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Newark, New Jersey
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W. H. McCOY
AMERICAN INTERNATIONAL BUILDING
C & P - WILMINGTON

NEWARK COST REDUCTION ACCOMPLISHMENT

JANUARY THROUGH MARCH, 1981

Attached is a summary and detail illustrating Newark Plant's
Cost Reduction Accomplishment for the subject period.


M. W. DOWNS
WORK ANALYST

MWD/jmw
Attachments

COST IMPROVEMENT - FORECAST vs. ACTUAL

PLANT - NEWARK, NEW JERSEY
DATE - 1981 - FIRST QUARTER

(All Values in Thousands of Dollars)

	CURRENT QUARTER		YEAR-TO-DATE		YEAR		NEXT YEAR CARRYOVER		
	FCST.	ACT.	FCST.	ACT.	FCST.	ACT.	YTD ACTUAL	TOTAL YEAR FORECAST	ACTUAL TO DATE PLUS CUR. EST. TO-YEAR-END
INGREDIENTS	72	93	72	93	295	253	25	15	40
LABOR AND SALARIES	66	82	66	82	520	584	44	108	152
MAINTENANCE MATERIALS	4	8	4	8	18	18	0	0	0
ENERGY	7	74	7	74	28	105	3	0	3
OTHER	34	37	34	37	115	102	2	0	2
TOTAL	183	294	183	294	976	1062	74	123	197

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NEWARK COST REDUCTION ACCOMPLISHMENTS

JANUARY THROUGH MARCH, 1981

DEPARTMENTAL SUMMARY

<u>DEPARTMENT</u>	<u>FORECAST</u>	<u>ACTUAL</u>	<u>1981 GOAL</u>
A. MANUFACTURING & RAW MATERIAL	\$ 19,010	\$ 14,570	\$ 197,640
B. PROCESSING	81,660	85,510	426,650
C. FINISHING	21,630	53,830	364,500
D. CONTINUOUS & SEMI-FINISHED	16,010	3,000	346,000
E. MECHANICAL	26,110	97,850	150,040
F. CONTROL	18,490	26,290	72,780
G. EMPLOYEE RELATIONS	1,040	1,040	3,080
H. COLOR TEST LABORATORY	0	12,500	50,000
TOTAL	\$ 183,950	\$ 294,590	\$1,610,690
RESEARCH & DEVELOPMENT ITEMS INCLUDED IN ABOVE REPORTING BY RESPECTIVE AREAS	\$ 70,330	\$ 76,200	\$1,010,780

