

cc: J. M. Loether
D. O. Miller
R. H. White

Newark, New Jersey
September 24, 1981

Handwritten: N-153 + Int page

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NEWARK 1982 COST REDUCTION FORECAST

Attached is a draft of the plant's 1982 cost reduction forecast.

Will you please review and return to the writer by October 2, 1981 with your comments, additions or deletions.

M. W. Downs
M. W. DOWNS
WORK ANALYST

MWD:klw
Attachment

PRODUCTION DIVISION COST IMPROVEMENT FORECAST

PLANT - NEWARK, NEW JERSEY
DATE - SEPT. 23, 1981

(All Values in Thousands of Dollars)

	FIRM					CARRY OVER	GOAL					CARRY OVER
	1982				I		II	III	IV	YEAR		
	I	II	III	IV								
INGREDIENTS	112	117	112	112	453	5	4	5	5	6	20	2
LABOR & SALARIES	127	134	123	115	499	12	37	40	40	34	151	3
MAINTENANCE MATERIALS	6	6	6	7	25	—	2	2	3	3	10	—
ENERGY	8	8	8	8	32	—	4	4	5	5	18	—
OTHER	16	16	17	15	64	—	—	—	—	—	—	—
TOTAL	269	281	266	257	1,073	17	47	51	53	48	199	5

M.W. Downs/JJC

NEWARK 1982 COST REDUCTION FORECAST

	FORECAST SAVINGS		
	FIRM	ADDITIONAL GOAL	GRAND TOTAL
INGREDIENTS & PACKAGES	\$ 453,580	\$ 20,000	\$ 473,580
LABOR & SALARIES	498,410	150,910	649,380
MAINTENANCE MATERIALS	24,710	9,610	34,320
ENERGY	32,420	18,330	50,750
OTHER	64,050	—	64,050
TOTAL	\$ 1,073,230	\$ 198,850	1,272,080

NEWARK 1982 COST REDUCTION FORECAST

	FORECAST SAVINGS		
	<u>FIRM</u>	<u>ADDITIONAL GOAL</u>	<u>GRAND TOTAL</u>
MFG. & RAW MAT'L.	\$ 52,950	\$ 25,000	\$ 77,950
PROCESSING	141,080	—	141,080
FINISHING	42,500	43,750	86,250
CONT. & SEMI-FIN.	529,200	48,600	577,800
MECHANICAL DEPT.	138,000	81,500	219,500
CONTROL DEPT.	<u>169,500</u>	<u>—</u>	<u>169,500</u>
TOTAL	\$ 1,073,230	\$ 198,850	\$ 1,272,080
RESEARCH & DEVELOPMENT ITEMS INCLUDED IN ABOVE REPORTING BY RESPECTIVE AREAS			
	<u>415,700</u>	<u>47,750</u>	<u>\$ 463,450</u>

Newark Plant Cost Reduction Program - 1982

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
A. <u>Manufacturing & Raw Mat'l. - J. J. Gaczi</u>		
1. Ingredient cost for Sodium Molybdate will be reduced by increasing yield from 98.3% to 98.6%.	\$ 6,800	\$ 6,800
2. Increase in dispersed paste yield from 99.1% to 99.4% will reduce ingredient cost.	6,400	6,400
3. Increased productivity will result in reduced labor requirements.	0	25,000
4. Replacing Dynel type cloths on the Sparkler Filter with nylon cloths will reduce supply costs.	21,750	21,750
5. The use of liquid alum to replace dry powder will result in ingredient and labor savings. Joint responsibility with R & D.	<u>18,000</u>	<u>18,000</u>
Total Area Program	\$ 52,950	\$ 77,950

