

SMALL FAMILY BUSINESS REBOUNDS AFTER HURRICANE MARIA

ABOUT VALERO INC. Valero Inc. is a family business founded in 2017 as a wholly-owned subsidiary of Yaras Services Corporation, a sales and services company. Both companies are owned by Mr. Fuenmayor and his wife, Mrs. Saray Lopez. The company is dedicated to the re-manufacturing of shopping carts and handling equipment for most of the islands supermarkets and retailers. They also manufacture supermarket shopping carts using their own improved design. Valero is located in Toa Baja, Puerto Rico, and operates with 12 employees.

THE CHALLENGE. Valero Inc. was referred to PRiMEX in April 2018 by their local commercial bank. They needed to re-start the operation after the devastating effects Hurricane Maria had on their facilities. Once the facilities were available, Valero needed to rapidly increase production output to cope with increasing customers demand. Production flow was severely impacted by frequent materials shortages, supply chain disruption, machine downtime and an ineffective plant layout.

PRiMEX recommended an operations improvement project to better control the inventory of parts and materials, improve plant layout and reduce equipment downtime, among other improvements.

MEP CENTER'S ROLE. PRiMEX recommended an overall operations improvement strategy to improve the materials control functions (inventory of parts and materials), revisit a new plant layout, include lean tools in the process (TPM, 5S, quick-changeover) to reduce equipment downtime, among other improvements. The owners accepted and immediately a 5S + 1 was initiated by PRiMEX. At the beginning, efforts were directed to inventory controls, mostly in the warehouse area. After successfully integrating materials control activities, the services continued by redesigning the plant layout to facilitate product flow and reduce bottlenecks. A third party was also engaged to assist in the implementation of the recommended improvements and to ensure equipment maintenance (TPM).

As a result of these projects, Valero increased their production output average from 360 units per month in the first half of 2018 to 760 in 2019 achieving their goals and a 50% productivity increase from 72 units per FTE in 2018 to 108 in 2019. As a result of this growth Valero also created four new jobs, hiring one engineer, one welder, and two production operators.

"PRiMEX has been instrumental in the overall improvement of Valero's operations which has been key to the great growth the Company has experienced during the past year."

-Roberto Fuenmayor, President

RESULTS



50% productivity increase



4 jobs created

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