

The term MRO was first used by the United States Department of Defense but has become standardized across multiple industries today. According to the DOD, MRO includes the replacements, tests, measurements, and repairs required to keep or restore a component to a usable state. It includes all the actions as well as the procurement of supplies and labor to do so. MRO is often referred to as indirect procurement because it requires the purchasing of supplies, materials, and tools to complete a wide variety of maintenance tasks, but these materials are not used in a company's finished product. In some cases, companies ignore the MRO purchasing decisions compared with how they manage the supply chain for the actual product they are manufacturing. This oversight can be a costly mistake. But by implementing an effective MRO strategy, businesses can reveal the many hidden costs in this area and make better decisions to positively affect the company's bottom line.