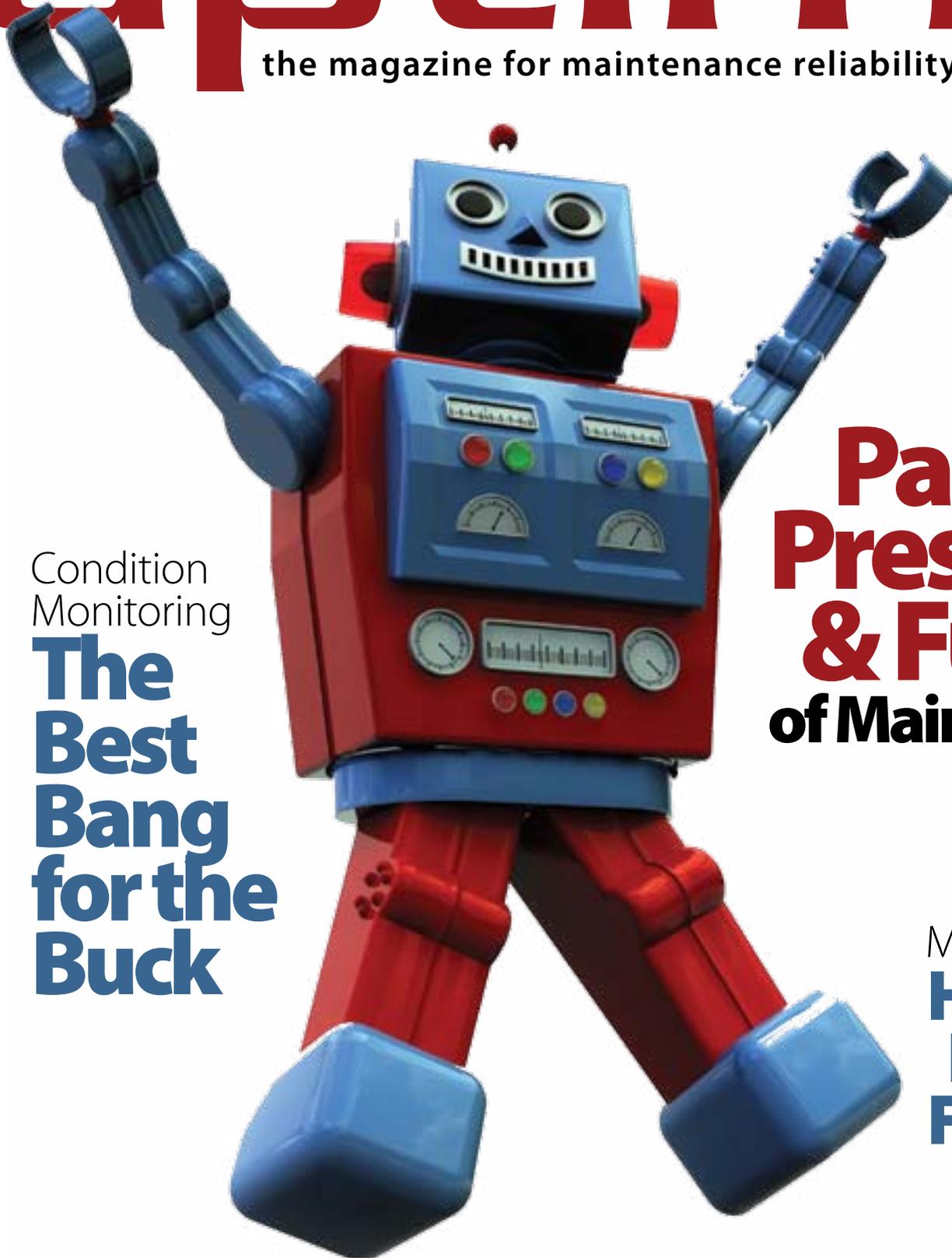


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# Orange County Container Group Achieved Over \$3 Million in Savings With CMMS Implementation

