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CASE STUDY

National Ceramic Industries Australia: \$40K+ savings every month

By forecasting energy requirements, NCIA can take advantage of cheaper gas pricing.

CASE STUDY NATIONAL CERAMIC INDUSTRIES AUSTRALIA



Overview

National Ceramic Industries Australia (NCIA) manufactures and sells floor and wall tiles for commercial and domestic use. With their factory located in Rutherford, NSW, NCIA is Australia's last remaining manufacturer of large ceramic tiles.





National Ceramic Industries Australia was nearing the end of their fixed rate energy plan. At the time, gas suppliers were quoting unit prices of \$16-\$18 per gigajoule — more than a 200% increase on their previous \$5-\$7 per gigajoule rate. Spot pricing models were significantly more affordable at \$9-\$10 per gigajoule, but required forecasting of future gas requirements — something that took time and risked penalty fees if forecasts proved inaccurate.

Rising gas prices presented a real threat to the business



Rising costs – A 200%+ increase in fixed prices for industrial gas was unsustainable for the business

Forecasting challenges – Manually forecasting gas usage to use the more affordable spot pricing model proved time consuming and led to inaccurate data

Penalty fees – Inaccurate gas forecasting can incur penalty fees of up to \$12K per month



Solution

While there was little that NCIA could do about rising gas prices, they were able to monitor and control their own usage to minimize unnecessary costs. National Ceramic Industries Australia **worked with OFS to implement a solution for automated gas monitoring and forecasting.**

This allowed them to **access the cheapest gas prices in the market** via spot pricing. The gas price is the price. This integration and monitoring provides us with access to the cheapest way of buying gas — today and into the future.

– Craig Oliver, Factory Manager

Top OFS features used by NCIA



Integrations Monitor production events and gas usage in one place

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Forecasting Forecast energy usage to the accuracy of 99.5%



Analysis Analyze gas efficiency and productivity for their factory, side by side

Outcomes

By moving to the spot pricing model, National Ceramic Industries Australia are now **saving upwards of \$40,000 per month on their gas spend**, compared to fixed price options. These savings have allowed the business to remain viable.

Plus, with their gas usage automatically (and accurately) collected, NCIA are able to **reduce their previously error-prone and time- consuming manual data collection.** This is **saving the company up to \$12,000 per month** that they would've had to pay in inaccurate estimation penalty fees.

The gas savings here are two-fold. Forecasting penalties we have avoided, with the largest savings being the gas unit price.

– Craig Oliver, Factory Manager

Results from implementing OFS

Savings

\$40K+ every month by moving to the spot pricing model for gas

() Understanding

The team can see which products, materials, or sizes are more or less energy efficient, and make pricing/production decisions accordingly

Accuracy

Automated data collection enables accurate forecasting that reduces the likelihood of \$12K/month penalty fees

Evidence

NCIA have the data to back up decisions about equipment adjustments and repairs in order to reduce gas usage

🖉 Insights

With gas usage alongside production data, NCIA can see the relationship between production events and gas spend

Efficiency

With most manual data collection eliminated, the team can instead use their time to take action on the insights

What's next for NCIA and OFS?

Moving forward, NCIA is looking forward to using their new-found OFS superpower to optimize efficiency on all fronts, while continuing to reduce and optimize their gas consumption.

Measuring gas and being able to forecast our usage off our production plan takes the pressure off, knowing we are measuring and controlling our side.

- Craig Oliver, Factory Manager



Interested in finding out what OFS could do for your business?

Request a free trial to get our software and hardware at no cost (and no obligation) for 30 days. Or chat to our team to find out more.

Talk to an OFS Expert

e: sales@ofsystems.com w: www.ofsystems.com

Australia/New Zealand t: +61 3 8684 9859

Thailand t: +66 926 938 008

United States t: 1800 5172 353

