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## Mack adding employees 'aggressively'

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PLASTICS NEWS STAFF



NEW YORK (Aug. 2, 11:10 a.m. ET) — Mack Molding Co. is on a hiring binge that underscores the strength of the company's medical business and its ability to continue to post double-digit sales gains despite the gray clouds that have been hovering over the economy for nearly three years.

"In the last year, we have added 70 people and we are probably going to add another 20-25 in the coming months," said Jeff Somple, president of MackMedical and of the northern operations of Mack Molding, headquartered in Arlington, Vt. "That gets our employment back over 500. We are hiring people aggressively — both direct labor and engineering talent.

"We are going to be putting in a clean room at our headquarters facility, encapsulating some presses, and buying some additional presses," Somple said in an interview at Medical Design & Manufacturing East, held June 7-9 in New York. "It is going to be a modular section and it is being driven by demand from our medical customers. Things have been very, very good. We will definitely be adding equipment sometime in the next three months.

"Some of the disposable products we've gotten contracts to make require clean room manufacturing," he said. "So we need to do that."

In addition, the sheet-metal fabrication portion of the company's medical business has been so strong that Mack increased the laser-cutting capacity at its headquarters plant by 33 percent in June, adding a Trumpf TruLaser 2030 thin-sheet automated laser that can cut in thicknesses up to three-quarters of an inch in mild steel, one-half inch in stainless steel and one-quarter inch in aluminum.

"We have gotten multiple new programs from medical companies for metal chassis" that are integrated into plastic products, said Somple. "With metal sales increasing approximately 20 percent over the last 12 months, our laser-cutting capacity, particularly for medical, was stretched to the limit."

That addition of laser-cutting capacity comes on the heels of the investments made in the past seven months by the northern division of Mack Molding in a \$1 million machining center to make stainless-steel, aluminum and carbon-steel parts that are integrated into its plastic products; a new computer numerically controlled center to machine plastic parts at its Cavendish, Vt., plant; and a 1,650-ton Engel duo press to mold large industrial battery cases at its East Arlington, Vt., plant.

"We've been so fortunate," said Somple. "The first recession didn't impact our medical business and we had very good years in 2009 and 2010. We are less optimistic about the economy than we were four months ago, but we are still going to be growing at 15-20 percent this year, and we'll be busy for the next two years — all the way through the next [presidential] election cycle."

Somple said Mack is seeing "a lot of strength and solid growth from existing customers" and continuing to make inroads in the orthopedic segment of the medical market. "We have received business from three of the top five companies in that market," he said.

He said Mack also has landed a number of contracts for hand-held health diagnostic devices with "lots of volume," and is also "getting into old-line large molding for larger devices" that goes back to the roots of the company before it began the transition to medical, which now accounts for nearly 40 percent of sales.

"A lot of it is credibility," said Somple. "As you grow, it helps you get an entree into other companies."

In addition, he said many companies have multiple divisions and those divisions are looking for reliable quality suppliers because the Food and Drug Administration is cracking down on medical-device manufacturers. "They want to shrink their supply base because the bar is being raised in performance, quality and documentation."

One of the keys to Mack's growth, he said, is that the company strives to have at least "15-20 percent of its sales each year come from new business."

"You need to continue selling" even when business is going well, said Somple. "The biggest mistake a company can make is to take a break from sales. If you stop that cycle and try to restart it, you can end up being two years out of the loop. You need to continue to get new programs."

To make sure the company has the manpower to maintain its current growth, Mack is focusing on how best to find new talent and how to best maximize its current people resources.

"One of our biggest challenges right now is finding the people we need because many people are reluctant to move because the housing market is so unstable or because their house is underwater," said Somple. "So you have to cast your net a little wider."

It has also hired 10 college interns for the summer and given them project responsibilities. "Hopefully a few of them will become Mack employees" after they graduate, Somple said.

In addition, Mack has begun a review of what everyone is doing in their jobs to see if people are being underutilized or how their expertise can be even better utilized.

"It is a large undertaking, to be sure," said Somple. "But we want to make sure that people are utilizing all their skills and that they are able to do what they were hired to do."

"We are reviewing all roles and functions and job descriptions so that what people do and the job descriptions are aligned properly," he said.

"We want to identify roles and responsibilities and standardize ways to do things. We want to standardize everything so that each project team looks the same. That will add human capacity to Mack."

"It is a very healthy way to hit the reset button," added communications director Julie Horst. "It will let us rediscover what we have in house, how best to utilize our people, and help us find out what our personnel needs are."

At the same time, Somple said Mack continues to look at ways to be more efficient and sustainable — because it is both the right thing to do, and a competitive advantage in the marketplace.

"When a customer comes in for an initial audit, they now want to know what your approach is to sustainability and what you are doing to reduce your carbon footprint," Somple said.

To aid its customers in that assessment and also to keep employees informed of those activities, Mack has added a section on sustainable manufacturing to its website where it outlines those initiatives and what it has done, for example, to conserve resources, reduce waste and to recycle.

"It lays out what we are doing," said Somple. "It is a living, breathing document that touches everyone at Mack Molding. And each plant has its own goals in terms of reducing their environmental footprint."

A recent example: the even-better-than anticipated success of the fanfold converting machine from Packsize International LLC in Salt Lake City that turns corrugated stocks into custom-sized boxes.

When it was installed in February, Somple said that he expected to save 20 percent on the company's packaging costs — and that has happened.

But the machine also has paid numerous additional benefits. "It has exceeded our expectations," Somple said. "It paid for itself in four months and is operating at capacity."

As a result, Mack expects to increase the amount of corrugated packaging it recycles in 2011 eightfold — from 45,000 pounds to 360,000 pounds.

To help with that, Mack purchased a Recycling Equipment Corp. baler in June to compact the corrugated in bales, which weigh 1,300 pounds each, and has contracted with Rand Whitney Recycling to pick up the bales, which will total about 15 tons monthly.

The money Mack will get for the corrugated bales will more than offset the cost of the baler, the company said.

“It reduces a lot of corrugated waste and there will be a big labor savings because we don’t have to separate the corrugated,” said Somple. “We are turning something that was a cost into something that is now generating cash. Initiatives like that make good business sense. It is such an easy decision to make.”

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