



Grocery chain checks out savings

The Challenge

BEB Industrial Asset Management was contracted by a major grocery store chain. The client was managing a diverse and complex supply chain, operating 15 distribution centers in multiple regions across the nation. Their asset management was totally decentralized, so there were vast differences in the client's asset types and management methods. **The primary concern was production.** In the fast cycle food warehousing environment, the managers could not afford for the supply chain to be interrupted by equipment issues. Unfortunately, imbalanced equipment pools, incorrect applications, and improper management was handicapping the operations. The managers generally knew the equipment was causing issues, but no one had the time to analyze those issues or develop solutions.

The Response

BEB conducted extensive **equipment utilization reviews**, collecting, auditing, and analyzing data. All assets were photographed; and all contracts, production plans, and similar information were cataloged for each asset.

To create benchmarks, the client's data was compared to similar data represented in the **BEB database of over 100,000 assets.** The equipment was judged on its suitability for the applications and environment. The equipment pools were reviewed for workload balance and efficiency. Lease and maintenance contracts were evaluated for economy and effectiveness. Ultimately, the data generated clear productivity measures and a costs-per-operating-hour KPI for all equipment.

Once plans and benchmarks were in place, BEB used its system and expertise to recommend changes. In the equipment fleet, **more efficient assets** were spec'd for future acquisition, and a replacement schedule was drafted. Also, **new leasing and maintenance contracts** were developed to better fit the client's needs. **Improved procedures** were instated with service vendors and equipment operators to ensure that asset information would be kept current going forward.

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 20%. 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 30%.**

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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BEB advantage for your business –**

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