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	NOTES
INGREDIENTS							
A-1	INCREASE SODIUM MOLYBDATE YIELD	MFG.	\$ 5,380	\$ 6,800	\$ 6,800	\$17,000	(1)
A-2	INCREASE DISPERSED PASTE YIELD	MFG.	920	6,400	6,400	6,400	
A-6	REDUCE ICE CONSUMPTION	MFG.	0	0	9,000	0	
A-7	REDUCE FLOP MOLYBDATE	MFG. R&D	0	13,280	13,280	6,000	(2)
A-8	LIQUID ALUM TO REPLACE DRY POWDER	MFG. R&D	0	4,750	4,750	4,750	
B-1,2, 3,4	IMPROVE PROCESSING AREA YIELDS	PROC.	62,890	119,250	119,250	119,250	
B-8	IMPROVED PROCESS REPRODUCIBILITY	PROC. R&D	12,000	0	100,000	45,000	(3)
B-9	MEMBRANE PRESS	PROC. R&D	0	81,000	81,000	0	(4)
D-1	LIQUID ALUM TO REPLACE DRY POWDER	CONT.PR. R&D	0	18,500	18,500	9,250	(5)
D-2	NOX RECIRCULATION LOOP	CONT.PR. R&D	3,000	6,000	6,000	6,000	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I. D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			NOTES
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	
<u>INGREDIENTS</u>							
D-3	IMPROVED LEAD & CHROME FLOW CONTROL	CONT.PR. R&D	\$ 0	\$ 9,900	\$ 12,900	\$ 9,900	
E-1	IMPROVED TOTE ADAPTER DESIGN	MECH.	2,500	7,500	12,000	7,500	
F-1,5	PLANT BUYER	CONT.	5,850	22,000	22,000	22,000	
SUBTOTAL			\$ 92,540	\$ 295,380	\$ 411,880	\$ 253,050	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			NOTES
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	
<u>LABOR AND SALARIES</u>							
A-3	INCREASED PRODUCTIVITY	MFG.	\$ 0	\$ 0	\$ 25,000	\$ 0	
A-4	TOTE BINS IN PLACE OF DRUMS FOR QA	MFG.	2,590	46,560	46,560	12,000	(6)
A-5	REPLACE TWO DIAZO PRESSES	MFG.	0	0	5,000	0	
A-8	LIQUID ALUM TO REPLACE DRY POWER R&D	MFG. R&D	0	4,750	4,750	0	
A-11	ELIMINATE ONE R.M. OPERATOR BY REARRANGING WORK	MFG.	2,680	0	32,200	2,680	(7)
B-9	MEMBRANE PRESS	PROC. R&D	0	69,000	69,000	0	(4)
C-1	ORGANIC DRUM WASHER	FIN. R&D	0	34,000	34,000	20,400	(8)
C-4	INSTALL BLENDER TIMERS	FIN.	130	500	500	500	
C-5	ORGANIC DUST COLLECTION FACILITIES	FIN. R&D	0	8,000	8,000	5,000	
C-6	INORGANIC DUST COLLECTION FACILITIES	FIN. R&D	0	18,000	18,000	16,000	
C-7	IMPROVED BATCH MOLYBDATE QUALITY	FIN. R&D	5,000	0	42,000	42,000	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			NOTES
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	
LABOR AND SALARIES							
C-8	ELIMINATE KROLOR COMPONENT INVENTORY	FIN. R&D	\$ 0	\$ 0	\$ 25,000	\$ 0	
C-9	IMPROVED CONT. PROCESS QUALITY	FIN. R&D	10,700	0	72,000	72,000	
C-10	IMPROVED KROLOR QUALITY	FIN R&D	9,000	0	59,000	59,000	
C-11	IMPROVED NEWPORT QA QUALITY	FIN. R&D	15,000	0	60,000	60,000	
C-12	IMPROVED NEWPORT CPC QUALITY	FIN R&D	9,000	0	35,000	35,000	
D-1	LIQUID ALUM TO REPLACE DRY POWDER	CONT.PR. R&D	0	18,500	18,500	9,250	(5)
D-3	IMPROVED FLOW CONTROL	CONT.PR. R&D	0	23,100	30,100	23,100	
D-4	CONT. PROCESS MANUFACTURE OF YE-698	CONT.PR. R&D	0	240,000	240,000	120,000	(9)
D-5	IMPROVED CONTROL OF BAG WEIGHTS	CONT.PR.	0	15,000	20,000	15,000	
E-19	CONSOLIDATE JANITOR FORCE	MECH.	4,490	4,140	4,140	4,490	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	NOTES
LABOR AND SALARIES							
G-4	ELIMINATE TIME CLOCK	E.R.	\$ 230	\$ 610	\$ 610	\$ 610	
H-1	COMPUTER AIDED COLOR READING	CTL	12,500	0	50,000	50,000	
A-10	ELIMINATE RAW MATERIAL SUPVR. BY REARRANGING WORK	MFG.	0	0	40,900	0	
A-9	REDUCE 6 BLDG. ELEVATOR MAINT.	MFG.	3,000	3,000	3,000	3,000	
B-5	POLYPROPYLENE PLATES & FRAMES	PROC.	800	1,600	1,600	1,600	
E-2	REDESIGN MOLTEN LEAD DISTRI- BUTION SYSTEM	MECH.	0	10,000	25,000	10,000	
E-3	REDUCE BLDG. & EQUIPMENT MAINT.	MECH.	1,250	5,000	10,000	5,000	
E-8	VIBRATION ANALYSIS PROGRAM	MECH.	1,880	2,500	6,250	2,500	
E-9	PERT	MECH.	0	2,500	5,000	2,500	
E-10	IMPROVE PACKER SEALS, 123 BLDG.	MECH.	1,200	4,800	4,800	4,800	
E-14	ELIMINATE SPLITTER, CONT. PROC.	MECH.	1,330	5,000	5,000	5,000	
E-15	DELFIN STRIPS ON PRESS PLATE HANDLES	MECH.	330	1,000	1,000	1,000	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			NOTES
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	
<u>LABOR AND SALARIES</u>							
E-16	HI-PRESSURE WATER FOR FIN DRUM CLEANING	MECH.	\$ 750	\$ 1,500	\$ 1,500	\$ 1,500	
E-17	IMPROVED AUTOMATIC LUBRICATOR, P&S DRYER BELT	MECH.	250	250	250	250	
E-18	REPLACE HCL TANK PLATFORM WITH FRP	MECH.	250	250	250	250	
SUBTOTAL			\$ 82,360	\$ 519,560	\$1,003,910	\$ 584,430	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			NOTES
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	
<u>MAINTENANCE MATERIALS</u>							
E-3	REDUCE BLDG. & EQUIPMENT MAINT.	MECH.	\$ 1,250	\$ 5,000	\$ 10,000	\$ 5,000	
E-7	ARGON CYLINDER REFILL	MECH.	750	2,500	2,500	2,500	
E-8	VIBRATION ANALYSIS PROGRAM	MECH.	5,620	7,500	18,750	7,500	
E-14	ELIMINATE SPLITTER	MECH.	670	2,500	2,500	2,500	
E-15	DELTRIN STRIPS ON PRESS PLATE HANDLES	MECH.	170	500	500	500	
SUBTOTAL			\$ 8,460	\$ 18,000	\$ 34,250	\$ 18,000	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I. D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST		
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED
<u>ENERGY</u>						
B-7	IMPROVED DRYER UTILIZATION	PROC.	\$ 0	\$ 5,000	\$ 5,000	\$ 5,000
E-4	INSULATE TOPS OF P&S DRYERS	MECH.	0	3,000	3,000	3,000
E-5	REDESIGN STEAM TRAP PIPING ON P&S DRYERS	MECH.	1,000	3,000	3,000	3,000
E-6	HEAT SPY INFRARED VIEWER	MECH.	5,000	2,000	4,000	8,000 (10)
E-11	ENERGY CONSERVATION	MECH.	65,420	5,000	10,000	75,000 (11)
E-12	CONTROL COMBUSTION AIR ON 7 & 8 BOILERS	MECH.	1,720	7,500	15,000	7,500
E-13	MORE EFFICIENT ELECTRICAL EQUIP.	MECH.	720	0	3,000	3,000
B-9	MEMBRANE PRESS	PROC. R&D	0	3,000	3,000	0 (4)
SUBTOTAL				\$ 73,860	\$ 28,500	\$ 46,000
					\$ 104,500	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER 1981

