PLASTICSNEWS

PN narrows candidates for award to three

PLASTICS NEWS REPORT
Posted January 10, 2011

Three custom injection molders are the finalists for Plastics News' Processor of the Year Award.

A team of judges selected the finalists: ATEK Plastics, a medical molder in Texas; Plastikos Inc., a molder of electrical connectors and medical parts in Pennsylvania; and custom molder Steinwall Inc. of Minnesota. Plastikos also was a finalist last year.

The winner will be announced March 8 at the Plastics News Executive Forum in Summerlin, Nev. The finalists and winner will be honored at a reception and banquet, and a senior executive from each finalist company will share thoughts on best practices in a panel discussion.

Plastics News will profile the Processor of the Year in the March 14 issue.

All candidates were evaluated on seven criteria: financial performance, quality, customer relations, employee relations, environmental performance, industry/public service and technological innovations. Here is a look at the finalists, in alphabetical order:

ATEK Plastics
ATEK Plastics in Kerrville, Texas, has expanded rapidly over the past decade, from 2001 sales of $4.7 million to an estimated $14.2 million in 2010.

The reason: a major push into medical molding, which now accounts for about three-quarters of total sales.

Medical only accounted for 7 percent of sales in 2001, when Tom Houdeshell became president. The plastics plant was losing money.

The Kerrville plant, formerly Posso Corp., was purchased in 1995 by AcroTech Industries Inc., an affiliate of Minneapolis-based Acrometal Cos. Inc. that is now called ATEK Cos. The ATEK Plastics plant in Kerrville is the only facility involved in the Processor of the Year Award effort.

Under Houdeshell, ATEK Plastics began to improve manufacturing through methods like lean principles, decoupled molding, documented process control and automation. ATEK also has invested in vision-inspection systems.

As a result, ATEK has been consistently profitable, with a major reduction of debt.

The key, according to company officials, is keeping close control of operations and forming "deep partnerships" with customers.

In mid-2010, ATEK Plastics became a test site for joint software development, linking process data from an RJG eDart into IQMS Inc.'s new RealTime Process Monitoring software. That allows ATEK officials to receive notifications when critical processing parameters meet designated limits, and gives them remote access.

ATEK Plastics has an RJG master Molder III instructor and four master molders — out of a total workforce of 52. All 28 injection molding machines are equipped with robots, and 23 of the presses are running eDart mold-cavity-pressure sensing.

Gathering and analyzing all the information gives ATEK a good handle on quality and continuous improvement. Company officials have reported just an 8.43 rate of external defective parts per million — bad parts shipped out to customers — since 2001.

That level of quality, and a 100 percent on-time delivery rate for four straight years, helped ATEK Plastics score high marks for customer relations. Customers said ATEK does a good job of customer service and takes care of any problems.

ATEK generates real-time reports for customers, on a weekly or monthly basis, that give details on inventory, production, shipping and tooling usage.

ATEK Plastics is very active in industry and community

service. Houdeshell serves on the board of directors for the Manufacturers Association for Plastics Processors and the Kerrville Economic Development Foundation. He also coaches a Little League team. ATEK employees support the YMCA, fire department, blood drives, and countless other causes.

Under environmental performance, ATEK has replaced its lighting fixtures to more-efficient electronic ballasts, and focuses on simple things like turning off warehouse lights after 5 p.m. and shutting off presses that are not molding production parts.

The presses themselves are getting an upgrade. Over the last five years, the operation has purchased 11 all-electric machines. Officials plan to replace the remaining 17 hydraulic presses with all-electrics over the next 10 years.

Patricia Hirst of RJG Inc. nominated ATEK Plastics for the award.

Plastikos Inc.

After reaching the finalist circle last year, the Erie, Pa., molder is back in the running for Processor of the Year.

Plastikos' core strength comes from its engineering mindset, thanks to a heavy concentration of engineers and strong links to Penn State Erie's Behrend College. Nine of the company's 100 employees are engineers with degrees, including top management. So it's no surprise that Plastikos excels at using data to identify areas that need improvement, fix them and then measure results to see if the fix was successful.

A high degree of quantification comes from use of IQMS enterprise resource planning software, Moldflow mold filling simulation programs and RJG's eDart.

Now Plastikos' skill at technical molding is helping the firm to branch out. After a 22-year history of single-minded focus on electrical connectors — both molding and making molds through its sister company Micro Mold Co. Inc. — Plastikos is making a major move into medical parts.

For Plastikos, 2010 was a big year. The company added six customers and 50 molds, all in medical. Now Plastikos is finishing up a Class 10,000 clean room.

Plastikos also started a research and development center with two dedicated injection presses housed at Micro Mold.

