

# Moeller Saves \$1.5 Million in Tooling, Cuts Costs to 1% of Sales



## OVERVIEW:

### Moeller Manufacturing Company

Moeller Manufacturing Company, Inc., Aircraft Division, specializes in machined parts for the gas turbine aircraft engine and power generation industries, including airfoils (blades, vanes, shrouds, segments, nozzles, and ring segments). The primary facilities in Wixom, Michigan, with 194 CNC-controlled machines, are responsible for all customer support, including design, engineering, manufacturing, quality assurance and customer shipments. Moeller has invested more than \$27 million in new capital equipment over the past six years.

**Application:** Inventory management for a range of precision metalworking applications with Inconels and nickel alloys, cobalt alloys, titanium, gamma titanium aluminide, stainless steels, and some aluminum.

**Facility Size:** More than 230,000 sq. ft. of manufacturing space

## CHALLENGE:

**Get a handle  
on tooling  
inventory costs**

Large aerospace manufacturer needed to quantify and control tooling spend.

## SOLUTION:

**More than 21 vending  
units manage more  
than 1,000 items**

After pilot installations, Moeller ramps up to maximize control and savings.

## RESULTS:

**Cost savings of  
over \$1.5 million,  
as promised**

Projected savings prove out in tooling, time and increased productivity.

# “Only MSC offered value beyond simply providing a vending machine. They separated themselves by their interest in becoming a true Moeller partner.”

Andrew Kramer, Application Engineer for Special Projects, Moeller Manufacturing Company

### CHALLENGE

In a classic American success story, Heinz and Adrienne Moellering came to the U.S. from Germany in 1949 and started a machining business in their chicken coop.

Today, sons David (CEO) and Dan (General Manager), and sister Sharon Brooks (Accounting Director), run Moeller Manufacturing. The company employs more than 650 in several facilities in Michigan, making precision turbine engine parts for GE, Boeing, Pratt & Whitney and Rolls-Royce, as well as general industrial machining for Siemens and others.

But for all its success, the company realized just a couple of years ago that it needed to get better control over its consumable tooling.

“We had virtually no accountability regarding who took which tools to do which jobs – inserts, end mills or whatever,” says Andrew Kramer, Application Engineer for Special Projects. “Machinists just went to the tool crib and took as many tools as they thought they needed to make a part. We had zero formal tracking to capture such activities.”

### SOLUTION

“We brought in several vending machine suppliers,” Kramer explains. “Only MSC offered value beyond simply providing a vending machine. They separated themselves by their interest in becoming a true Moeller partner. They came in and analyzed our total business and, right up front, told us that their ControlPoint™ Inventory Management solutions could save us \$1.5 million in one year,” says Kramer.

In 2011, the first MSC ControlPoint vending system was installed in the Downing facility. The ControlPoint Drawer unit held just 21 tools. Today, Moeller has 21 MSC ControlPoint vending units throughout its facilities, holding and managing more than 1,000 tools and MRO inventory.

### RESULTS

Back in 2011, that first MSC vending unit in the lathe area brought Moeller a \$27,000 savings in the first three months. Another three ControlPoint vending units were added in the Milling cell six months later; those delivered almost \$35,000 in tool savings within 90 days. During the past year Moeller has realized the \$1.5 million savings as promised, in everything from reduced tooling inventory and use to time savings in reduced downtime and reduced procurement costs, and in availability of tooling located at point of use.

In fact, before employing MSC’s ControlPoint Inventory Management solutions, Moeller was tying up more than 4 percent of its sales in perishable tooling. Now, after just a little over one year of the vending system implementation, that number has been reduced to 1 percent.

“Knowing that we can now go to a vending unit and get exactly what we need without downtime has been like night and day,” says Kramer. “Now we have control, now we have security, now we have accurate data related to our consumable tooling expenses.”

### SUCCESS FACTORS

**Even the Best Can Do Better:** There’s still a lot of money to be saved in tooling and in all indirect MRO costs, for everyone from the smallest to the largest shops.

**Get a Partner, Not a Supplier:** Demand more of your suppliers. They should be ready, willing and able to take a look at your operations and suggest ways to streamline the indirect supply chain to save you money and improve processes and profitability.