

Global truck manufacturer boosts productivity, saves more than \$2.3M



OVERVIEW:

Heavy-Truck Manufacturer

This customer is one of the leading heavy-truck and engine manufacturers in the world. From one plant that turns out all its U.S. truck production, the company manufactures a broad line of on-highway and vocational Class 8 vehicles. The plant is certified under the ISO 9001 quality, ISO 14001 environmental and ISO 50001 energy standards.

Application: Tooling process and productivity improvements

Location: A 1.6 million-sq.-ft. U.S. East Coast plant, which is the company's largest truck manufacturing plant in the world

CHALLENGE:

Drive productivity and far-reaching efficiencies

Improved processes and partnerships enable the customer to increase productivity and reduce manufacturing costs.

SOLUTION:

MSC proactively drove a wide range of productivity improvements

As a strategic partner, MSC gained a detailed understanding of the customer's business, allowing it to expand vending, place dedicated staff on-site and find tooling conversions that led to better performance and cost savings.

RESULTS:

More than \$2.3M saved through productivity/process improvements

Results reflect annualized savings; the partnership continues to yield additional improvements and savings.

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John Burns, MSC Market National Accounts Manager

CHALLENGE

As one of the largest global heavy-truck manufacturers, this customer is always looking for new ideas and new solutions to improve manufacturing processes and productivity. MSC has worked with this customer for 18 years. Part of that relationship involves goal setting—a commitment to find and deliver productivity improvements and cost savings to reduce Total Cost of Ownership (TCO) in all parts of the business.

For some time, year over year, companies have had to do more with less. One result of this is that manufacturers can no longer afford to work with a vendor who gives them a catalog and sits back to take orders. MSC engages with the customer, becoming part of the team, taking on challenges to proactively solve problems and deliver value—whether that means finding and recommending the right tools, or offering inventory management or process improvements to boost productivity.

SOLUTION

“The key to success is in gaining a detailed understanding of our customers’ processes and costs,” says John Burns, MSC Market National Accounts Manager. “With that information, we can deliver measurable solutions that demonstrate real value.”

One of the things that sets MSC apart from its competition is its rigorous approach to cost-savings documentation, which quantifies productivity and cost-savings impact—not just in materials and MRO (maintenance, repair and operations), but in increased output and in reduced time and labor costs.

“We can deliver the best results when our customers are less focused, for instance, on the cost of individual tools, and more interested in long-term results and TCO,” says Loyal Andies, MSC Senior National Accounts Manager. He explains that when you build a strong relationship with the customer, you can share the information needed to document TCO. For example, realizing that if one drill costs twice as much as another, but delivers 100 times the holes, that tool will save money not only in tool consumption, but in the time it takes to constantly change out broken drills or taps.

RESULTS

With a focus on improving productivity, this customer captured more than \$2.3 million in total savings in one year.

- **Vending and staff time:** Cost savings as a result of MSC’s ControlPoint vending amounted to \$1.2 million. Benefits included moving 80 percent of their storeroom items from the crib to the shop floor, freeing up 31,500 sq. ft. in the storeroom; reducing walk time and wait time at the storeroom window; reducing suppliers to be managed from 28 to one; and assigning three dedicated MSC associates on-site to manage stock and ordering.
- **Metalworking application optimization:** Taps breaking on the production line were converted to Accupro® taps, which resulted in reduced tool usage and productivity gains with savings of more than \$160,000.
- **Product volume and consumption:** The combination of reduced product consumption through vending, and the greater concentration of total product order volumes through supplier reductions (and items vended from previous supplier), delivered more than \$890,000 in savings.

“The difference is in our people,” says Andies. “It’s their knowledge of products, and the experience and longevity of our MSC associates, that allows them to build deep relationships and knowledge of our customers’ business.”

SUCCESS FACTORS

It goes beyond order-takers: As a manufacturer, you have less time to get work done, so you need more than “order-taker” suppliers. You need business partners you can trust—extensions of your team who are prepared to find solutions and solve problems.

Information is a two-way street: If you want partners who can quantify and report hard numbers in cost savings and productivity improvements, be prepared to share your numbers with them. They need to know your costs, your consumption, your productivity and so forth, if they are to demonstrate improvements and results.

The cheapest tool may not be the cheapest tool: Keep your eye on TCO: Sharp tooling and metalworking experts will be prepared to show you how things like individual tool cost are only one part of your ultimate cost, combined with consumption and overall productivity.