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
<u>B. Processing - M.T. Weedon</u>		
1. Increase in QB1 yields from 99.6% to 99.8% will reduce ingredient cost.	\$ 7,380	\$ 7,380
2. Increase in QA yields from 97.7% to 98.0% will reduce ingredient cost.	58,800	58,800
3. Increase in CPC Blue yields from 96.1% to 96.5% will reduce ingredient cost.	39,600	39,600
4. Increase in OO yields from 98.1% to 98.3% will reduce ingredient cost.	14,400	14,400
5. Increase area productivity 1% by:	15,900	15,900
a) Panloading QA		
b) Panloading CPC		
c) Operator Training		
d) Pumping CPC Tote Bins		
e) Improved method for cleaning dryer pans		

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
<u>B. Processing - M. T. Weedon, Cont'd.</u>		
6. Reduce steam consumption through improved dryer utilization and additional operator training	\$ <u>5,000</u>	\$ <u>5,000</u>
Total Area Program	\$ 141,080	\$ 141,080

	<u>Firm</u>	<u>Firm Plus Add'l Goal</u>
C. <u>Finishing - T. G. Huguenin</u>		
1. Installation of a drum washer for organic drums will eliminate painting and reduce labor and supply costs. Joint responsibility with R & D. Start 10/1/81	\$ 30,000	\$ 30,000
2. Improved dust collection facilities and recovery on one organic blender will reduce discolor color and improve yields. Joint responsibility with R & D	8,000	8,000
3. Improved dust collection facilities and recovery on West Inorganic blender will reduce RECO color and improve yields. Joint responsibility with R & D. Start 4/1/81	4,500	4,500
4. Use of standard production codes as Krolor component will eliminate the need to maintain a component inventory and will reduce blending labor. Joint Responsibility with R & D. Start 10/1/81	0	18,750

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
C. <u>Finishing - T. G. Huguenin, Contd.</u>		
5. Improve area productivity through improved operator training and techniques	\$ <u>0</u>	\$ <u>25,000</u>
Total Area Program	\$ 42,500	\$ 86,250

	<u>Firm</u>	<u>Firm Plus Add'l. Cost</u>
<u>D. Continuous & Semi-Fin., A. J. Dellano</u>		
1. Improved lead and Chrome flow control will increase OK straight by 5%. Joint responsibility with R&D. Start 4/1/82	<u>\$ 50,000</u>	\$ 65,000
2. Liquid alum to replace dry powder will result in labor and ingredient savings. Joint responsibility with R&D. Start 7/1/81	<u>30,200</u>	30,200
3. Improve Continuous Unit productivity by 6%	19,000	23,600
4. Reduce use of N-153 in Y-433, 434, 469, YC-2 and YC-3. What is this about? Rep agree?	140,000	150,000
5. Transfer YE-698-D production from the batch to the Continuous Unit. Joint responsibility with R&D	<u>240,000</u> →	<u>240,000</u>

	<u>Firm</u>	<u>Firm Plus Add'l Goal</u>
<u>D. Cont. & Semi-Fin. - A. J. Arellano, Cont'd.</u>		
6. Replace the Vortac and micro-pulverizer system with one grinder which will reduce regrind pounds. Joint responsibility with R & D.	<u>\$ 35,000</u>	<u>\$ 49,000</u>
7. Improve average yield of Continuous Unit products (+0.2%) by strict control of bag weights	<u>15,000</u>	<u>20,000</u>
Total Area Program	<u>\$ 529,200</u>	<u>577,800</u>

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
<u>E. Mechanical Dept. - R. T. Mitchell</u>		
1. Eliminate the necessary upkeep of nitric acid buggies with the installation of a nitric acid piping network. <u>D. S. Allen</u>	\$ 2,000	\$ 2,000
2. Eliminate the necessary upkeep of portable corrosive containers with the installation of various corrosive distribution systems. <u>D. S. Allen</u>	2,000	2,000
3. Eliminate the use of a crane with the installation of a monorail/hoist system to aid with the rigging of centrifuges in and out of 12 Bldg. <u>D. S. Allen</u>	4,000	4,000
4. More efficient utilization of personnel. <u>D. S. Allen</u>	50,000	75,000

