



NEWS RELEASE

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Ohio Companies Retool to Compete with Overseas Competition

Non-Profit Organization Provides Guidance and Federal Funding to Local Firms

Small and mid-size companies in Ohio are modernizing to compete with overseas competition — and some are finding new niche markets they can dominate.

RBB Systems in Wooster, Ohio, and CB Manufacturing in West Carrollton, Ohio, recently completed business transformation projects aimed at saving Ohio jobs. Guidance and federal funding from the Great Lakes Trade Adjustment Assistance Center (GLTAAC) helped, but the leaders of these companies already knew what they needed to do.

CB Manufacturing in West Carrollton, Ohio — *Industrial knife manufacturer carves out a niche.* During the last 10 years, CB Manufacturing has faced increased competition from industrial knife manufacturers in Asia and India. When sales fell by 20 percent in 2009, it was clear CEO Chuck Biehn needed to take aggressive action. “I can’t compete with people making \$1 or \$2 an hour overseas, so we needed to use our heads and technology and find ways to remove waste from our processes,” Biehn said.

With guidance and matching funds from the GLTAAC, CB Manufacturing hired a lean manufacturing consultant in 2010 and began transforming internal processes and reducing waste. “Already we’re starting to see improvements in quality and productivity throughout the entire organization — not just on the production floor,” Biehn said.

CB is also focusing on a customer need its overseas competitors can't touch: fast turnaround. "We've always been able to compete on quality, but we also have an advantage in geography. Our overseas competitors can take literally months to ship. You just can't air freight industrial knives because of their weight," Biehn said. "But we can handle rush projects in a week or so. Our foreign competitors will never be able to do that."

The company also provides sub-contract grinding and heat treating services to manufacturers in the Midwest.

Overall, Biehn said he is "bullish" on manufacturing in America. "Manufacturing is not dead in America. We're very excited about bringing manufacturing jobs back to this country. I think manufacturing has a real chance to succeed in America for a great many products. Sure, there are some products that are going to be very difficult bring back to the United States — things like garments where there's just so much labor. But if we use our heads and find ways to reduce waste, we as a country can be competitive."

RBB Systems in Wooster, Ohio — *Custom circuit board assembler reinvents itself just in time.* When Bruce Hendrick was named President of RBB Systems in 2001, he quickly learned the company did some things very well — like assembling small-batch, custom orders of circuit boards and devices for industrial applications. But the company also provided full-service engineering, design and prototype services. "We just weren't executing on that as well and, frankly, the company wasn't performing very well overall," Hendrick said.

After a few more years of marginal financial performance, RBB Systems was ready to reinvent itself. In 2007, Hendrick and the owner of the company decided to prune RBB's engineering services division and focus exclusively on custom assembly of small batch orders. That's when they contacted the GLTAAC for consulting assistance and matching funds to launch a lean initiative, upgrade technologies and processes, and redesign the company's website.

"We needed to optimize our shop floor. We needed to guarantee we would succeed in this challenging niche. Plus, we needed to rebrand ourselves," Hendrick said. "I'm convinced we wouldn't be here today without the GLTAAC and the support and guidance they provided us throughout this process."

Hendrick said RBB's transformation began at exactly the right time — in the summer of 2007. "If we'd gone into the recession without having already started these initiatives, I don't know if we would have made it. Instead, we emerged healthier than ever."

With its new business plan, RBB Systems was able to get a refinancing package when other companies couldn't. The company saw a revenue increase of 25 percent in 2010 and expects a 10 percent increase in 2011. The company currently employs 60 people in Wooster.

"We're thriving. We're getting awards. We're hiring. I don't know if we'd be in this position if we hadn't retooled our business at just the right time," Hendrick said.

CB Manufacturing and RBB Systems are just two of the many businesses that are thriving with assistance from the GLTAAC. **For interview requests, please contact Ruth Ann Church at 734.998.6596 or rchurch@umich.edu.** Located at the University of Michigan since 1983, the GLTAAC offers companies up to \$75,000 in matching funds for projects conducted by the private consultants of their choice. The five-year survival rate of GLTAAC clients is 94 percent. More than 80 percent of GLTAAC clients generated a profit from operations during 2010. Additional information is available at www.gltaac.org. GLTAAC is part of a nationwide network of 11 Trade Adjustment Assistance Centers funded by the U.S. Economic Development Administration's Trade Adjustment Assistance for Firms program. More information is available at <http://www.eda.gov/TAAF>.

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