Also last year, Plastikos launched a $250,000 employee bonus pool and began to require all operators to take a weeklong training course.

Philip Katen, president and general manager, said company officials had studied the medical business for several years as a way to diversify. But he pledged that connectors will remain the core business. "That's still definitely the backbone of the company," Katen said.

Longtime connector customers aren't worried. In fact, they think expertise gained in medical will help Plastikos become an even better connector molder. "I do consider them pretty much our top-tier supplier. They've always been right there when we need them. I wish our other suppliers were this good," said one customer.

Plastikos is strong financially, as sales rebounded sharply from the recession, jumping 45 percent from $11.6 million in 2009 to $16.8 million in 2010. The new medical work accounted for much of that increase.

Plastikos has no debt, thanks to a conservative business approach by the ownership team: Philip Katen; his brother Ryan Katen, who is the engineering manager and general manager of Micro Mold; treasurer Matthew Mead; and Robert Cooney, manufacturing manager. The company used cash flow to fund the $800,000 of capital investments in fiscal 2010, which ended Oct. 31. The investments included four new Arburg injection presses, the clean room, the R&D center and some auxiliary equipment.

The company is profitable, something executives credit to strong improvements in internal operations, which also helps to improve quality. In their submission, Plastikos officials explained how they zeroed in on one problem area to make a major improvement in mold startup success. After analyzing quality data over a five-year period, engineers found that incorrect tool setups were a leading cause of rejects. They boosted training for setup people and bought inspection equipment to resolve the problem. Setup performance has improved by more than 60 percent in the last three years, since Plastikos first started to track it.

Plastikos' submission for the award was chock full of those

examples. Management also raises the bar on certain performance goals to pinpoint improvements.

Plastikos runs 27 small-tonnage injection presses.

Employees extend people power when it comes to industry and community involvement. Cooney is president of the local chapter of the Society of Plastics Engineers, while Trevor Thorwat, a tooling engineer, is public relations director. Cooney also serves as a member of Penn State's Alumni Advisory Board.

Management also plays active roles in Young Erie Professionals and Junior Achievement.

Plastikos received nominations from 21 people, including customers, suppliers and community groups in the Erie area.

Steinwall Inc.

Maureen Steinwall, owner and president of Steinwall Inc., has a reputation as an industry activist who runs an ethical, people-oriented molder and mold maker. She has been a member of the national board of the Society of the Plastics Industry Inc. since 1996.

Her father, Carl Steinwall, founded the company in 1965 as a mold-making firm. By the mid-1970s, Steinwall had added injection molding. Then in 1983, Maureen, who held a degree in business management, took a leave of absence from her job at Honeywell Inc. to help develop a computer system and new quality programs. She became president of the plastics company in 1985, and two years later bought the company from her father to become sole owner.

Carl Steinwall died in 2009. Maureen Steinwall developed her own management style, a humanistic approach that balances all stakeholder groups: stockholder, customer, employee, community and supplier. That well-rounded approach helped the company score well in the judging for Processor of the Year.

Steinwall Inc. has 109 employees and runs 33 injection presses, ranging in clamping force from 40-1,750 tons, in Coon Rapids, Minn., north of Minneapolis. Markets include industrial/electronic, agriculture/lawn and garden, appliances, computers, consumer goods, recreation and medical.

In 2009, the company began to expand into large-part molding, after requests from major customers such as Deere & Co. and Frigidaire/Electrolux. That move caused sales to increase by nearly 50 percent in 2010 to $18.3 million, from $12.3 million in 2009.

Deere named Steinwall a Supplier of the Year for 2009.

Steinwall is well-known for her commitment to employee training.

"Competitors can buy injection molding machines and resin, but they cannot buy dedication, experience and loyalty from the people who create the products and services," she explained in the submission.

Steinwall developed Orient Me!, an interactive, computer-based employee training program in the late 1980s, when the company began to have severe turnover issues. Employees complete short orientation segments, totaling 180, within their first 90 days on the job. Then they are asked to complete more segments within the first year.

The award-winning Orient Me! resulted in a major decline in turnover, while productivity increased.

Another employee-based innovation is delivering video work instructions right at the injection press. Steinwall added a PowerPoint presentation, using iPad technology, which now plays the video but also allows for text, arrows to point at details, digital pictures to show part details and print drawings.

Steinwall won the international Progressive Manufacturing Award in Training and Education Mastery in 2006.

This year, the company will add two-shot molding and add loading docks to a new warehouse. Steinwall also plans to hire a design engineer and or a mechanical engineer to help with process development.

Steinwall implemented IQMS ERP software over the past year. The company is a longtime practitioner of scientific molding.

Maureen Steinwall nominated her company for the award.