

Finding The Stimulus Within

TO STIMULATE YOUR BOTTOM-LINE, TAKE A LOOK AT YOUR
INTERNAL PUMPING OPERATIONS FOR OPPORTUNITIES

By Thomas L. Stone



The Challenge

“Inaction is the riskiest response to the uncertainties of an economic crisis. But rash or scattershot action can be nearly as damaging.”

So begins an article—entitled “Seize Advantage in a Downturn”—co-written by David Rhodes and Daniel Stelter, senior partners and managing directors for The Boston Consulting Group, Boston, MA, that appeared in the February 2009 edition of *The Harvard Business Review*. The authors’ premise: there are hidden but significant opportunities nestled among bad economic news, and those companies that take the best advantage of the current circumstances will emerge even stronger when the economy begins its inevitable recovery.

To accomplish this, the authors recommend a two-pronged approach:

- 1) Stabilize your current business
- 2) Identify ways to capitalize on the downturn in the longer term

John Waraniak, Vice President of Vehicle Technology for the Specialty Equipment Market Association (SEMA), has the same advice, though his might be a little more brazen. In a presentation entitled “Don’t Waste This Crisis,” Waraniak argues that, “The instinct now is to wait out the uncertainty. That strategy is wrong. You have to think of new ways to compete.”

He suggests that the best tools for companies in an economic crisis are “situational awareness and the resources to address their observations” and that company leaders need to “manage the present, refuel for the future and selectively forget the past. When the rules change, you have to change your formula for success.”

Obviously, doing nothing and holding on for dear life are not acceptable options. Knowing that all aspects of the manufacturing industry can be affected by the current economic realities, the Pump Solutions Group (PSG™), Redlands, CA, offers readers a series of white papers designed for manufacturers that rely on industrial pumps to keep their operations running smoothly and efficiently. Called the “Production Stimulus Guide,” these white papers offer insights and tips on how proper selection and use of various types of pumping technologies can have a beneficial effect on the bottom line.

This first white paper focuses on “Looking at Internal Pumping Operations for Opportunities.”

The Solution

The most recent economic downturn hit so hard and cut so deep that even blue-chip, Fortune 500 companies responded by cutting costs in an effort to keep their bottom lines healthy. Among these Fortune 500 companies are some of the most well-known manufacturing entities in the world. So, it goes without saying that smaller, niche manufacturers also felt the pressure of reduced revenue combined with rising costs.

But before any of these companies take measures as drastic as closing down their operations, they should identify ways in which they could improve their operations. As Rhodes and Stelter write, “do a thorough but rapid assessment of your own vulnerabilities and then move decisively to minimize them.”

When it comes to manufacturing, that suggestion should trigger an immediate response: Are our operations as lean and efficient as they can possibly be? For too many manufacturers, this answer is often a lukewarm, “I’m not sure.” If that’s the case, things that look to be humming along smoothly without any apparent need to dig deep to find inefficiencies may be prone to hiccups in the operation. These hiccups might seem to be minuscule on the surface, but could add up to some serious expenses in the long run.

Many manufacturers have begun to ferret out these inefficiencies by making their operations “lean,” which doesn’t mean eliminating work force or downsizing operations. Instead, it measures what you have in terms of equipment and how it’s performing, learning what’s new in the market and then determining how any of the new technologies can help streamline your operations. With this in mind, for many companies, “It’s a good time to get lean!” has become a rallying cry.

Speaking specifically to manufacturing operations that require industrial pumps for the production, transfer or transport of various liquids and chemicals, there are a myriad of stages in the production cycle that can be reviewed with the goal of identifying and eliminating any inefficiencies. Among the most common areas in which to look for operational inefficiencies are:

- **Pump Size** — New facilities often incorporate pumps that are larger than necessary “just in case.” However, three or four years down the road, too many are still using the same oversized pumps even though production data has shown that a smaller, more energy-efficient pumps will operate just as well.
- **Pump Technology** — Selecting the pump technology for a specific liquid or range of liquids sometimes comes down to budgeting considerations. It may be like picking a utility fielder because of his salary instead of an All-Star third baseman. But now might be the time to research the broad spectrum of available pump types in order to choose a technology that better suits the application.
- **Energy** — Recent changes in engineering design have made some styles of pumps more efficient than the same pump was five years ago.
- **Air Flow** — Air systems are sometimes not optimally designed, resulting in set-ups that have bad bends in the piping, lots of leaks and too much, or not enough, air volume, all of which rob the system of efficiency and can turn into a drain on costs.

