



# MRO- RONCHI Machine Localization (Commercial Spares)

## Background

A fortune 50 FMCG company was looking for a service provider who can localize Ronchi spares. Ronchi is a high-speed liquid bottling machine line used for filling and capping of shampoos.

## Objective

Provide cost savings through localization of imported parts.

## Challenges

- Special imported material availability is a constraint because of long lead time times and high import cost.
- Sample approval of localized fabricated spares could take 3-6 months prior to approval by line managers as they have to be tested directly during live production and has a high probability of rejection.
- Low quantity need for the spare would not encourage a local fabricator to aggressively pursue the business.

## Methodology and Tools

- Identified standard components which had the potential of being replaced by a local part.
- Identified local Authorized Distributor representing the same brand and engaged them.
- Organized a distributor plant visit to physically see the commercial spares and recommend locally available technically compatible spare.
- Line manager approval on the technical proposal submitted by Distributor.
- Once technically approved, negotiated the best commercial bid with the supplier in coordination with the client Program Manager.
- Used an outcome-based model where our fee calculation was based on yearly hard savings.

## Results and Benefits

- ✓ Identified standard components which have a potential of being replaced by local parts.
- ✓ Identified local Authorised Distributor representing the same brand and engaged them to physically check and provide alternates.
- ✓ Identified and delivered Savings of **60%** in Commercial Spares, approx. **US \$ 35,000.**
- ✓ Recommendation was submitted to F&A for approval.