

MPW improves steel manufacturer's competitive position



**JOB COMPLETION
TIME REDUCED,
LABOR TASKS
STREAMLINED**

A U.S.-based steel manufacturer was looking to reduce its costs by 10 percent year over year for a three-year period in order to maintain its competitive position within the marketplace.

In addition to the cost savings, the client wanted to maintain excellent safety and quality-of-service records.

SOLUTION

MPW proposed an hourly rate that was higher than the current vendor's. However, an overall cost savings was achieved by reducing the job completion time and streamlining labor tasks.

Although MPW's labor rate was slightly higher than the market rate, its years of experience along with in-house engineering allowed MPW to implement innovative cost-cutting techniques. Through decreasing the total project duration and various other process improvements, MPW was able to make cost-efficient recommendations to plant management to accomplish its benchmarks.

By utilizing this approach rather than traditional reductions to the labor rate, MPW maintained or improved quality and safety standards. Some examples of process improvements were:

- Installation of a semi-permanent vacuum run which reduced setup and teardown time for the client
- Coordination with senior management for a more efficient work schedule system that eliminated overtime, accounting for a significant portion of the year-over-year cost reduction goals
- Creation of a plant-level project-tracking program to identify and streamline maintenance issues and delays

EXAMPLE: There was a leak in a conveyor system that required daily cleaning. MPW's Engineering team along with plant management identified and fixed the problem, reducing maintenance costs.

RESULTS

- Year 1** Overall costs dropped from \$2.4 million to \$2.1 million
- Year 2** Overall costs dropped from \$2.1 million to \$1.7 million
- Year 3** Overall costs maintained at \$1.7 million in addition to a decrease in man-hours-to-equipment ratio

COMMITMENT TO SAFETY

MPW recorded zero safety incidents during this project