



## Eaton's Value Added Services enables MTA to standardize its material storage processes, become more efficient and eliminate errors

### Location:

Tribano (Padova, Italy)

### Challenge:

To increase the efficiency of the inbound logistics by improving the product handling process

### Solution:

The adoption of a customer tailored warehouse service which is offered through the Value Added Service Team - customized packing in warehouse containers. Each container can contain multiple products and they are separated by dividers and labelled externally for quick assortment

### Results:

The customer can standardize their inbound logistics process and reduce the product handling time by 60% and eliminate errors

*"We managed to eliminate waste, and this allows us to be more competitive. Our suppliers also had the same advantages, as the reduction of receipt time, sorting and warehousing. For us, this is a very successful result"*

*Francesco Longato; Continuous Improvement Manager*

### Background

For over 30 years MTA has been manufacturing equipment for compressed gases, industrial refrigeration and air conditioning and has subsequently built a reputation of being a highly respected brand. As a result of establishing themselves in the Italian market, over the years, MTA has been able to develop a worldwide commercial position and built a reputation for their product quality, flexibility and ability to serve the customer.

The company is known in the market for energy efficient products since their initial product development in 1982: of the Refrigeration air dryer. MTA continues to maintain a strong market share and has the ability to offer its customers optimal energy efficiency solutions for air and water.

Today MTA has 400 employees and produces over 50 products in their three Italian manufacturing sites in Conselve, Tribano and Bagnoli di Sopra, totalling 26,000 m<sup>2</sup> and with a production capacity of 22,000 products per year. The turnover in 2017 reached approximately 82 million euros of which 80% is represented by exports mostly in the Eurozone, and predominantly in Germany, France, Spain and the USA. MTA is present in over 80 nations all around the world through an extensive network of official representatives.

### Challenge

In 2013, MTA set up a division with a focus on the LEAN Manufacturing philosophy. Focusing on a systematic approach in minimizing waste, while maintaining high productivity and quality. The analysis of the company's logistic and process flows revealed the need to standardize the input process of materials and to improve their time spent on this process.

Every week, the company receives an average of six orders from Eaton with approximately 60 different products and a peak that can reach 6,000 pieces. In view of these numbers, efficiency is very important for MTA. They wanted to be able to receive the materials on time, better management of inventories, faster in-bound processing time and reduction of errors which can cause delay in production. The existing transport flow highlighted inefficiencies in timing and delivery method by suppliers.



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## Solution

Eaton, supplier of electromechanical components, proposed to MTA a Value Added Service according to the LEAN principles to improve the transport and delivery flows, which could meet the request to optimize time and reduce classification errors of the received materials.

Eaton was previously delivering components in five working days and one further working day was needed by MTA to store all the received goods in the correct warehouse location. By studying MTA processes, Eaton identified a solution to improve the warehouse delivery phase, making it more immediate and rapid.

MTA now receives the components divided by codes in a single package: each box contains, when possible, one set of products, or products with different codes but well separated to make it easier to identify them.

"We were dealing with a situation where, in addition to the technical delivery times, we were forced to add a further working day, with very high error rate, for sorting products. As a result, our resources were being used inefficiently, and they could have been used for other processes.

Our philosophy, including a LEAN perspective, is to work by team and to make sure that every member of the working group is able to do every kind of task. In this case, to make it possible, transport and delivery flow must be really accurate," said Francesco Longato, Continuous Improvement manager, MTA.

## Results

The new delivery method has considerably reduced the workload of the MTA team, simplified the logistic processes, facilitated the sorting phase and most of all, resulted in as close to zero error rating.

The customer produces 40,000 standard assemblies, and as a result of the improvements, they now receive the components for these ready for consumption. This action has reduced the overall process time by 60% (three hours instead of eight) and most of all, 100% elimination of errors and non-conformance.

And there's more, storage space has also decreased by 5%, further improving transport processes.

"We managed to eliminate waste, and this allows us to be more competitive. Our suppliers also had the same advantages, as the reduction of receipt time, sorting and warehousing. For us, this is a very successful result," said Francesco Longato. "We are now discussing with Eaton the opportunity to identify the next Value Added Services process which will focus on reducing packaging."

The customer is really satisfied with the tangible and solid improvements. The Eaton team is now an integral part of the MTA team as a result of the work carried out to streamline MTA's processes.



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