Gene Pargas

**Multi-million dollar savings is big news in any language. When Orange County Container Group (OCCG) implemented eMaint X3 CMMS (featuring bilingual customer support) to track inventory across multiple locations, they found substantial savings in what initially looked like small numbers.**

business for seven years before joining OCCG as Maintenance Manager of Mexican operations, bringing online a facility in Nogales, Mexico. Following a five-year stint as Maintenance Manager at LA Corporation, where he implemented their CMMS system, Chant returned to OCCG in 2009 as Director of Maintenance and Engineering. He needed to replace OCCG's resident CMMS, Datastream's MP2 system, which had poor mobile connection, resulting in maintenance workers often unable to enter information into the system as the work was being done. Further, maintenance managers had poor visibility

in addressing the need to handle inventory management at seven production plants in the U.S. and Mexico, OCCG achieved significant savings through changes such as a decrease in overtime by half an hour each day and a 1% reduction in downtime. These numbers may not sound impressive, but when applied across multiple technicians, assets, and locations, the savings increase exponentially. Bill Chant, Director of Maintenance and Engineering at OCCG, likens the savings to picking pennies up off the floor: while not terribly impressive at first blush, the pennies quickly turn into dollars; big dollars – over \$3 million.

A veteran maintenance professional with 30 years of experience in the corrugated paper production and printing business, Chant ran his own field service business

of inventory quantities at each site, so OCCG was unable to share inventory between sites, resulting in increased downtime while waiting for inventory from a distant supplier. Finally, the pervasive inventory inaccuracies not only impacted their borrowing base, but also resulted in a substandard on-time PM completion rate of 70%, along with excessive overtime caused by manual paperwork.

Faced with a corporate cost-reduction initiative and the need to track over \$6 million in inventory across multiple locations, Chant knew a robust CMMS

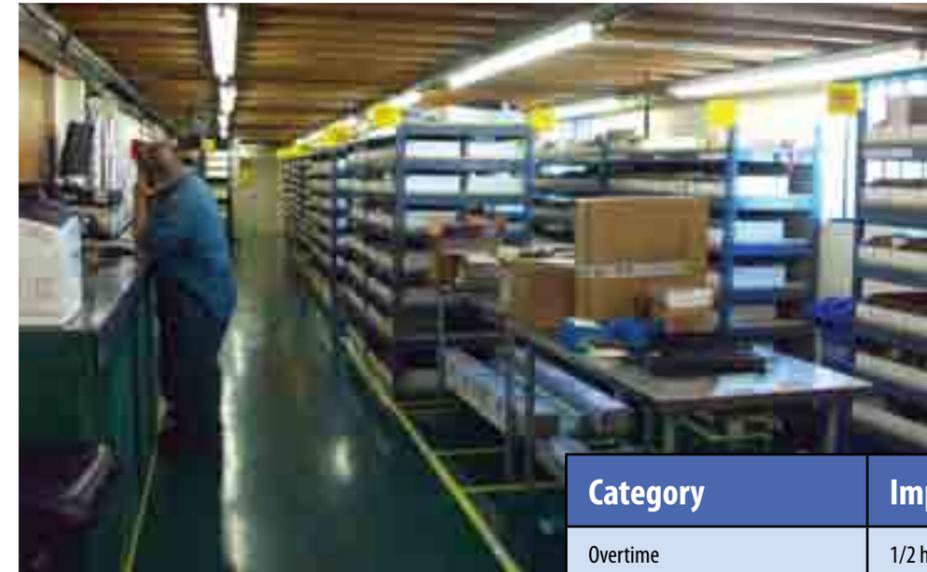


**Bill Chant credits the success of the CMMS implementation and the subsequent savings to many factors, including a team effort involving maintenance, IT, accounting, auditors, suppliers, and production, all dedicated to getting it right the first time.**

was the answer. Other considerations included recent acquisitions that lacked standardized procedures and employed multiple systems, and a need for bilingual training to support operations in Mexico. Multiple location inventory management and the ability to integrate with corporate accounting systems was essential, but Chant also wanted a web-based, easy-to-use CMMS to ensure a higher adoption rate, and he knew that

Spanish/English product and customer support would be critical to ensure a successful implementation. For ISO compliance, Chant needed a CMMS with security settings and the ability to limit rights by user. He also sought cost-effective barcode integration and wanted to find a CMMS that made it easy for IT and system administrators to configure settings.