To combat these issues, PSG, a conglomeration of six of the most well-known and well-respected pump manufacturers in the world, has worked to develop many products that will provide users with a variety of pump technologies and sizes while also doing so in the most energy-efficient manner.

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Santos Flores, Director of Corporate Maintenance for Diversified Chemical Technologies, Inc., next to one of the many Wilden AODD pumps that have helped him stimulate the bottom line by reducing downtime by 50%.

Production Stimulus Case Study:

Diversified Chemical Technologies, Inc.

Detroit, MI

In 2005, when Santos Flores assumed the role of Director of Corporate Maintenance for Detroit, MI-based Diversified Chemical Technologies, Inc., (DCT), energy prices were soaring while energy budgets were tightening. He knew that streamlining operations would be one of his primary and ongoing focuses, but that can often be easier said than done when you're talking about a company with six distinct subsidiaries and nine manufacturing facilities. Among the products made by DCT companies are chemicals, adhesives, polymers, epoxies, lighting solutions and recycled-rubber products for the automotive, food and beverage, packaging, electrical and consumer-products industries.

"We have literally thousands of pumps here and tons of applications," said Flores. "I saw a lot of processes that I knew could have improvements, especially with a lot of our fluid-processing, our pumping different things, our metering."

With that, he implemented an aggressive program to identify inefficiencies and eliminate them as quickly as possible.

To do so, he enlisted the help of Tom Matheson of American Controls, Inc., Farmington Hills, MI, who suggested the Advanced™ Series air-operated double-diaphragm pumping technology from Wilden and centrifugal-pump operation provided by Griswold™ Pump Company's 811 ANSI Series.

DCT began installing the Wilden pumps four years ago and over that time numerous Wilden AODDs have been added throughout DCT's operations, while Griswold 811 ANSI pumps has solved problems that were continually occurring in a troublesome air-compressor system in DCT's Adhesive Systems facility.



Santos Flores next to the trouble-free Griswold 811 ANSI Series centrifugal pump in a cooling application.

"As we continue to upgrade our pumps, we make sure to go through them correctly, methodically, so we can fix them once then move on to the next project," Flores said. "The ones that we're losing the most money on are top priority and then we'll go right down the list. The Wilden and Griswold pumps have made my job a lot easier."

For the entire case study, please go to www.pumpsg.com.
(<http://processingmag.texterity.com/processing/200906/?folio=6>)

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PSG includes Wilden®, the world's largest manufacturer of air-operated double-diaphragm (AODD) pumps; Blackmer®, the largest global manufacturer of sliding vane pumps; Neptune™, a producer of chemical metering pumps and chemical feed systems; Movex®, a manufacturer of eccentric disc pumps; Almatec®, a premier manufacturer of air-operated diaphragm pumps specializing in plastic pumps with solid housings; and Griswold™, an ANSI centrifugal pump manufacturer.

Through the years, the PSG companies have earned the lofty status that they now enjoy in the manufacturing sector not just by claiming they have the best products, but by repeatedly delivering the best performance and return on investment to their customers. All PSG companies employ a cadre of engineers and technicians who are solely dedicated to finding, developing and producing the best pumping technologies for a wide array of critical operations. Over the decades, these engineers have made their companies the experts in various and specialized pump designs and operation.

Conclusion

Success in any business always comes down to being proactive. While no one had the ability to predict and determine the extent and depth of the latest economic downturn, the companies that have been able to persevere and remain more than just viable have been the ones that first made a thorough review of their operations in order to

find inefficiencies and then took decisive steps to eliminate them. In some instances, that meant investing capital to eliminate costly and frustrating downtime and equipment repairs.

Rhodes and Stelter conclude: "Companies adopting the comprehensive approach...will be not only better placed to weather the current storm, but also primed to seize the opportunities emerging from the turbulence and to get a head start on the competition as the dark clouds begin to disperse."

Either upgrading to pumping technologies from the companies of PSG, or fine-tuning the operations you currently employ, will help savvy companies create their own in-house stimulus plan. That can be as simple as this: run lean, run smart and run efficient now—and you'll come out better in the long run.

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