

CENTRAL WELDING SUPPLY COMPANY

**CHART
VS-SIPHON 100**

CASE STUDY #2



Central Welding Supply Company
Locally owned and operated since 1975...

"Siphon tank delivers profit improvement for fill operation."

Company:

Central Welding Distribution, located in Marysville, WA, is a major distributor of welding supplies and industrial gases. Gases are delivered to customers in high-pressure cylinders, liquid cylinders, dewars, and MicroBulk form. Central Welding runs six days per week and delivers to customers throughout northwestern Washington.

Challenge:

Central Welding was utilizing standard customer station bulk tanks to store bulk liquid Nitrogen, Oxygen and Argon used in its filling operation. Because of design deficiencies, the 3,000 gallon standard bulk storage system required refilling at a 30% level in order to maintain enough head pressure. This limited production capacity and caused more deliveries per week with high costs for transportation (\$75 per delivery), in addition to management's time. Furthermore, excessive deliveries increase product losses.

Solution:

Central Welding asked Chart Inc. to evaluate its situation and determine if a solution could be devised on its Argon tank. Chart proposed a 6,000 gallon Siphon 100 tank, designed for filling operations. Central Welding also installed new pumps, manifolds and piping.

Benefits:

Siphon 100s are designed for filling operations with 95% of product capacity available, not 70%, which drastically reduced deliveries and costs. Central Welding was able to reduce the number of deliveries and improve its production efficiency.



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Innovation. Experience. Performance.

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VS-Siphon 100 Tank in Argon Service

ROI Results:

The following analysis is based on hard cost savings – other production and management efficiencies were difficult to measure. Cost of deliveries were held steady at \$75.

Central Welding Siphon Tank Case Study:

Cost of Delivery	\$75
Argon Deliveries per Week	Average
Before Siphon tank	15
After Siphon	5
Cost Comparison	
Cost Before Siphon	\$1,125
Costs After Siphon	\$375
Cost Savings per Week	\$750
Cost Savings per Year	\$39,000
Rent from Redeployed Tanks per Year	\$5,000
Total Savings and Income per Year	\$44,000
Total Savings and Income 5 Years	\$220,000

Note: A 3,000 gallon standard customer station was replaced with a 6,000 gallon Siphon 100 tank.

Outcome:

In addition to the financial benefits the Chart Siphon 100 tank brings to Central Welding noted above, several operational benefits also became apparent.

Because the deliveries are now full truck loads, fewer deliveries are required. Fewer deliveries decreases product fill losses, and reduces management's time spent on tracking, paperwork and invoice processing.

The success of the Argon evaluation prompted Central Welding to replace their Nitrogen and Oxygen customer stations with Siphon 100 fill plant tanks.

Customer Quote:

Dale Wilton, President, noted, "When we began our filling operations upgrade project, we knew we wanted a total solution: quality and consistent products, service, and on-going support. Chart delivered on all three. We have seen our bottom line increase year-over-year since the installation of these tanks and a ramp-up of our new fill facility. Our average gross profit per-cylinder is up incrementally as well. It can't be magic – the tanks have had a real effect. We are very satisfied."