

Driving Success

The Importance of Smart Drive Systems Procurement



Introduction

As Australian manufacturers continue to find their feet in the 'Asian Century', the importance of innovation and working smarter, not harder to remain competitive has been pronounced by industry leaders and government officials alike. One key business area that is seeing a fundamental shift in outlook is within procurement and supply chain management.

The Productivity Commission has found that Australian manufacturers, not only have high labour costs, but also "suffered from high logistics costs". With components sourced from overseas suppliers, manufacturers are often subjected to long supply chains (Loussikian, 2013). This not only affects productivity, but long-term costs associated with poor procurement processes such as wastage and high levels of energy consumption. Successful procurement involves a holistic approach, leaning on stable supplier relationships and local knowledge.

Perfect Match: Finding the Right Partner in Procurement

The importance of finding the right supplier is now more important than ever to the success of a manufacturer. Leading industry experts have noted that, "organisations [are] becoming more reliant on procurement to identify the most suitable strategic partners that not only contribute to fostering innovation, but also help to maintain a competitive advantage" (Thomas, 2014).

The Australian Procurement and Construction Council (APCC) observed that successful procurement processes include "the adoption of an integrated procurement approach which incorporates whole-of-life costing models to increase overall effectiveness of the procurement activity" (APCC, 2003). It is about keeping future running costs in mind and, importantly, the quality of the product and its longevity.

However, manufacturers often source materials from multiple suppliers, thus commencing the difficult and sometimes impossible juggling act of supply chain management. And while "cheap" parts from multiple suppliers might make immediate economic sense, it is within the lifespan of the parts that we see that the associated long-term costs often come

to the fore. This affects the areas of downtime, maintenance costs, and energy requirements all of which are significant and costly elements of running a business and are often overlooked (Thomas, 2014).

And because procurement deals with demand, it is imperative that manufacturers scrutinise the supply and its ecological impact. Successful procurement procedures also take into consideration sustainable procurement which reduces cost through increased efficiency, reduced waste disposal, and reduced risk management (APCC, 2007).

Building solid relationships with quality suppliers is fundamental for successful procurement. Indeed, the relationship between supplier and consumer needs to become more streamlined in order to be more productive and mitigate possible complications within the supply chain. One key business figure has explained: "it is beneficial to emphasise the importance of investing time and resource for face-to-face interaction with partners to establish trusted relationships" (Thomas, 2014).

Drive Systems: Too Many Cooks in the Kitchen?

Drive systems are the nerve centre of any manufacturing process and, thus, vital to get right from the beginning. A typical drive system consists of a motor or gearmotor, a motor controller, a motion/process control PLC for human to machine interface and a visualisation for process adjustment. Piecing together integral, and sometimes complicated, equipment needs an uncomplicated and reliable supply chain.

Choosing to procure all system components directly from the manufacturer, or a 'mix-and-match' approach from various distributors, can be a difficult decision for manufacturers seeking to optimise drive and control systems in the manufacturing process. But of course, price points and availability of parts can dictate procurement processes, and often lead to multiple suppliers.

However, by selecting parts from different suppliers, engineers and the end user can sometimes miss out on vital savings. While initial price points can be quite low, if the pieces simply do not fit, the consequences lead to a higher Total Cost of Ownership. One potential pitfall is higher energy consumption resulting from the inadequate consideration being given to drive system efficiency at the time of project planning.



Given the potential complexity involved in purchasing drive systems, there are a few things to keep in mind:

- Consider a “one-stop-shop” drive systems provider - This may help avoid getting lost in the myriad of components and suppliers. Manufacturers can also limit costs and extra fees associated with a drive component puzzle that doesn’t quite fit.
- Form a trusted relationship with a “drive partner” - Working with people who know your business and provide solutions to meet your environmental and application parameters can ultimately lead to productivity and less down-time.
- Standardisation is the “key to price reduction” - Standardising on product offerings from one specialist supplier brings benefits to many aspects of a manufacturing business. From a procurement perspective, standardisation brings economies of scale, undoubtedly driving prices down during contract negotiations. From an operational point of view, supplier standardisation paves a path to a streamlined spares inventory as often one stocked component can be utilised as a replacement for components

installed in a vast number of locations, of course this needs to be considered at product selection stage.

- Local availability - When negotiating contracts with overseas project companies consider the manufacturer of parts installed within the project, too often spare parts cannot be sourced due to lack of local representation or inadequate stock holdings, this leads to increased downtimes and or higher replacement costs because of excessive express freight charges.
- In-house expertise - Consider a supplier backed by their own engineering, and sales team. Engaging with a supplier who has the capabilities to engineer a complete drive system can often eliminate the middle-man.
- Stop the blame game - One drive supplier responsible for the integrity of drive package eliminates finger pointing during initial system installation or service scenarios. One point of contact to solve your drive system problems at time of need.

SEW-EURODRIVE The Solution for Drive Systems Procurement Challenges

SEW-EURODRIVE has its own National network of assembly plants and technical sales offices throughout Australia and can supply a “Complete Drive Package” to suit most drive applications for the manufacturing industry. From assembly to maintenance, SEW-EURODRIVE provides end-to-end solutions and is one of the very few local suppliers that can tailor make drive packages to customer requirements from its vast inventory of modular components and parts:

- AC Motors, Asynchronous and Synchronous
- Geared motors/servo motors locally assembled
- Extensive stock of frequency inverters servo controllers and accessories
- Drive operator panels through to sophisticated motion control PLCs
- Engineering know-how to assist with pre and after sales support
- Australia and worldwide support and service network

SEW-EURODRIVE also supplies high-quality after-sales service and training with DriveACADEMY®, equipping engineers with the technical knowledge to project manage, install, maintain and troubleshoot equipment. The SEW-EURODRIVE DriveACADEMY® trains engineers in all aspects of the project from start to finish.

Procuring drive systems from SEW-EURODRIVE gives manufacturers the confidence that the people who make the drives, also assemble and service the drives. This constant contact enables SEW-EURODRIVE to form solid relationships with manufacturers.





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