

Horse Trading

"One of the factors negatively affecting the bearing industry is the unfortunate occurrence that sees companies bartering and pushing bearing suppliers for the lowest prices possible, a trend that often backfires as end users are left with little, or no, after-sales support, says Dennis Cooney, operations director at specialist split bearing company, OE Bearings.

There is a tendency, in many purchasing instances, for companies to buy purely on price. This often squeezes the bearing supplier's margins, meaning the company is not in a position to offer installation services and after-sales support services.

Many of these buying departments are housed in separate locations to the actual end user

"If an end user lacks the resources, or expertise to properly install and maintain bearings, the repercussions can be exceedingly negative. If the bearings are not installed properly they will wear, or break down, far quicker. This actually ends up causing higher maintenance costs – as well as costly downtime."



Dennis adds that many companies make use of buying departments to purchase bearings. Many of these buying departments are housed in separate locations to the actual end user – sometimes in a different city.

Separate entities

"There is no real communication. They are like separate entities, the buying department having very little understanding of the real business requirements at factory, or plant, level. The buying department will go out shopping for bearings and, in many cases, will simply push suppliers for the cheapest price possible. By doing this, they believe they are doing their job. After all, they are saving

the company money. But, on the ground, the people at mine or plant level are not really getting what they want. Because they are getting bearings at the cheapest price; that is all they get – no after-sales support, or installation.

Ten times faster

"Split bearings, for instance, are much more expensive than traditional bearings. But the longevity of split bearings is far longer. This has been proven. In addition, if a bearing does need to be replaced because of the design of split bearings, they can be swapped out and replaced far quicker than traditional bearings. In fact, our research shows us that a split bearing, if it does need replacing, can be replaced up to 10 times faster than a traditional bearing. So, while more expensive, their cost of ownership is far lower than normal bearings."

Commenting further, Dennis says, "The pricing problem is not really a battle between split bearings and traditional bearings. Even when a company decides to opt for split bearings because of their higher reliability and ease of maintenance price haggling still goes on. If a company has to cut its margins to win a contract, what value can really be given, over and above simply delivering the bearings? This is not a good scenario.

"Companies need to take a longer term view when ordering bearings. If a buying department is simply buying on price, and price alone, companies need to find a way to communicate with these buying departments and try, in some way, to influence their buying decisions."

A dire need

"We find that there is a dire need for after-sales service. A large proportion of our daily work is not spent on delivering bearings due to contracts won, but rather on assisting clients with breakdowns and maintenance. In many cases this is because the bearings were incorrectly installed in the first place, or because maintenance of the bearings has not been sufficient.

"If a plant goes down, a lot of money can be lost. An hour of downtime at a mine can cost anything from R10 000 an hour to hundreds of thousands of Rands per hour," says Dennis.

"Very often our job is to get out there, often after hours, to replace the faulty bearings as fast as possible in order to cut down on the lost production time. This is a worrying trend, which could be addressed if companies didn't initially buy bearings on price alone."

Dennis Cooney, OE Bearings, Tel: (011) 493-4463, Fax: (011) 493-4466, Email: dennis@oebearings.co.za