



# Case Study: Rio Tinto Energy America's Cordero Rojo Mine, Controlling Waste through Vending

.....user case study



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At Rio Tinto Energy America's (RTEA) Cordero Rojo Mine, the management team noticed a challenge that needed to be addressed. Resource stewardship is something that most companies need to improve, especially with small items that are considered consumable. At a site that produces millions of tons of coal per year, safety glasses might be considered a low priority cost savings opportunity. However, this is not the case. Because of the work environment at the mine, safety glasses are required for employees in active work areas. Costs of safety supplies, including safety glasses, are constantly on the rise so the need for good employee stewardship became apparent.

Rio Tinto Energy America is among many companies around the world that enforces safety procedures and requirements. Wearing safety glasses is a necessity, so years ago the company put them on a shelf that is readily available to all at the mine site. However, this over time resulted in excessive consumption. Having free access to a limitless number of safety glasses caused a culture where employees were less inclined to re-use their glasses. Without by-name accountability, management continued to see problems, including:

1. Excessive consumption of safety glasses inventories because of employees' failure to re-use safety glasses
2. Perfectly good safety glasses being thrown in the garbage
3. Contractors using supplies that, per their contract, they should have provided
4. Stock-outs



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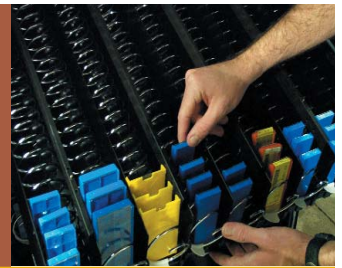


## The Solution

The management team came to the conclusion that the constant waste needed to stop and they decided to act. They contacted WinWare's inventory management solutions team and found a solution for their problem. By-name accountability is a great way to solve overuse issues. WinWare's Toolbox was the perfect solution for their problem. Requiring card or PIN login solves the problem immediately. The Toolboxes' single item vending capability also reduces waste. When an employee needs new safety glasses, the employee can use the Toolbox to receive them. Every transaction that an employee completes is logged into the CribMaster software and is easily tracked.



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### Results

Now that the Toolboxes are in place, Cordero Rojo has seen:

1. 78% reduction in waste
2. \$5,000/month savings
3. Employees reusing glasses instead of throwing them away after each shift
4. ROI of \$30,000 in 6 months (figure reflects only safety glasses)
5. Original 59 issues per day dropped to 13

After installing the Toolbox vending machines, one employee states "we have taken a positive step towards a culture of accountability."

### Continuous Improvements

RTEA continues to use the Toolbox for safety glasses, but has also added other safety supplies and consumables. This further increases their savings. The mine is now able to reconcile what they are being billed by their suppliers with what they issue through the machine and has eliminated back stock. So the management team at Cordero Rojo Mine not only stepped up to the challenge, but with CribMaster's help, established control, accountability, and saved enough to pay for the machines in six months.