

Increasing Efficiency and Reducing Cost for Tankless Water Heater Manufacturer

CHALLENGE

A manufacturer in the clean energy industry produces tankless water heating systems for industries like hospitality, healthcare, and retail services. The manufacturer was working with a contract manufacturer outside of the U.S. to produce metal parts. They ran into problems where the supplier's quality didn't meet expectations and the pricing was too high.

They decided to find a new metal part supplier in the U.S that could manufacture higher quality metal parts at a lower cost and also improve their manufacturing efficiency. The company's supply chain manager was tasked with finding a metal contract manufacturer that fit the requirements.

SOLUTION

One of The Metalworking Group's (MWG) customers became aware of the situation and referred the manufacturer to MWG. After previously working with MWG on other projects, the customer was confident MWG had the manufacturing capabilities to produce high quality metal parts at a lower cost.

During the initial meetings, it became evident that MWG had the manufacturing ability, equipment, and engineers to help the manufacturer through the development process. MWG also had the welding certifications required for the project such as Certified Welding and CWI Weld Inspection.

The Supply Chain manager stated "MWG quickly assessed our situation and provided an action plan for how to improve quality and cut costs, giving us confidence in our partnership."

SITUATION AT A GLANCE

- A tankless water heater manufacturer in the clean energy industry was sourcing metal parts internationally
- Their contract manufacturer was not delivering high quality parts and pricing was too high
- A Metalworking Group (MWG) customer referred the manufacturer to MWG
- MWG had the manufacturing ability, equipment, and engineers and welding expertise needed to help the manufacturer succeed
- MWG helped optimize the design and process, delivered the parts
- MWG delivered 500 tankless water heater enclosures on-time, at the price and quality requirements
- MWG helped the customer reduce overall costs, improve production effectiveness and transitioned quickly to enable continued sales delivery and new customer growth

APPROACH

MWG started the partnership by collaborating with the design and manufacturing engineers to provide both an accurate quote for pricing and the most effective way to move forward. The engineers then recommended optimized design patterns.

Once the design was finalized, MWG began manufacturing the parts for the tankless water heater enclosures. MWG utilized their highly-skilled certified welding technicians who used both metal inert gas (MIG) and tungsten inert gas (TIG) welding for the job.

Due to the size and volume of the parts, MWG utilized one of their plants that could accommodate assembling large quantities at once. MWG created an assembly line to process the job efficiently with limited handling.

The manufacturer also wanted to continue to use the same paint from the previous supplier and needed MWG to match the existing paint color. MWG took the sample piece of metal and matched the color using the right powder formulation for the application.

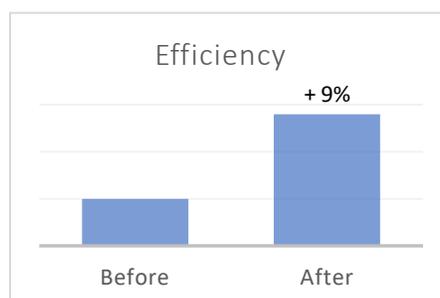
Once the tankless water heater enclosures were manufactured, MWG created custom packaging to ensure the product was transported safely with no damage.

RESULTS

MWG delivered 500 tankless water heater enclosure units on time. All units met quality and cost requirements. MWG improved the overall quality which included improving the assembly time, ultimately helping the manufacturer get to market faster and fulfill orders faster.

MWG helped the customer reduce costs in other areas. All of this resulted in the manufacturer being able to perform at a higher level and fulfill more orders for their customers while being produced in the United States.

MWG also exceeded the manufacturer's resourcing timeline during the transition, enabling the customer to maintain inventory to meet the sales goals and even gain a large commercial customer.



PROJECT HIGHLIGHTS

- Design Assistance
- Design Optimization
- Assembly
- Custom Paint Matching
- Custom Crate Packaging
- Certified MIG & TIG Welding
- CWI Weld Inspection



Tankless Water Heater Enclosure



Custom Crate Packaging

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