

SWAGELOK COMPANY'S VALUE-ADDED SOLUTIONS HELP IMTECH SAVE TIME, MONEY, AND BOOST EFFICIENCY

Supply chain management is about building relationships between organisations. It is about getting the right products to the right place at the right time and at the right price. According to Johan La Grand, senior buyer at Imtech Analyser Systems in Goes, The Netherlands, a good customer-supplier relationship creates added value.

At the beginning of 2009, Imtech Analyser Systems won a contract for a substantial new engineering and construction project in the oil and gas industry. The size of the project called for an extensive inventory and more streamlined approach to supply chain management. "It was a complex project that involved the design, engineering and building of 18 analyser houses with 250 sampling systems in a period of just 12 months," comments Johan La Grand, senior buyer at Imtech Analyser Systems. "To complete the project successfully, we needed to be able to guarantee our client timely delivery of high-quality assemblies at a good price. This meant finding new ways of reducing production time, lowering procurement and logistics costs and optimising efficiency in our assembly line. We asked our suppliers to come up with ways of helping us achieve this goal." One such supplier was Swagelok Nederland, authorised sales and service center for Swagelok Company, manufacturer and supplier of fluid system solutions.



Swagelok Nederland provided kits of individually packaged components, packaged according to assembly instructions per sampling system.

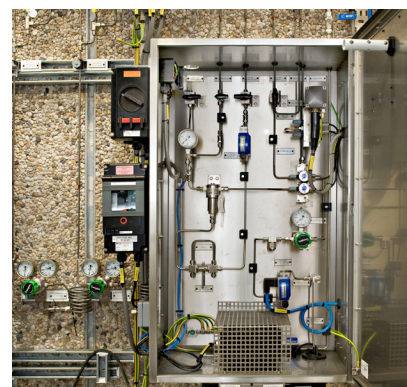
Photo courtesy of Imtech.

Custom solutions

Stanley Azijnman, account manager for Swagelok Nederland and sales representative to Imtech Analyser Systems explains how they went about finding a solution. "Swagelok has been supplying fluid systems components to Imtech Analyser Systems for some 25 years. Our relationship has grown continuously over the years and we were pleased to be asked to help supply and streamline this project. To be able to add value to Imtech's supply chain, it was essential that we supply Imtech with product and logistic solutions rather than just product components. Together, Johan and I went to great lengths to determine where to optimise efficiency in the supply chain and specify the right product solution."

"We also knew that we would need to convince Imtech of our capabilities and that this project would demand more of our relationship than ever before," adds Azijnman. For this reason, Swagelok invited Imtech to tour its production facilities in the UK and in the USA. "Despite our long-standing relationship with Swagelok, the tours of their facilities gave us additional confidence in their capabilities. It proved their dedication to us as their customer and to providing quality products," comments La Grand.

With this important phase of the sales process behind them, it was up to Swagelok Nederland to come up with a combination of solutions that Imtech Analyser Systems could use to improve its supply chain efficiency as requested. The result was a combination of Swagelok fluid system components, pre-assembled custom solutions, kitting and 24/7 access to Swagelok products with vendor managed inventory (VMI).



Interior view of a sulfinit coated sample conditioning system featuring Swagelok® stream selector valves, regulators, 40 series ball valves, and filters.

Photo courtesy of Imtech.

Reducing production time

"We had been briefed on the importance of just-in-time delivery as part of Imtech's strategic procurement plan to reduce production time and lower costs," continues Azijnman, "and in collaboration with Imtech's engineers, we compiled a proposal for a custom-designed kit that could be delivered on demand. These kits consisted of individually packaged components, packaged according to the assembly instructions per sampling system. Each kit consisted of ball valves, change-over manifold regulators, hoses, pre-assembled stream selector valves, tube fittings, pre-assembled pressure regulators, automated valve assemblies, manifolds, custom made products, and the list goes on." Swagelok Nederland delivered a kit for each of the 250 sampling systems. According to Imtech, it was the ideal solution.

"Swagelok's kitting service gave us everything we needed for the sampling systems, right when we needed it," comments La Grand. "We didn't have to buy stock in bulk, our installers didn't have to compile their own individual inventories and the pre-packaged kits were delivered to the door, on time. It was the ideal solution."

"Even though ordering in this manner can be relatively time consuming," the senior buyer continues, "it is an investment that has redeemed itself tenfold in the production process. Our goal was to implement a strict just-in-time delivery schedule and avoid having installers waiting around for equipment to arrive or wasting valuable time collecting components from stock. The kitting and custom-made assemblies enabled us to do just that."



The gas vent recovery system built by Imtech Analyser Systems features Swagelok 60 series ball valves, R series proportional relief valves, regulators, variable area flowmeters, filters, and 40 series ball valves.

Photo courtesy of Imtech.

Improving product availability with VMI

"The kitting was only part of the solution and we knew savings had to be made elsewhere," comments La Grand. "When we run out of stock, when changes are made to the designs and when we are missing vital components well into production, we usually have to contact the individual suppliers and put in new orders. It can take up to two days (and sometimes even longer) for the parts to be delivered. This means serious delays and additional paperwork. When we discussed this with Swagelok Nederland, they suggested the electronic VMI dispenser as a potential solution."

The electronic VMI contains an extensive selection of Swagelok products and is controlled electronically by an interactive computer display and monitored remotely from the supplier's sales and service center in Waddinxveen. The engineers at Imtech Analyser Systems use a personal security card to activate the system; they choose the project they are working on, the products they want, and the number of components; then the cabinet unlocks the appropriate drawer for the engineer. La Grand explains how pleased they are with the new system: "The electronic VMI gives us unlimited flexibility. There is no need for us to monitor our stock; Swagelok Nederland does that for us. As soon as we take something out of the cabinet, an e-mail is sent to Waddinxveen where the product is added directly to our single monthly invoice and when supplies are running low, Swagelok Nederland makes sure the cabinet is restocked. We don't have to worry about a thing."



Swagelok Nederland installed a vendor managed inventory (VMI) system for Imtech to provide immediate access to products.

Photo courtesy of Swagelok Nederland.

Creating added value

Swagelok Nederland's new electronic VMI dispenser has lowered Imtech's procurement and logistics costs as well as optimised efficiency. According to La Grand, there are both practical and emotional advantages to the new VMI dispenser. The electronic system ensures full security and product tracking is never an issue; there is no more waiting around for spare parts; no need for individual invoices and no more worrying about stock deliveries. Everything is taken care of by the supplier. "Our engineers can pick out the components they need, whenever they need them. When the dispenser first arrived, they were like kids in a candy shop," jokes La Grand. "We are certainly considering implementing the electronic VMI in other parts of the company. It's even quicker than just-in-time delivery; it's onsite and it's available 24/7."

These services were designed to provide customers with added value and in order to help Imtech quantify the results; Swagelok Nederland concluded the project with a Value Impact Partnership Report. This report is proof, in numbers, that by listening to its customer's wishes, Swagelok has succeeded in helping Imtech Analyser Systems achieve its goal. "Swagelok has given us the added value we were looking for," concludes La Grand. "We have reduced the cost of ownership, streamlined our procurement processes and saved time and money on logistics. We are more than satisfied with the results."



An exterior view of the analyser house.

Photo courtesy of Imtech.



This sample conditioning system sits on the exterior of the analyser house. It features Swagelok variable area flowmeters, stream selector valves, 40 series ball valves, filters, and Swagelok tube fittings.

Photo courtesy of Imtech.