

Will the World End without Grease?

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An interesting relationship exists between the purchasing department and those in need of a just-in-time part. The order taker is great at faxing or emailing a part order, but he or she often isn't concerned with the dire implications of the weeks, days and even minutes that a company lies in wait for a part.

I had an interesting conversation with an engineer on the floor of a silicone injection molding facility regarding his lack of faith in his company's purchasing department. In his case, he puts the order taker in charge of commodity items like nuts, bolts, grease, oil and the occasional light bulb order. His purchaser is good at pushing paper, but he often doesn't know how to push a part through the supply chain. He submits an order that doesn't come in until July and, unbeknownst to him, the world as the engineer knows it is going to end if he doesn't have the part in hand within the next two days.

For this particular engineer, the purchaser only serves to take the easy orders off of his plate. According to him, "The purchaser can handle grease, and handles for that matter. I need grease, but my world won't end without grease, so I'm fine if he doesn't know when it is coming in."

Thus is the importance of the relationship between supplier and the supplied. The conversation began by discussing distributors — which companies he used, the ones he preferred and the few he was forever banished from using (by choice or company directive).

The distributors he praised were often those that were only a phone call away. While the digital age has led to certain technological barriers (online ordering, automated calls, customer service via instant message), the industry still has no replacement for the call to the direct line in order to perform a supply chain miracle.

With the company's grease needs covered, an injection molding press recently went down in the shop. The immediate action necessitated more than a few checkboxes, part numbers and online forms. The engineer needed a \$10,000 pump to have the press back up and running, and he needed it today.

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Well, the machine part was in Germany so today wasn't doable — raising awareness for tube travel and/or teleport technology. According to the supplier in the U.S., the best they could do was three days. When he asked why such a long timetable, the supplier noted how the part had to be flown into its distribution center (which would take two days) and then transported to the shop (an additional day). The notion of a three-day window being a long timetable is a testament to the strides suppliers and manufacturers have made to guarantee swift delivery.

The engineer took a moment to calculate the losses the company would suffer with the press down for three to four days. He furrowed as he considered the many enemies this situation stood to create and asked, "Why can't you have your guys in Germany ship it to me directly?"

His suggestion was met with a great pause, but the engineer implied that ten grand should be enough to get someone's attention. He had his part in-house on the second day — though the shipping totaled over \$600, a cost easily recouped with an up-and-running press. None of this would have been possible if the engineer didn't have an established relationship with the supplier, as well as the ability to pick up the phone and joke, converse and tell his supplier that a three-day delivery was "breaking his balls."

If I learned anything from the conversation, it was that the power of personal relationships — and the influence they hold — remains alive and well, yet to be sequestered into a Smithsonian display featuring Business Practices of the 20th Century.

Oh, and purchasers shouldn't worry either, companies always need light bulbs and grease, in one form or another.

What's your take? Email david.mantey@advantagemedia.com [1].

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