

Customer Testimonial

Sep. 2003

Mr. Jim Barnes

MRO Buyer

**Dana – Structural Solutions Division (St.Mary's, Ontario)**

"The ManageAL industrial dispensing system is implemented at our St.Mary's facilities since 2001. We have two units located in two different plant locations. The system is reliable and flexible, allowing continuous improvement. Downtime is minimal. We are looking at expanding the system having a central automated store with different units located strategically throughout the plant.

Some advantages of the ManageAL solution are:

1. **Cost savings:** all the Air Liquide products that are in the dispensing machines are on consignment. This represents a major reduction of up-front inventory costs. We only pay for what we use. The devices monitor consumption and automatically notify the supplier when minimum levels are reached. This reduces our administrative costs because the supply chain process is automated and streamlined. All we get is one invoice at the end of the month for our consumption.
2. **Inventory control and accountability:** efficiently control the turnover of each item and give us various reports. We now know who's consuming what, when and how many.
3. **Detailed monthly report:** the information provided in the monthly report allows us to improve our efficiency by reviewing our procedures and processes. We involved the Air Liquide experts to evaluate our consumption ratios and to "redesign" some procedures; we therefore reduced our monthly consumption and produced further cost savings.
4. **Flexibility and versatility:** if we are starting a new production or are initiating a new project, the content of the machine can be changed very quickly. Flexibility and versatility are important features that prevent delays and avoid costs.
5. **Employees now appreciate the fact that the products are now where they are needed.** Product on consignment is a philosophy that we are expanding to other non-welding suppliers. We will be having non-welding products available in the ManageAL dispensing units and we are asking the suppliers to work with an "on-consignment agreement", just like ManageAL and Air Liquide.

As with any change employees were hesitant. When we implemented the machines into the working areas, the employees did not like the change at first. But since then, the adaptation is behind us and they learned to appreciate the easy access and reduced waiting period of the system.

We've done the math; our overall savings far outweigh the rental of these point-of-use devices. It's a win-win situation. We consider the introduction of ManageAL as being a good business decision."

Jim Barnes

MRO Buyer

Dana, St.Mary's, Ontario



Testimonial received by email from Jim Barnes via Jim Verwer - Jan 2004.

The ManageAL units were first installed as a 6-month pilot project at Dana St Marys in the fall of 2001. The units have been in place ever since. This has become an ongoing learning experience for Dana and it has enabled Air Liquide to get to learn a lot more about Dana St-Marys.

The ManageAL units at Dana have reduced the need for large inventories for welding consumables because the inventory dispensed through the point-of-use devices is actually on consignment. When first installed, several thousand dollars of inventory from Dana's cribs was returned for credit.

There was no longer any need to write up large monthly purchase orders for thousands of contact tips, nozzles, liners, plasma parts, gloves that were deemed "general purchase" to be allocated for "all production".

One of the first units still in use is for the PN96 frame line. At that time Dana was running 3 lines in total including the PN96, Windstar and Excursion frame lines. Because the ManageAL units break down what each line uses by departments, data collected after a few month's time could readily be analyzed. Comparisons between all lines revealed consumable levels of every item dispensed including contact tips and liners.

It was established that the PN96 frame line which was using copperless .052 weld wire had considerably more contact tips and liners dispensed to that department.

Air Liquide documented this information and brought this to Dana's attention. As a result the PN96 line was switched over to Air Liquide copper coated wire, which reduced Dana's costs considerably.

In addition, the consumption level reports generated revealed other items of excessive usage. This prompting Air Liquide to investigate means to reduce consumable usage for Dana by working with their suppliers to find longer lasting or lower cost welding products.

The ManageAL program is much more than a just a dispensing machine at Dana St Mary's. In 2003, Air Liquide started to use information on Dana's production to create a month-by-month chart showing the ratio of consumable consumption to actual frame builds.

Setting up dispensing limits and implementing personal employee swipe cards can now document a reduction in cost to frame build. This allows Dana to know exactly how much welding consumables go into each frame and to work with Air Liquide to keep the cost per unit at a minimum level every month.

Using this data, Air Liquide will continue to work together with Dana as partners in cost reduction.

Jim Barnes  
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