

TEST FACILITY REDUCES O & M COSTS WITH FLEXIBLE MAINTENANCE CONTRACT

Westmoreland Mechanical Testing and Research Inc.

Summary

Westmoreland Mechanical Testing and Research Inc. (WMTR), an independent testing house, is committed to a continuous improvement process and strives to offer best in class performance at a competitive price. To meet these objectives they worked with Moog and our local distributor to streamline their inventory, reduce unscheduled downtime attributed to servo valve failures and lower their servo valve repair budget.



Background

WMTR is a full service testing facility with over 250 servo hydraulic test frames. WMTR has been operating in Youngstown, Pennsylvania since 1967 and accrued a wide variety of servo valves during that period. WMTR utilized valves made by several different manufacturers and had used a variety of repair facilities in the past.



The repair challenge

WMTR shared their desire to minimize unscheduled downtime and reduce repair budgets. They established the following objectives:

- **Uncompromised reliability:** If a servo valve should fail during a test program the results can be disastrous to the project schedule, cost and customer confidence. First and foremost they needed to trust that the valve would last the life of the test program.
- **Reduced inventory:** They had been operating under the premise of a specific valve per machine, and they wanted greater flexibility with fewer valves on the shelf.
- **Reduced maintenance costs:** Their maintenance budget was increasing. Excessive servo valve repairs is not a value added service to their customers.

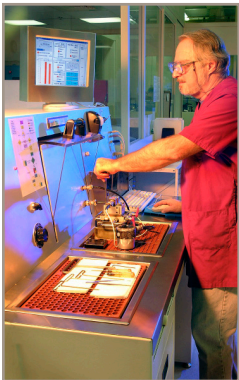
“It became obvious, early on, that Moog shares our commitment to value added for the customer,” noted Mike Rossi, VP of Operations for WMT&R. “They played a significant role in our capacity to raise the bar of excellent customer service to the next level.”



The Moog solution

Moog developed a custom program to address the following objectives:

- **Inventory:** Moog reviewed WMTR's servo valve inventory and made recommendations for upgrades and trade-ins that would reduce the model of servo valves required by over 40%.
- **Repair Performance:** Moog does not sell spare parts or certify third party technicians to perform Moog repairs. Moog factory authorized repair professionals perform quality repairs that are reliably placed in service and perform to the original factory specifications through the life of the test program.
- **Budget:** In return for a 3-year contract term, Moog extended free upgrades and preferential pricing for trade-ins. There were no set schedules or minimum volumes. When a valve required more extensive repairs WMTR had the option to trade the valve for a new model. This included competitor's valves as well. This combined with the fact that those valves repaired by Moog remain in service longer than those repaired by third parties, resulted in an overall reduction in maintenance costs.



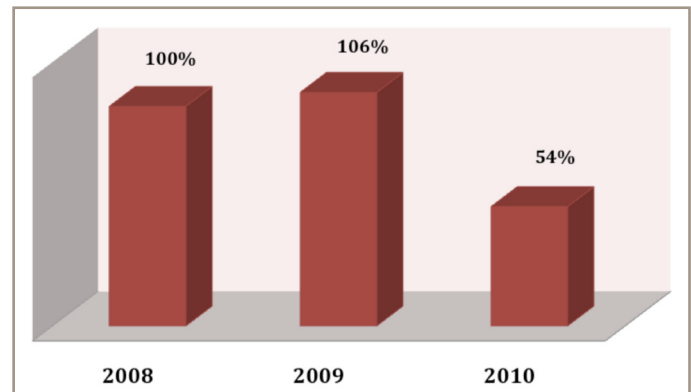
Benefits of using a Moog contract maintenance program

WMTR has reduced its spares inventory each year of the contract.

While the price per repair was slightly higher than other repair providers, the overall repair and replacement costs dropped dramatically over the life of the contract. Third year expenditures were at only 54% of the initial contract year expenditures.

Each user's needs vary, which is why a Moog maintenance contract program is flexible and can be tailored to meet the individual needs of our customers. Our distributors also offer significant value and fulfill services that are better managed locally.

Repair / Replacement Expenditures



“Global market, by definition, means global competition. Any company serving any industry will not long last unless they are on the top of their game. Customers come to Westmoreland Mechanical Testing and Research because our core competency is Material Testing...we can do testing quicker, cheaper, and to higher quality than what can be done in-house. Why else outsource testing? We have turned to Moog to serve us with their core competency: flexible service and repair solutions... and yes, they have exceeded our expectations in helping us to serve our customers better!”

Mike Rossi, VP Operations WMTR

If you would like to learn more about Westmoreland Mechanical and Testing Research Inc., please visit them at their website <http://www.wmtr.com/>

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