



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

NEWPORT, DELAWARE 19804

CHEMICALS AND PIGMENTS DEPARTMENT

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January 18, 1983

DU PONT CONFIDENTIAL - SPECIAL CONTROL

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COST REDUCTION FORECAST/ACCOMPLISHMENT REPORT

1982 YEAR TO DATE

NEWPORT PLANT

Attached is subject report.


J. L. BALASQUIDE
CONTROL SUPERVISOR

JLB:pmh
Attach.

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

FOURTH QUARTER 1982 - SUMMARY

	<u>Realized</u>	<u>Saving Forecast</u>	
	<u>Year to Date</u>	<u>Committed</u>	<u>Goal</u>
Ingredients	329	122	394
Labor and Salaries	2 188	1 071	1 414
Maintenance Material	216	157	334
Energy	412	590	841
Other	<u>572</u>	<u>364</u>	<u>822</u>
GRAND TOTAL	<u>3 717</u>	<u>2 304</u>	<u>3 805</u>
1982 Cost Reduction Index	10.1%	6.5%	10.3%

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
FOURTH QUARTER - 1982

\$M

Area - QA	Rsp'y	Realized Year to Date	Saving Forecast		Notes
			Committed	Goal Total	
<u>Ingredients</u>					
QAQ - New vs. Old Proc. 72¢/lb. saving	QA	23	72	120	(1)
Sitol - Use liq. vs. dry Sitol in 2,9 Dimethyl oxida- tion 45¢/lb. saving	QA	79	-	24	
Reduced Sodium Methyllate	R&D	45	50	250	(2)
Dowtherm Improve Solvent Recovery	QA	125	-	-	
Dowtherm - Make vs. purchase	R&D	57	-	-	
Sub-total		329	122	394	
<u>Labor and Salaries</u>					
Reduce staff from 18 to 12; and wage from 44 to 41	QA	357	-	48	
Manpower	R&D	57	20	20	
Sub-total		414	20	68	
<u>Energy</u>					
Steam - Save 1168M#/Mo.	QA	140	108	144	(1)
Electricity - Save 70M KW/Mo.	QA	8	24	48	(1)
Water - Save 2.5MM Gal./Mo.	QA	6	36	48	
Sub-total		154	168	240	
<u>Other</u>					
Incr. Fin. Yields by .5%	QA	102	72	108	
Reduce Substandard	QA	51	60	120	(3)
Cost reduc. by first-line supv.	QA	134	180	240	(4)
Waste Neutralization - Reduce caustic consumption by improved Ph control	QA	115	-	-	
Sub-total		402	312	468	
QA GRAND TOTAL		1 299	622	1 170	

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
FOURTH QUARTER - 1982
\$M

Area - CPC	Rsp'y	Realized Year to Date	Saving Forecast		Notes
			Committed	Goal Total	
<u>Labor and Salaries</u>					
Supv. from 18 to 11	CPC	242	216	216	
Wage from 44 to 34	CPC	305	144	144	
Manpower - Tech. from 11 to 10; Wage from 16 to 15	R&D	<u>57</u>	<u>72</u>	<u>72</u>	
Sub-total		604	432	432	
<u>Energy</u>					
Economizer - #4 Boiler	Mech.	117	244	244	(7)
Ins. 200M Ga. #6 Fuel Oil Tank - Powerhouse	Mech.	<u>14</u>	-	<u>16</u>	
Sub-total	<u>R&D</u>	131	244	260	
<u>Other</u>					
Reduce kerosene - Yield	R&D	42	-	100	
Pigment losses	R&D	-	40	40	
Substandard reduction	R&D	9	-	6	
Low cost BT-417/487	R&D	-	-	60	(5)
Powerhouse - Demineralizer Resin replacement	CPC	<u>16</u>	-	-	
Sub-total		67	40	206	
CPC GRAND TOTAL		802	716	898	