The CMMS evaluation process began with the usual suspects: Oracle and SAP. Both were quickly eliminated as they exceeded the budget and were difficult for end users. Chant considered Datastream, but lack of control over handheld device selection made this solution costly, and a cumbersome reporting interface was a deal-breaker. With budget top of mind, Chant attended a free eMaint product demonstration and found the easy-to-use, web-based system promising enough to merit participating in a 30-day free trial. During the trial period, Chant determined that



eMaint's browser-based X3 CMMS solution would easily integrate with OCCG's corporate systems, that it was fully customizable, and that eMaint offered Spanish language customer support. It appeared eMaint would also support their need for multi-location inventory sharing and ISO compliance. OCCG's IT, maintenance, and administrative staff were favorably impressed, and Chant appreciated the on-demand training and workshops as an important implementation aid and ongoing training tool. Based on the many positives, eMaint X3 CMMS was selected for implementation at two pilot locations, City of Industry, CA and Tijuana, Mexico.

With the original goal of tracking and improving multi-location inventory management, a concerted effort involving OCCG's accounting and auditors was put toward accurately identifying inventory parts and costs. A min/max program was established to facilitate reordering and the program was configured so that every purchase order generates a work order. With eMaint X3, OCCG was also able to maintain ISO compliance and Lean standards. To ensure a successful implementation, extensive on-site training in English and Spanish was done utilizing eMaint's bilingual support capabilities. The results and benefits were immediate, so much so that corporate mandated a company-wide implementation of the application for Inventory Control at each site and between sites.

Today OCCG is using 80% of the eMaint system. Not only are all purchase orders entered into eMaint along with work orders for receiving parts, but also the system generates quotes for competitive bids from three suppliers, the Min/Max settings trigger parts reordering, all preven-

tive maintenance checklists are online, and inventory sharing is occurring across multiple locations. As a result, next-day air freight charges have dropped by 70%, a savings in dollars equivalent to the annual wages of one mechanic. Chant is busy picking up the pennies and adding up the dollars. In fact, in terms of real money, OCCG "found" over \$2 million in inventory (increasing their borrowing base), with one plant experiencing \$1.3 million in savings in reduced maintenance costs, without increasing downtime. Chant reports that on-time PM completions have improved to a stellar 99%, and standardized procedures have been implemented across 14 locations. Downtime has decreased by 1%, which translates to \$500,000 in annual savings. OCCG has further reduced waste spoilage from 13% to 9%, for an annual savings of \$2 million. Suppliers are held accountable in terms of both cost and availability, and overtime has been reduced by 1/2 hour per technician per day, an annual savings of \$200,000.

Chant credits the success of the CMMS implementation and the subsequent savings to many factors, including a team effort involving maintenance, IT, accounting, auditors, suppliers, and production, all dedicated to getting it right the first time, along with a focus on up-front training facilitated by eMaint. He relies on the on-demand training and workshops to keep the momentum going, and he seeks advanced training as he continues to bring additional plants and features online. Chant notes, "We originally chose eMaint X3 strictly for tracking inventory across multiple locations and for its bilingual support. We soon real-

Category	Improvement	Annual Savings
Overtime	1/2 hour a tech per day	\$200,000
Next Day Air Freight Charges	70%	\$70,000
Waste Spoilage	4%	\$2,000,000
Downtime	1%	\$500,000
Highlighted Annual Savings		\$2,770,000

ized there were additional gains to be made by utilizing other aspects of the system; further the ease of IT integration has allowed us to quickly leverage the system capabilities." Current OCCG CMMS plans include the utilization of handheld devices and barcode integration, along with going 100% paperless on PMs, with checklists accessed through work orders online. Chant looks forward to reporting on additional savings and improvements as he further integrates eMaint CMMS into OCCG operations.



Gene Pargas leads the national and international business development efforts at eMaint Enterprises, LLC from the Marlton, NJ headquarters. A productivity expert, he has a passion for helping people and organizations to achieve their performance goals. Gene served 9+ years in the U.S. Navy, including Guided Missile Destroyers and the U.S. Dept. of State's Bureau of Diplomatic Security, Overseas Sophisticated Technologies Division. He currently works with executives to identify their CMMS requirements and plan for successful implementations. [www.emaint.com](http://www.emaint.com)