

Case Study

Background

Maritime Geothermal manufactures geothermal heat pumps providing the most eco-friendly heating and cooling systems for residential and commercial purposes. They are a Canadian-based business that has been in operation for 30 years. They carry a line of Nordic Heating and Cooling systems including Liquid Source Heat Pumps, Air Source Heat Pumps, Indoor Pool Conditioners, and High Temperature Heat Pumps, to name a few. Heat pumps simply move heat from one place to another producing more energy efficiency and reducing impact on our environment, unlike oil, natural gas, or wood heating. Avnan's role is to provide critical components to Maritime Geothermal's heat pumps that allow the end user to control and manage the system.

At a Glance:

Overview

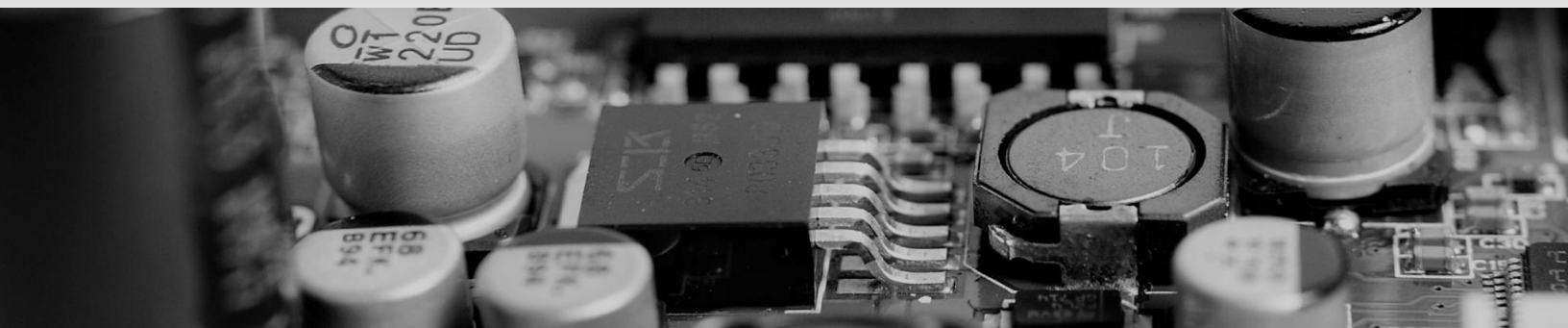
- Project timeline: 7 months
- Savings: 35% on custom control board costs
- Project Scope: Over \$100k

Challenges

- Production costs of heat pumps too high
- Losing competitive edge due to pricing
- Client's previous supplier failed to consistently meet quality standards
- Client's previous supplier failed to meet expectations on project management

Results

- Achieved process efficiencies with consolidation of production stages
- Outsourced aspects of manufacturing to optimize costs
- Reduced time to market without sacrificing quality



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"Avnan provides us quality products at a lower price than the previous suppliers and has good communication and foresight into supply chain issues at a challenging time. They've won our business and we look forward to more collaborations in the near future" says Dan Rheault, Product Design Engineer at Maritime Geothermal.

Problem Statement

To remain competitive in the market, Maritime Geothermal sought new ways to cut costs without compromising the quality of their heat pump products. They searched for a new partner that could offer them cost efficiency, quality products and reliable service.

Maritime Geothermal had been using a supplier that locally manufactured two PCBA's - a main control and a display board. Because of the higher costs of manufacturing the parts locally, Maritime Geothermal's competitive pricing advantage was at risk.

In addition to the higher local manufacturing costs, their supplier was unable to meet delivery deadlines. With missed product delivery deadlines, their customer relationships were impacted and as a result, their bottom line as well.

Maritime Geothermal resolved these issues by seeking a new supplier - Avnan. Avnan was able to alleviate the manufacturing costs and supply chain challenges while maintaining quality control of the final product.



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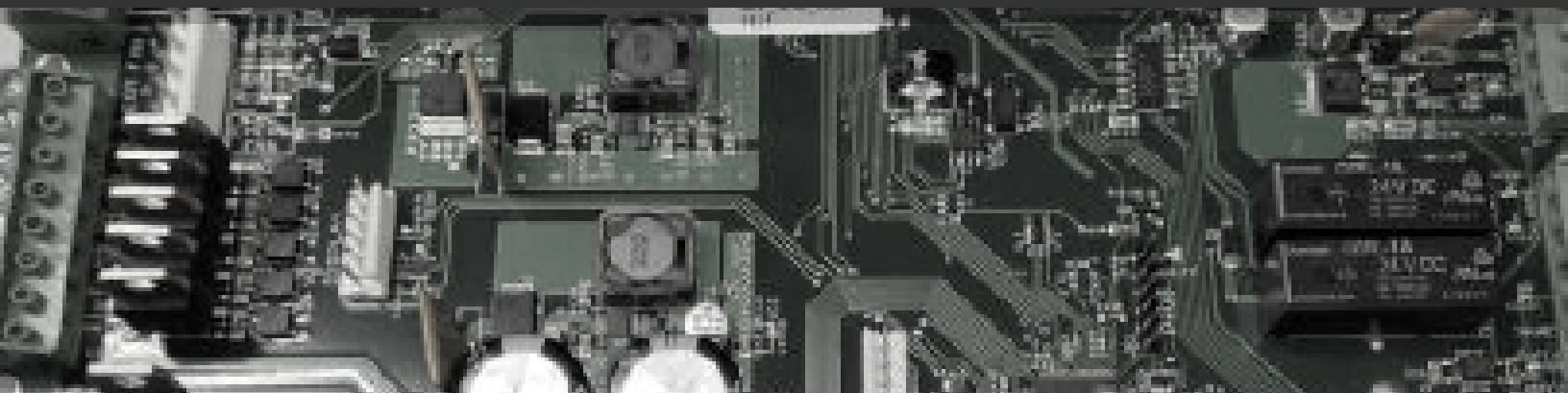
Solution

The new partnership began with a meeting where Avnan gathered the requirements from the client. The scope of work was then drafted and presented to Maritime Geothermal. With Avnan's extensive global network of manufacturing facilities, they were able to cost the parts and get the most cost effective solution for Maritime Geothermal. A quotation was then presented, which included alternate and lower-cost components only available from offshore manufacturing partners, and the design files and documentation were created. As a value-add, Avnan set up the production testing process starting from the first sample phase, ensuring the outcome met the client's expectation. Not only did Avnan reduce costs for the client, but they also simplified the process by providing both boards for the same system.

Conclusion

Maritime Geothermal was pleased with the outcome - they were able to achieve pricing and delivery date targets. Project management and communication with key collaborators were seamless. Quality exceeded their expectation due to Avnan's diligent oversight of the project. Most of all, Avnan's transparency with pricing, their proactive approach to managing potential risks and their commitment to meeting their client's requirements, solidified this new partnership.

From kick off to final end product, Avnan's team was able to complete the project within 6 - 7 months during a challenging time when the supply chain was disrupted by the pandemic. Avnan's commitment to exceed client expectations is top priority and the team's resourcefulness, adaptability and collaborative approach helped them win the client's business.



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Avnan's Approach

Avnan provided project management from end to end that made them a one stop shop for the entire manufacturing process of the electronic control/display boards. Avnan's service included:

