



Manufacturing, quality and the White House

Factories in the United States are at a crossroads. There is a tsunami of bad news raining on us from the media. Large corporations such as Fannie Mae, AIG, Merrill Lynch, Bear Stearns and Lehman are no longer among the cornerstones of American commerce. Terrified foreign clients are ordering fewer U.S. products for export. And consumers here are dazed from the growing unemployment rate and the media-induced panic. For its part, Washington is creating a slew of programs with unclear repercussions. So in the midst of all this, what's a manufacturer to do?



President Obama chats with Economic Advisory Board members during a recent White House meeting. Marlin Steel Wire Products president and owner (and this article's author), Drew Greenblatt, wearing a red striped tie, is shown on the far right.

These concerns and questions were on the minds of representatives of six small manufacturers, including me, who were invited in February to the east room of the White House to meet with President Obama as part of an Economic Recovery Advisory Board session.

"We've recruited Republicans and Democrats, veterans of government and the private sector, and advocates for business and labor," said President Obama. "Not everyone is going to agree with each other, and not all are going to agree with me — and that's precisely the point. Because we want to ensure that our policies have the benefit of independent thought and vigorous debate."

The president stressed that his policies would create jobs and improve our crumbling infrastructure. As owner of a small manufacturing firm, I'm encouraged by the proposed accelerated depreciation for capital purchases for small businesses and by the proposal to extend net operating loss carry backs so old losses are not lost so quickly. This gives us incentive to reinvest in our companies. But while these steps are positives, the path out of this economic morass lies in innovation and productivity improvements. U.S. factories must reinvest in their plants to improve processes. And small businesses must assume their traditional role as our nation's growth engine.



Members of the President's Economic Advisory Board, left to right: Al Ulmer, president, National Capital Flag Company, Inc., Alexandria, Va.; Toby Sheehan, plant manager, Independent Can Company, Belcamp, Md.; Neuth Morris, president, Dixie Printing and Packaging, Glen Burnie, Md.; Kirk Liddell, president and CEO, Irex Contracting Group, Lancaster, Pa.; Chuck Wetherington, president and owner, BTE Technologies, Hanover, Md.; Drew Greenblatt, president and owner, Marlin Steel Wire Products, Baltimore; and John Engler, president & CEO of the National Association of Manufacturers, Washington, and former governor of Michigan.

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Although I do not support all of President Obama's policies and would like to see lower personal and corporate tax rates, I think it is imperative that manufacturers engage politicians because politicians today impact manufacturing and small business more than ever. That's why I was happy to host plant tours for two local U.S. Congressmen recently.

They were amazed by the robots and computer-literate factory employees at Marlin Steel Wire Products. (How many Congressional staffers can program as well as my techs on the factory floor?)

The Congressmen were surprised to learn that as they walked through the factory they passed products about to be exported to Belgium, Argentina and Taiwan. Think about that — three countries on three different continents. They had no idea these were viable markets for a small manufacturer of wire baskets in the middle of Baltimore and that global trade wars would hurt us. The Congressmen were told of our use of engineering to improve product quality and our speed of manufacturing. They could not believe that my team included factory-floor associates with salaries of \$30,000 to \$80,000 (plus health insurance and a 401k match) and that we are able to compete with China where the pay is \$0.30 an hour. The Congressmen were exposed to workers who believe cutting taxes and reducing regulations would increase jobs in the middle of Baltimore.

Ready for a rebound

[Marlin Steel Wire Products](#) has taken an aggressive approach in this downturn. Sales have increased over our 2008 performance, itself a record. How did we do it? We have focused on three strategies to grow sales in these difficult times.

1. Engineering. U.S. factories will grow if they innovate. At Marlin, we strive to beat cheap imports with new ways to improve our client's profitability and throughput. This year we increased our team by adding two engineers to improve innovation and make sure our baskets and wire forms ship faster. They are charged with creating ideas that will supercharge our clients, so our clients will make more money. Since we now have more engineers, we have the ability to provide more detailed prints to the client so they can observe their parts from more angles and in different processes. This lets clients confirm their Marlin-made parts will fit their manufacturing processes from start to finish.

In a recent project for a Toyota supplier in Kentucky, we showed our basket in different conveyor lines, a dip tank and an oven. In addition, we modeled the basket stacking six-high and in skids. Lastly, we confirmed that our baskets would not scratch the Toyota parts being held. Our client saw that we had thought through everything and because of that was confident that the baskets would fit within their manufacturing process. We got the order.

Another example is a medical-equipment manufacturer on the West Coast who wanted his basket carried through a special hoist system. We demonstrated a front view, side view, and a top view, migrating the basket from resting on the ground to engaged on a hoist and then delivered to a tight dip tank. The detailed prints with video simulation gave the customer's eight-engineer committee confidence in our baskets and confidence in our company. We got the order. We shipped on time 1,700 baskets, which were seamlessly integrated with the customer's systems and resulted in improved productivity. The next time you see a hospital patient connected to a life-saving IV, think of Marlin Steel Wire.

2. Quality. Our clients require fewer defects and more uptime on their production lines, so we need to make our parts more precisely. In December, Marlin invested in a robot to form parts with +/-0.002-in. (+/-0.0508-mm) tolerance. This led to a more than 10-fold improvement in quality. We are sure this will grow market share for us and lead to more lucrative opportunities as we transition from a commodity wire bender to an engineering solutions company.

3. Faster turnaround. We live in the text/e-mail age where clients anticipate responses in minutes, not hours or days as in the past. We improved our procedures in the last couple of months so we can make fixtures in 20 minutes rather than eight hours. This time compression will allow us to reduce our turnaround time and improve throughput.

We are pressing hard on lean-manufacturing improvements. A simple example is the use of shadow boards to make sure the machine operator's tools are positioned adjacent to the work activity. In addition, we have positioned equipment to reduce material handling. And, we have redesigned three cells to smooth out workflow and reduce handling so we ship faster. As a result, we are reducing the time to make a custom basket from four weeks to two weeks. For example, this month we made 4,500 custom racks (60-in. [152-cm] across) in less than 10 days, resulting in more sales and increased differentiation from the competition. At Marlin, speed does not kill.

We at Marlin Steel Wire Products think we can get through these tough times with a renewed dedication to engineering, quality, and speed, and that our best days are ahead of us.

About the author

Drew Greenblatt is president and owner of [Marlin Steel Wire Products](#) in Baltimore, Md., and is on the Executive Board of the [National Association of Manufacturers](#).

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