



# ITT

Reliability, Energy, and  
Maintenance Solutions

## Inventory Solution Helps Paper Mill To Stock More Profit, Fewer Parts

*\$500,000 in savings across five mills*

Pumps in a paper mill have tough jobs. They move thick stock mixtures of pulp, water, and bleach through a long process, from washing wood chips to pressing finished product. They spray pulp onto screens that feed giant paper machines traveling at speeds up to 60 miles per hour. It takes a lot of pumps to keep the process moving – and with typical machines responsible for producing hundreds of tons of paper each day, downtime is not an option.

One ITT Goulds Pumps customer operates more than 4,000 centrifugal pumps at five pulp and paper mills in the United States. These mills produce specialty and premium paper products including imaging paper, paper for pressure-sensitive functions, converting and printing papers, containerboard, corrugated boxes, newsprint and market pulp.

The five mills together have the capacity to produce over 1.6 million tons of pulp and paper, with sales of over \$1 billion annually.

### **CUSTOMER PROBLEM:**

#### **“Worst Case Scenario” Stocking Parts Keeps Extra Costs on the Shelf**

Many paper mills have been around for as long as a century, and mills commonly have pumps of many different vintages to maintain. Unlike the petroleum and chemical industries, paper manufacturers have not developed standard sizes for process pumps to promote interchange of products and parts from different manufacturers. Most mill operators keep a big supply of parts in their inventory to be sure their pumps will keep running around the clock.

With five mills located in different states, and uncertain lead times to obtain replacement parts, this ITT customer stocked for the “worst case scenario.” Each mill managed its inventory independently, keeping parts on hand to fix virtually every conceivable problem. Managing this inventory is a time-consuming headache – and some parts remain in stock for five to ten years before turning over, tying up capital and storage space that could be used more effectively.

### **ITT SOLUTION:**

#### **An Inventory Partnership**

ITT has a better way for customers to manage and stock parts – the Inventory Solutions program.

*Engineered for life*



CASE STUDY

INVENTORY SOLUTIONS

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Once a facility is identified for Inventory Solutions assistance, ITT conducts two types of audits:

- On-site at the customer facility, a thorough review of critical pumps and the parts in stock for servicing them.
- Using the ITT Goulds database, a historical review of the customer's parts usage over the years – and an analysis of the lead time to obtain parts from ITT Goulds or its network of distributors.

ITT Goulds ensures through its network that most important parts can be shipped immediately. When hard-to-find parts aren't available, the lead time is usually three weeks or less thanks to efficient Goulds production processes and the company's internal inventory management.

Jim O'Connor, director of parts, sales and marketing for ITT Goulds, said the Inventory Solutions program is a true partnership with customers. When the audit identifies parts that a customer no longer needs in stock, it will help to resell them through the Goulds network.

"Essentially, we're helping customers to use ITT Goulds production capabilities, our own shelves and our network of distributors as an extension of their on-site inventory," O'Connor said. "We identify the parts that are mission-critical and must be stocked on-site. For all the rest, we ensure that parts will be available when they're needed – which saves each customer the effort, capital and wasted space of having too many parts in stock."

All five of the mills were assessed for inventory management recommendations. The audit allowed each one to achieve significant inventory savings. Along with its own distributor network, ITT Goulds helped the customer create a "mill-to-mill" network – a more integrated inventory approach that identifies parts available for shipment from sister mills.

### THE BOTTOM LINE:

Since the inventory assessment, the customer can use its space for storing paper stock, while stocking fewer spare parts on-site.

- Each of the mills saved between \$80,000 and \$150,000 from implementing inventory reduction recommendations.
- The company saved over \$500,000 in inventory reduction for all five mills.
- Mill to mill transfers are increasingly used as a way to keep inventory down.