I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST		
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED
OTHER						
B-5	POLYPROPYLENE PLATES & FRAMES	PROC.	\$ 8,900	\$ 17,800	\$ 17,800	\$ 17,800
B-6	SINGLE vs DOUBLE CLOTHS, WASH PRESSES	PROC.	920	30,000	30,000	20,000 (12)
C-1	ORGANIC DRUM WASHER	FIN. R&D	0	6,000	6,000	3,600 (8)
C-2	REFRIGERATE CO2 STORAGE TANK	FIN. MECH.	2,000	2,000	2,000	2,000
C-3	MANUFACTURE FLAKE DRY ICE	FIN. PURCH.	3,000	3,000	3,000	3,000
F-1	PLANT BUYER	CONTROL	19,950	50,000	50,000	50,000
F-2	ALL PURPOSE COPY PAPER	CONTROL	150	440	440	440
F-3	LEASE SIX MODEL 3277 CRT UNITS	CONTROL	140	140	140	140
F-4	DISCONTINUE PRINTER RENTAL	CONTROL	200	200	200	200
E-20	DISCONTINUE RODENT CONTROL CONTRACT SERVICE	MECH.	1,300	2,600	2,600	2,600
G-3	REDUCE RATE FOR RELIEF NURSE	E.R.	150	580	580	580

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I.D.	CATEGORY/PROGRAM	RESPON- SIBILITY	REALIZED YEAR-TO-DATE	SAVINGS FORECAST			NOTES
				COMMITTED	GOAL TOTAL	CURRENT ESTIMATED	
<u>OTHER</u>							
G-4	ELIMINATE TIME CLOCK	E.R.	\$ 240	\$ 640	\$ 640	\$ 640	
G-5	REDUCED HOURS FOR MEDICAL TECH.	E.R.	420	1,250	1,250	1,250	
			<u>\$ 37,370</u>	<u>\$ 114,650</u>	<u>\$ 114,650</u>	<u>\$ 102,250</u>	

NEWARK, NEW JERSEY

COST REDUCTION FORECAST/ACCOMPLISHMENT - FIRST QUARTER, 1981

- Notes:
- (1) Improved press washing; better than expected performance.
 - (2) Poor performance due to operator errors.
 - (3) Original calculations revised to exclude water pounds.
 - (4) Project deferred (cash conservation). Awaiting testing of first press.
 - (5) Project installation in progress, expect to complete in 2nd quarter.
 - (6) Lower QA production levels has reduced the savings potential.
 - (7) One operator was reduced for a one month period, however, schedule changes required reinstatement.
 - (8) Installation not complete. Expect completion in 2nd quarter.
 - (9) Delayed due to process problems; expect to start in 3rd quarter.
 - (10) Greater utilization of the heat spy to determine heat losses.
 - (11) Extremely cold winter and the installation of thermostatically controlled heating coils in two office buildings.
 - (12) Changes in production pattern has reduced savings potential.