

Managing Gases

When Your Supplier Does it For You.

By CLARE GOLDSBERRY, Associate Editor

Managing gases, from purchasing to maintaining inventory to usage, is a critical area for large manufacturers and welding shops.

Good management is the foundation of lean manufacturing.

Today, suppliers who have evolved their operations into more than just producing and delivering gases have become inventory and applications managers and are delivering those services to their customers.

Airgas (www.airgas.com) offers its trademarked Outlook Services as a program for the management of gas and consumable and other industrial supplies. The program evolved since its implementation in 1994, moving from specifically managing the supply of gases for customers, to managing welding supplies, safety equipment and hardgoods inventory.

Ken McDowell, director of Outlook Services for Airgas, said his company even will supply people, if they are called for.

"Those [Outlook] management services can include on-site Airgas technicians who manage procurement activities and product selection for specific welding applications," McDowell said.

The primary goal for Outlook Services is to reduce manufacturing costs. That means that an onsite technician would track all areas of welding operations.

"In welding applications, we're continuously trying to ensure that gas

is being used as efficiently as possible to reduce consumption, eliminate waste and increase production through quality," McDowell said.

Out of the nearly 150 sites that use Airgas' onsite Outlook Services, about half have a full-time technician who has an office at the customer's facility.

While there might be some initial reluctance to turn procurement, inventory management and usage oversight over to the supplier, McDowell said that once trust is established, the customer recognizes the value of the service that an onsite technician provides.

Larger Outlook Services customers include original equipment manufacturers, heavy equipment, and aerospace manufacturing facilities.

Airgas encourages each of its Outlook Services technicians to become advocates for the customer and to become a part of the customer's organization to find cost savings, streamline ordering and material handling, and manage inventory.

"This is more efficient for our Outlook Services technician because they have an inside look into our supply chain," said McDowell.

"In many of our customer locations, we monitor product usage versus the amount of product being delivered, and we note spikes in demand," McDowell said.

"If we find no reason for a spike, the technician will investigate and help the customer identify the cause,

such as a leak or a process problem. Given the volumes that these larger customers use, these can become high dollar leakages."

Praxair Technology Inc.'s (www.praxair.com) goal is to ensure that its customers have an uninterrupted gas supply, through its Supply Management Program.

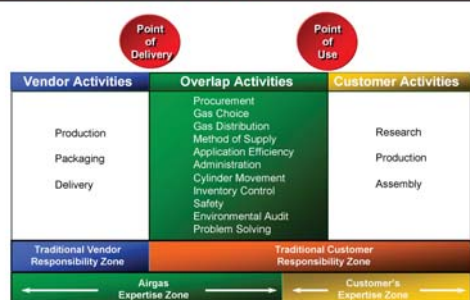
Praxair establishes a customized usage pattern for customers so that planners at the company's North American Logistics Center in Tonawanda, N.Y., can collect tank-level information by telephone or fax or with Praxair's remote telemetry unit to manage customers' inventories and deliveries. The inventory management is done with consideration for the way the customer is supplied, that is, through bulk, merchant or cylinder deliveries.

With 54 production facilities located in all of its major markets, Praxair has the ability to "load-shift" product, to maximize supply flexibility to match changing market conditions and customer requirements, particularly in tight-supply markets.

For faster industrial cylinder transaction processing, Praxair has its Accustom program that offers onsite invoicing and reduced paperwork, along with more specific delivery times and the convenience of credit card and electronic payments.

The handheld AccuStar computer allows Praxair to define a precise 1 hour or 2 hour window for delivery, or meet special delivery needs or

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Airgas uses this graphic to show how activities and areas of expertise between vendors and customers are increasingly overlapping, and how working as partners the skills of both vendors and customers extend their in-house capabilities.

The company said its goal is to create a seamless medical gas supply system for a facility.

The company's Tel-

routes it to the purchasing manager who reviews the order, then automatically loads it into Airgas' eBusiness system, and the required items are delivered the next day," he said.

Customers also can place purchase orders themselves on the Airgas e-business system.

Once the purchase order is entered into the main Airgas system, it is sent automatically to the local distribution point, and a print-out gives the local supplier all the information.

"Using the customer's automation and our automation, we make gas management seamless," Peterson said.

Another of Airgas North Central's customers was using high pressure cylinder gases, but because of the quantity, they converted to microbulk.

"We came in with a gas blender, a CO2 changeover manifold and a telemetry unit to measure their bulk argon usage. Getting away from cylinders and going to microbulk provides a big advantage as usage increases," said Peterson. "Moving to microbulk with a telemetry unit is perfect for eliminating the job of keeping track of cylinders."

Peterson added that Airgas North Central also has in-house engineering, so the company can engineer the right system for the customer.

"In each of our regions we have bulk gas capability to mix shielding gas onsite, but we also can look at the whole process to analyze what needs to be done to help even our mid-sized customers save gas. It's a good solution for the customer and helps them save gas," Peterson said. ■

provide enhanced delivery and routing and tracking.

Matheson Tri-Gas Inc. (www.mathesonrigas.com) offers two programs that are designed to help customers manage their gases inventory: First-Mate and Tri-Care.

The First-Mate program is designed to help Matheson's customers with equipment and specialty and industrial gases, and was developed as a solutions based approach to supply chain excellence.

"Matheson Tri-Gas helps each customer navigate through the supply chain experience with a minimum of time and effort on their part. The program incorporates several elements to facilitate a 'we'll do it for you' operating relationship," Matheson said in a press release on the program.

First-Mate provides customized assistance in each step of the supply chain and focuses on six key parameters that customers must have from their suppliers to achieve supply chain excellence. Those include quality, product, safety, convenience, support and delivery.

Matheson's Tri-Care program was developed specifically for medical customers and integrates bulk liquid and cylinder gases, cylinder asset management, quality assurance, gas distribution and safety.

Net electronic monitoring system monitors tank levels and pressures and transmits data automatically to Matheson's logistics center that is staffed 24-hours a day, seven days a week.

"Should any tank fall below a preset level, a tanker will be immediately dispatched," the company said.

Typically, smaller welding shops don't have formal inventory control systems, yet maintaining their inventories of gases is critical to getting the job done on time and without interruptions.

Airgas Inventory Management (AIM) services also offers a program to help smaller customers manage their inventory to eliminate waste and prevent service interruptions.

Erik Peterson, division vice president for Airgas North Central, cites an example of a valve manufacturer in the Chicago market.

"Our account manager does a weekly service check to inventory the empty cylinders, then meets with the welding supervisor to determine any hard goods needed," Peterson said.

"He then uses the customer's vendor PC and enters in the purchase order for cylinders and any hard goods the customer needs. This goes to the customer's automated buying system,

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