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
FOURTH QUARTER - 1982
\$M

Area - Control & Empl. Rel.	Rsp'y	Realized Year to Date	Saving Forecast		Notes
			Committed	Goal Total	
<u>Energy</u>					
Shut down A-52/A-41, turn off utilities	Cont.	4	1	4	
Sub-total		4	1	4	
<u>Labor and Salaries</u>					
Reduce N.E. from 5 to 3	E. R.	24	27	27	
Reduce Exempt from 9 to 5	E. R.	56	144	144	
Reduce Exempt from 7 to 4	SH&E	40	96	96	
Reduce Wage from 6 to 5	SH&E	3	-	-	
Reduce Exempt from 13 to 9 ')					
Reduce N.E. from 27 to 21)	Cont.	184	29	239	
Reduce Wage from 24 to 14)					
Sub-total		307	296	506	
<u>Other</u>					
Asbestos disposal	SH&E	20	-	-	
Copier Rental (A-52)	Cont.	2	-	2	
Computer Rental	Cont.	12	12	12	
Reduce Accts. Payable verifications charges from \$91M to \$60M/year	Cont.	24	-	30	
Relocate gasoline tank, and ins. Keytrol System	Cont.	-	-	11	
Reduce l.d. calls by improved monitoring	Cont.	-	-	5	
Switch pallet recond'rs reduce cost from \$5.70 to \$2.50 per pallet	Cont.	-	-	28	
Kerosene frt. rate reduction	Cont.	45	-	60	
Sub-total		103	12	148	
CONTROL & E.R. GRAND TOTAL		414	309	658	

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
FOURTH QUARTER - 1982
\$M

Area - Mechanical (Cont.)	Rsp'y	Realized Year to Date	Saving Forecast		Notes
			Committed	Goal Total	
<u>Labor and Salaries (Cont.)</u>					
Reduce wage from 119 to 112	Mech.	541	126	126	
Less use of temporary supervisors	Mech.	10	2	2	
Increase productivity of insulators	Mech.	34	-	60	
Other items	Mech.	44	25	50	
Sub-total		863	323	408	
<u>Energy</u>					
Improve steam trap maintenance program	Mech.	49	150	300	(8)
Roller bearing vs. old babbit bearing on two new CPC mills	Mech.	14	27	27	
Improve doors and windows Mechanical Bld.	Mech.	40	-	10	
Miscellaneous	Mech.	20	-	-	
Sub-total		123	177	337	
MECHANICAL GRAND TOTAL		1 202	657	1 079	

NEWPORT PLANT
COST REDUCTION FORECAST/ACCOMPLISHMENT
FOURTH QUARTER - 1982
\$M

Area - Mechanical	Rsp'y	Realized Year to Date	Saving Forecast		Notes
			Committed	Goal Total	
<u>Maintenance Material</u>					
Incr. use of recond. mat'ls.	Mech.	40	40	40	
Alloy repair of glass-lined kettles	Mech.	1	-	20	
Better contract adm. through bid packages	Mech.	23	-	72	
Incr. SMD sales	Mech.	15	-	20	
Expand use of T&M vs. bid price on CPC steel repl. due to un- certainties for bid	Mech.	18	40	40	
Spare caustic scrubber fan installed in CPC	Mech.	14	4	4	
Use avail. C&P equipment vs. rental	Mech.	10	-	10	
New vendor-road repair	Mech.	14	20	20	
Protective coat plant roads	Mech.	-	-	30	
Auth'd. project will elim. sewer line emergency repairs	Mech.	11	28	28	
Other items	Mech.	70	25	50	
Sub-total		216	157	334	
<u>Labor and Salaries</u>					
Expand use of Chambers Works shop facilities	Mech.	10	50	50	
Reduce exempt from 29 to 26	Mech.	224	120	120	

NEWPORT PLANT

COST REDUCTION FORECAST/ACCOMPLISHMENT

FOURTH QUARTER 1982

NOTES

- (1) Decreased savings due to reduced production demand.
- (2) Program to reduce sodium methylate by 10% was not successful.
- (3) Cannot work off as rapidly at lower production rates.
- (4) Implementing "Zero Base" budgeting 5/82.
- (5) Terminated.
- (6) Ahead of "Zero Base" budget schedule.
- (7) Start-up problems.
- (8) Program to be fully implemented in 1983.