

Supplier group touts greener world

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BAE Industries Inc., a Tier 2 maker of seat mechanisms, has been paying \$6.75 a week to have its used die lubricant hauled away.

At a "lean and clean" workshop, the Center Line, Mich., company deter-

mined it could save about \$22,000 annually if it gathered the used lubricant from its stamping presses, filtered it and reused it. Not only would BAE eliminate the disposal fees, but it also would need to buy about 50 gallons less of new lube each week.

The change sounds like drops in a

bucket — literally and figuratively.

But leaders of a new Washington organization, the Suppliers Partnership for the Environment, believe the collective impact could be huge if the many small and medium-sized companies in the supply chain come up with lots of such ideas and share them.

"Our vision is for this to really be the auto sector approach to greening the supply chain," says Pat Beattie, a General Motors executive involved in creating the organization.

The partnership's twin goals are to benefit the environment and save suppliers money. And the two can be achieved simultaneously when a company cuts the amount of material it buys for production, or when it reduces the wastes sent to incinerators, landfills or treatment plants, or if it does both, the partnership says.

"The savings realized stay with the supplier," says Steve Hellem, executive director of the partnership. In other words, these are potential cost reductions that the financially squeezed suppliers don't have to pass on to customers in lower prices.

But there are hurdles.

More automakers are sought

One hurdle is the need to increase membership, especially among Tier 2 and 3 suppliers, so that there are more companies to generate and share ideas.

The partnership began early this year by General Motors, the EPA and 13 suppliers. The suppliers were Ashland Inc., BAE Industries, Delphi Corp., Detroit Chassis LLC, Federal-Mogul Corp., Freudenberg-NOK,

The upside

Here are potential benefits for a member of Suppliers Partnership for the Environment.

- Learn "best practices" through task forces and work groups.
- Receive technical assistance on optimal use of energy and materials.
- Retain financial savings for company benefit.

— suppliers to improve their environmental performance.

Beattie says that other automakers are considering invitations to join the partnership. She says she knows of none that has said flatly "no."

Saturn roots

The partnership grew out of a test program conducted by the EPA and GM's Saturn Corp. when the Saturn Vue SUV was being developed.

In one example, Saturn and its seat supplier determined there was "minimal quality enhancement" from wrapping every vehicle seat in plastic, but the coverings created waste for dealers, says John Ressler, who oversaw the test. He is now GM manager of design for the environment.

So the wrapping of seats ended.

All the possible savings identified during the test, if extended to the entire GM supply chain, would reach a staggering \$390 million to \$520 million, according to a report by GM and the EPA.

GM and the EPA concluded that considerable environmental gains are possible among the thousands of lower-tier suppliers. The main reasons: Small- and mid-sized companies generally don't have resources of their own for sophisticated environmental management; they have had limited contact with automakers' environmental staffs; and they have participated infrequently in EPA's voluntary programs for pollution reduction.

Michael Coast, president of the Michigan Manufacturing Technology Center, which conducted the lean and clean workshop at BAE, says it is important for the companies to think of EPA's job as pollution prevention, and not just enforcement of environmental rules.

Centers such as the Michigan one are part of the Manufacturing Extension Partnership of the National Institute for Standards and Technology, which provides technical experts for supplier workshops.

Teamwork

GM's Ressler, who managed the test at Saturn, says the workshops prove that the best sources of ideas are the people on the shop floor. "Why hire a \$400-an-hour consultant to go out and ask the people on the floor when you can talk to the people on the floor to begin with?" he says.

Emley Halibozek, quality supervisor at BAE Industries, agrees. She notes that the idea for recycling die lube came from a die setter.

Halibozek says management always looks for ways to save material and reduce waste. But the lean and clean workshop brought together people from all over the plant.

"They were saying, 'Let's go the extra step,'" she says. "I think it opened a lot of eyes." ■

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JOHN RESSLAR
General Motors

Haas TCM, Johnson Controls Inc., Lear Corp., Motorola Inc., NSK Corp., Petoskey Plastics Inc. and Visteon Corp.

Membership is rising, but partnership leaders say getting other automakers to participate is key to accelerating expansion with suppliers.

Beattie, GM's director of chemical risk management and an at-large member of the partnership, acknowledges that in the hotly competitive automobile industry, "there's always that possibility" that other automakers will shy away from the partnership because they view it as a GM organization.

Spokesmen for Ford Motor Co., DaimlerChrysler AG and Toyota Motor North America Inc. all said, in responses to questions about the partnership, that they were not familiar with the organization. Each also notes that his or her company has programs to help — or even require