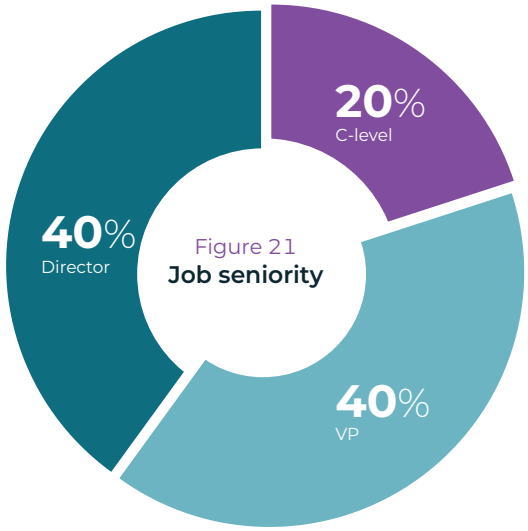


Figure 20
Role

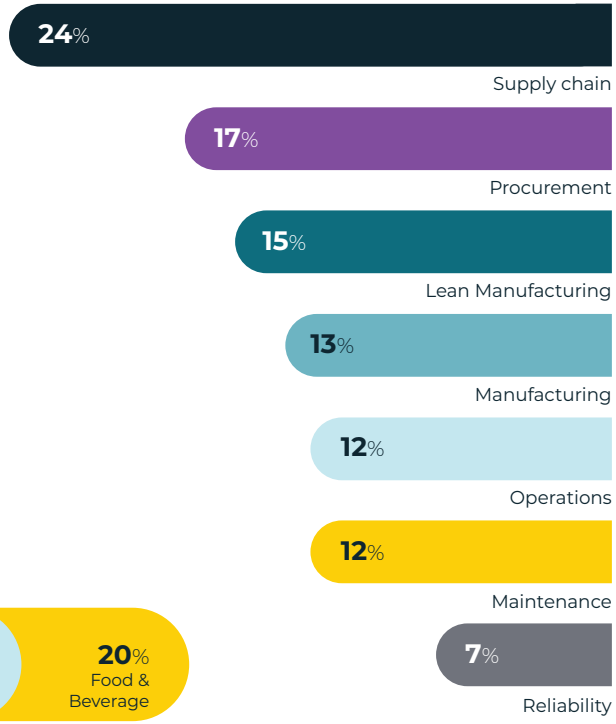
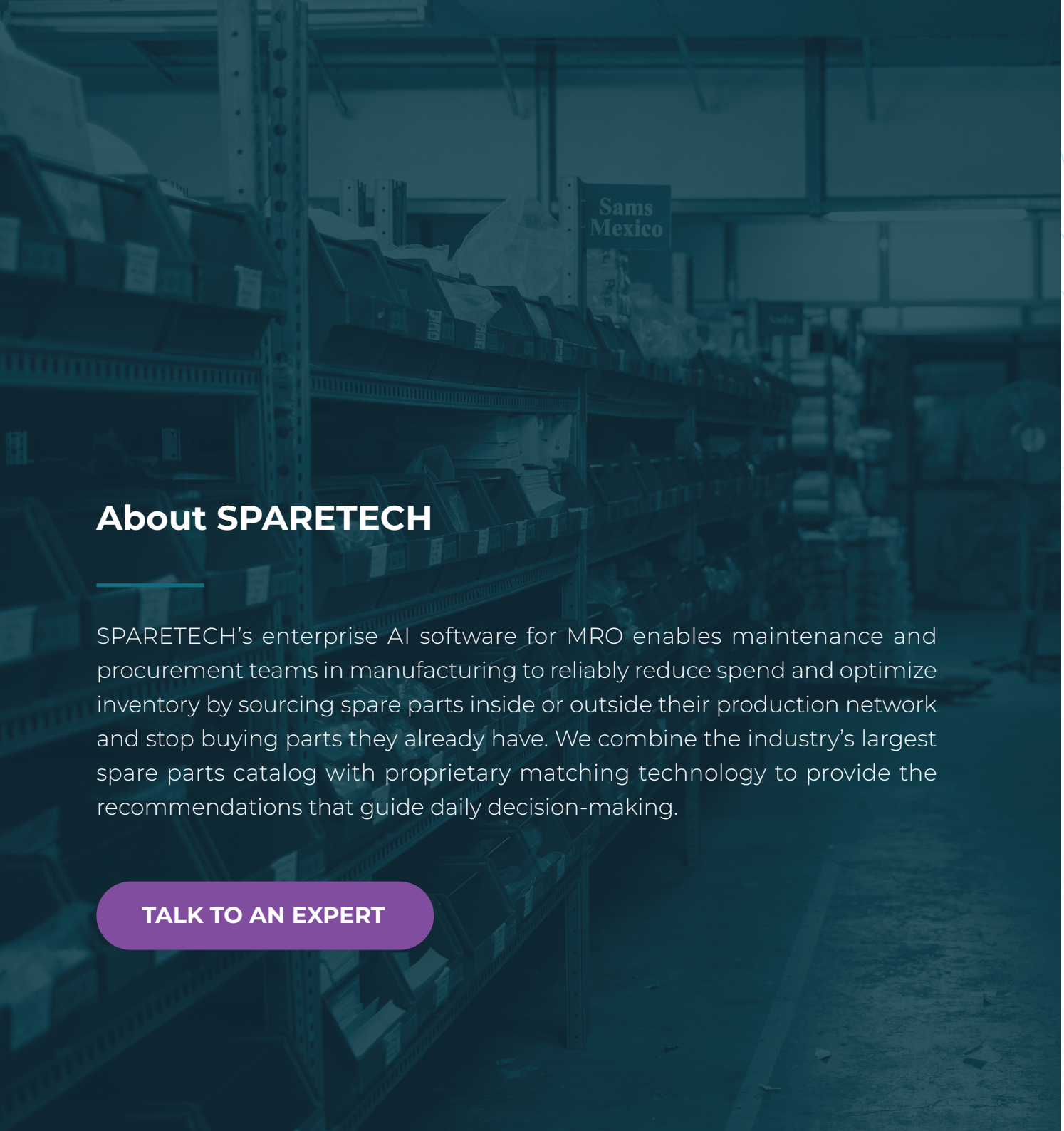


Figure 18
Industry





About SPARETECH

SPARETECH's enterprise AI software for MRO enables maintenance and procurement teams in manufacturing to reliably reduce spend and optimize inventory by sourcing spare parts inside or outside their production network and stop buying parts they already have. We combine the industry's largest spare parts catalog with proprietary matching technology to provide the recommendations that guide daily decision-making.

TALK TO AN EXPERT

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