	<u>Firm</u>	<u>Firm Plus Add'l. Goals</u>
<u>E. Mechanical Dept. - R. D. Mitchell, Cont'd.</u>		
5. Redesign of molten lead distribution by pumping lead through an open trough will reduce maintenance cost. <u>W. T. Harrington</u>	\$ 10,000	\$ 25,000
6. Reduce building and equipment maintenance cost through improved methods & materials. <u>W. T. Harrington</u>	15,000	25,000
7. Reduce fuel consumption through miscellaneous energy conservation activities. <u>W. T. Harrington</u>	10,000	10,000
8. Installation of Delrin Strips on No. 92 and 93 Presses will reduce maintenance labor and material costs necessary to replace worn handles on press plates and frames. <u>W. T. Harrington</u>	500	500

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
<u>E. Mechanical Dept. - R. T. Mitchell, Cont'd.</u>		
9. Install top mounted circulating fans on No. 1 & 2 sections of P&S Dryer in Continuous Unit to reduce fan maintenance, improve drying and reduce coil maintenance <u>W. T. Harrington</u>	# 1,250	\$ 1,250
10. The use of high pressure wet sand blasting and high pressure hot water washing to decontaminate scrap material, clean parts for repair and clean tanks, will reduce labor. <u>W. T. Harrington</u>	5,000	5,000
11. The installation of a Pick Steam Injection System on T-70 & T-71 in the Continuous Unit will improve temperature control, reduce maintenance and conserve steam <u>W. T. Harrington</u>	10,000	15,000

	<u>Firm</u>	<u>Firm Plus Addl. Goal</u>
<u>E. Mechanical Dept. - R. T. Mitchell, Cont'l.</u>		
12. Reduce Sodium Chromate Pump maintenance by replacing existing pump with a pump that has integral heating jacket and temperature control. <u>W. T. Harrington</u>	\$ 4,000	\$ 8,000
13. Reduce maintenance labor and material and eliminate product contamination by installing a titanium liner in V-317. <u>W. T. Harrington</u>	5,000	5,000
14. Reduce maintenance labor and material costs through installation of "Ear-thane" synthetic leathers on filter press hydraulic closures. <u>W. T. Harrington</u>	2,500	3,000
15. Reduce plant utility costs through monitoring and installation of more energy efficient equipment. <u>E. C. Caha</u>	5,000	10,000

	<u>Firm</u>	<u>Firm Plus Add'l. Goal</u>
<u>E. Mechanical Dept. - R. T. Mitchell, Cont'd.</u>		
16. Reduce steam costs through more efficient operation of the power house <u>E. C. Caha</u>	\$ 5,000	\$ 15,000
17. Reduce maintenance labor and material costs in Waste Treatment area through install- ation of improved equipment and materials <u>E. C. Caha</u>	2,500	5,000
18. Reduce labor costs through the installation of improved motor hoisting facilities <u>E. C. Caha</u>	1,000	3,000
19. Reduce maintenance and labor costs of plant instrumentation through installation of improved instruments. <u>E. C. Caha</u>	2,500	5,000

	<u>Firm</u>	<u>Firm Plus Add. Goal</u>
<u>E. Mechanical Dept. - R. T. Mitchell, Cont'd.</u>		
20. Reduce energy costs by insulating top of P#8 Dryer. Start 4/1/81	<u>750</u>	<u>750</u>
Total Area Program	\$ 138,000	\$ 219,500

F. Control Dept. - J. R. Zilek

1. Plant Buyer will reduce ingredient and supply costs by locating cheaper sources of supply
H. G. Ricardo

Total Area Program

<u>Firm</u>	<u>Firm Plus</u> <u>Add. Goal</u>
\$ <u>169,500</u>	\$ <u>169,500</u>
\$ 169,500	\$ 169,500

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on approval by
MAD