



Building Products Manufacturer hammers down costs

The Challenge

BEB Industrial Asset Management was contracted by a major national manufacturer of windows, doors, and related products. The client had grown rapidly through mergers and acquisitions, and was operating assets at 65 locations nationwide. Asset management was totally decentralized, so there were vast differences in the client's management methods and in the effectiveness of those methods. **The primary concern was costs** associated with material handling equipment – that those expenses could not be accurately identified and were probably out of control.

The Response

BEB conducted extensive **site surveys**, reviewed and audited the data, and then analyzed the data using its proprietary software. All assets were photographed; and all contracts, production plans, and similar information were cataloged for each asset. Assets were found that the client was unaware of, and some assets that the client thought they had could not be found at all; but the inventory was finally accurate.

Procedures were instated with service vendors and equipment operators to ensure that the asset inventory and all associated information would be kept up to date going forward. As that information flowed through BEB, it was audited and entered into their proprietary software. BEB also facilitated new agreements for parts and service programs from preferred vendors.

Based on each location's total production plan, BEB constructed a production plan specific down to individual assets. Applying the cost data against that plan created a "cost per operating hour" metric that would become the **KPI** for the equipment.

To create costing benchmarks, the client's historical costs were reviewed and compared to costs of similar equipment and operations represented in the BEB database of over 100,000 industrial assets. **All maintenance contracts, warranties, and similar tools for each asset were recorded in the BEB system** to ensure that the proper costs were applied in the future.

Once plans and benchmarks were in place, BEB used its system and expertise to recommend changes in the equipment fleet. Repairs to surplus equipment were suspended, and a new

purchase order process was enacted to control future repairs. **Expensive rental equipment was replaced**, low utilization assets were repositioned to locations with greater needs, old equipment was sold, new equipment configurations were specified and RFQs were developed and issued.

After these initial changes, BEB began to manage all of the equipment on a daily basis. The BEB offices control all repair work through a toll-free centralized dispatch line and an automated PO process. All vendor invoices are audited before payment; and any disputes are managed by BEB. **All information on costing and production for the equipment is captured in the BEB system**, and reports are continuously generated for the client.

The Result

Today **the client always has contemporary and comprehensive information regarding their assets**. Through Web-based reporting, the client knows exactly what assets they have, where the assets are, whether the asset is leased or owned, what maintenance and warranties apply to asset, what the usage and cost plans are for the asset, and how that asset is performing against plan. Using BEB, the client views their information and metrics from the corporate level to the location level and down to the individual asset.

Originally, the client had underestimated their baseline costs by almost 30%. Once the "cost per operating hour" KPI was in place, and the BEB system was fully implemented, overall costs declined and **the KPI itself improved by almost 50%**.

Now the client has newer, better equipment; and they are doing more work with less equipment than ever before. Uptime is high and costs are low. Most importantly, **the client's locations are able to focus on their core business**, as BEB manages the administration of their equipment.

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