Success Story:
Cosan S.A. Indústria e Comércio

Markets Served:
Food, chemical, beverage, and perfume industries; wholesale trade and export

The world's largest producer and crusher of sugar cane has standardized on Eaton's Aeroquip® hose and fitting products.

Eaton Partners with Cosan in Bringing Sugar Cane to Market

Location:
Piracicaba, Brazil

Segment:
Agriculture: sugar cane

Challenge:
Meeting training, technical, and distributor support requirements and lead-time

Solution:
Establishing a hose assembly workstation within each sugar mill that includes Aeroquip hose assembly and testing equipment and an ample Aeroquip bulk hose and fitting inventory

Results:
Workstations have helped Cosan keep its harvesting equipment up and running without any downtime due to hose failures, as well as increase its hose assembly response time by 80 percent

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Background

Sugar cane is big business in Brazil, and Eaton is playing a big role in bringing it to market.

Cosan S.A. Indústria e Comércio, of Piracicaba, Brazil, the world's largest producer and crusher of sugar cane, has standardized on Eaton's Aeroquip hose and fitting products.

Sugar cane is cultivated and harvested by Cosan in massive amounts. In fact, the company has a crushing capacity of 40 million tons of sugar cane each year that it uses to produce sugar and ethanol. Globally, Cosan is the third largest producer of sugar and the second largest producer of ethanol.

That kind of production requires equipment that can perform up to 22 hours per day during the sugar cane harvesting season, which runs from May through November. Cosan knows that keeping its harvesters, tractors, implements, trucks, and other agriculture equipment humming at peak performance is highly dependent on reliable, readily available replacement parts.

For this reason, Cosan is relying on products from Eaton when replacement hose and fittings are needed in the field or at the mill. This hasn't always been the case, however.

Challenge

Cosan previously relied on competitive sources for its hose and fitting needs.

Although the suppliers did an adequate job of fulfilling Cosan's needs, their performance didn't stop Cosan from taking notice of what Eaton had to offer. With numerous suppliers vying for its business, Cosan decided to put it up for bid.

To be considered a viable candidate, representatives at Eaton's Fluid Power Latin America Operations in Guarulhos, Brazil, knew they needed to offer much more than competitive pricing. They realized that Eaton would have to improve on lead-time and product performance, provide training and technical support, and be overall easier to do business with than Cosan's current hose and fitting sources.

And since doing business with Cosan meant supplying hose and fittings to 17 sugar mill operations that handle harvesting equipment maintenance and operation, the Eaton team also knew local distributor support would be a critical component in meeting Cosan's needs.

Solution

They plowed into formulating a value-added proposal that included establishing a hose assembly workstation within each sugar mill. The workstations would include Aeroquip hose assembly and testing equipment and an ample Aeroquip bulk hose and fitting inventory in order to supply hose assemblies just when they are needed.

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Powering Business Worldwide

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In addition, the proposal outlined how the in-house workstations would enable Cosan to improve its profitability by:

- **Reducing investment —** Cosan would no longer need to invest in hose and fitting inventory and hose assembly equipment, since the workstations would be distributor equipped with consigned Aeroquip products and Aeroquip assembly equipment. Cosan would also be able to reduce its product inventory, since it would no longer need to stock hose and fittings from multiple suppliers.
- **Reducing costs —** Since Cosan would be dealing with one hose and fitting source, it would be able to streamline its purchasing processes and manpower required to manage them. Equipment downtime due to immature hose assembly failures and leakage would decrease, since Eaton would provide training for Cosan personnel on hose and fitting selection, assembly and routing procedures, causes and cures for piping leaks, and more. Training on proper hose assembly techniques would enable Cosan to decrease hose scrap as well.

Cosan has standardized on Aeroquip hose and fitting products from Eaton to keep its equipment up and running for the seven-month sugar cane harvesting season.

Results

After comparing Eaton's polished proposal to other submitted bids, Cosan realized Eaton proposed functional, relationship, and process benefits that offered significant value over the competition, persuading the company to hand over its hose and fitting business to Eaton.

Eaton then went to work to set up São Paulo distributors, GR Products Industrials and Copecar, to handle the important distributor support role.

Copecar is managing Aeroquip product requirements at 14 Cosan mills. The account has resulted in a 52 percent growth in revenue for Copecar. GR is managing Aeroquip product needs at three Cosan mills. Cosan's business has enabled GR to increase its revenue by 13 percent.

In place at Cosan for two years, the workstations have helped Cosan keep its harvesting equipment up and running without any downtime due to hose failures, as well as increase its hose assembly response time by 80 percent.

Cosan's hose and fittings business has enabled Eaton to substantially increase its market share and presence in the sugar cane market and to help seat additional Eaton products in the agriculture marketplace.

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