



## Case Study - 9730 Automotive Metalworking Fluids Consolidation

A key automotive customer was undergoing a total factory demolition and reconstruction to build a premium engine platform. The customer engaged Henkel to select metalworking fluids that would meet their needs. It was imperative that the selected fluids met corporate guidelines (Environmental, Health and Safety), be versatile, robust, and also biostable.

During the fluid selection process, Henkel conducted cost analysis and studied performance history of current and various other fluid products. The preceding chemical manager had eight different machining fluids and two cleaners. Using multiple different machining fluids created more complexity in fluid performance testing, risk of complicated root cause analysis in the event of a problem, and increased cost in maintaining stability of multiple fluid blends.

The cost analysis combined with the performance history resulted in a recommendation to use one machining fluid and one cleaning solution. By consolidating, the risk of operator error (contamination) has been eliminated, test processes were simplified, and variability greatly reduced.

By selecting a single supplier and utilizing Henkel buying power through Chemical Management, the customer has saved \$50,000 in the first year and is projected to save \$140,000 and \$200,000 in year two and three respectively. Due to product performance and cost saving potential, these fluids have been expanded to other facilities by the customer.

Process	Method	Impact Savings/Value to Customer	Timing
Application Expertise / Sourcing	Product evaluation, selection, reduction in additive costs	\$390,000	36 months

### More LEAN benefits realized by customer:



- Single point of contact for all metalworking fluids
- Ability to buy in bulk, saving 15%
- Reduction in additive costs by 80%
- System simplification through consolidation of procedures and processes
- Odor elimination / increased productivity through complaint reduction



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