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Anderson Global redefining role in world market

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"Prosperity is a great teacher; adversity a greater."

— William Hazlitt

MUSKEGON HEIGHTS—As domestic competitors wallowed in self-pity, bemoaning the fact that heated overseas competition had squeezed their industry and other domestic firms undercut their costs to the point where there was nothing else to do but throw in the towel, Anderson Pattern President John R. McIntyre set out to execute a deliberate strategy for survival of his tooling company.

Slowly and quietly building his resources to attack the varied challenges head on, he has created a strong contender to dominate its industry — Anderson Global — a custom tooling and services firm with West Michigan roots that have sprouted international branches.

As the manufacturing recession hit about five years ago, Anderson Pattern saw some of its domestic customers disappearing. The remaining customers' attitudes were negative and cost reduction pressures increased.

McIntyre recalls that at that time there was overcapacity in the industry and supply outweighed demand. This put competitors in a "truly desperate mode," selling way below their cost just to keep the lights on. For many, the futile attempt to survive ended up in bankruptcy.

Anderson Pattern, too, was fighting to survive. But McIntyre didn't want to



Anderson Global President John McIntyre stands before one of 10 ultra high-speed machining centers he has purchased over the past five years. Investment in new technology and automation is one of the key strategies in McIntyre's game plan for the custom tooling company.

just scrape by; he wanted to come out on top. So he went about forming a game plan to keep the firm afloat on the stormy seas that were battering his industry.

Heavy investment in new technology and automation was pivotal to executing the game plan. McIntyre said that even when the economy was sagging and sales were down, the investments continued. Over the last five years the firm has spent approximately \$1 million annually on new equipment. Among the capital investments are 10 Roders ultra high-speed machining centers. The German-made machining centers produced remarkable re-

sults, making throughput four times faster and eliminating the need for hand polishing of finished parts.

Human resources also were fine-tuned. Recognizing the potential international scope of his business, McIntyre researched competitors around the globe to determine a standard international rate for wages and benefits. He found that Anderson's wage and benefit packages were quite a bit higher. To lower labor costs, McIntyre came up with a solution.

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“One thing we did to bring us through the tight spot was to approach our workforce, explain the situation and ask for a correction in wages and benefits. We were successful in getting the correction in return for a very generous profit-sharing program,” said McIntyre. “This year we’ve already been able to pay some profit sharing, so people are starting to see the value.”

Along with instilling a sense of ownership, McIntyre also committed resources to instilling a renewed sense of pride within the workforce by training them on lean manufacturing practices. The process improvements and training continue today as the company perfects its craft.

As the misfortune of less savvy competitors translated into a hiring opportunity for Anderson Pattern, McIntyre added to his ranks.

“With the closing of some of the larger shops in Wisconsin, we were fortunate enough to convince over 10 top engineering and technical people to work here and relocate their families here,” McIntyre told *MiBiz*. The added experience and knowledge increased the company’s capabilities. “At present, there is only one other manufacturing facility of our kind that comes close to having the capabilities that we do.”

With the people, technology and equipment in place to succeed, it was time to put a fresh new face on the 75-

year-old business by giving it a new name.

“The word ‘pattern’ is an old foundry term. We make molds, dies and all kinds of things now. We’re really in the complex shape business. Changing the name from Anderson Pattern to Anderson Global did a lot to re-identify our direction and get rid of any past stereotypes that the word ‘pattern’ might have had,” said McIntyre. “We wanted to change our identity so that no matter what new market might appear on the horizon, our name wouldn’t shut us out.”

The Anderson Global name and logo was unveiled this weekend in St. Louis at CastExpo ’05, the first joint exposition of the American Foundry Society and the North American Die Casting Association. New signage will go up on Anderson’s Muskegon Heights facility in May. An open house is planned for early June for vendors and customers. Another open house is set for employees and their families.

McIntyre and the Anderson Global team take the word “global” seriously. Anderson has been selling and marketing globally for many years. It was doing business in Mexico in the 1980s and it began selling tooling to Chinese foundries in 1990. It has customers in South America, Australia and Europe. The company has developed a strategic partnership with one of its former customers, Kunshan Production Mold Co. Ltd. in China. Anderson Global also has a sister company, Produc-

tion Mold Inc., in Phoenix, Ariz.

“That company is now building a plant in China to service a customer headquartered in L.A.,” said McIntyre. “So we will actually have our own company to support that plant.”

With the new name comes a new marketing strategy. Automotive accounts for 85 percent of Anderson’s business. Fifteen percent of that is from the New Domestic. The near-term goal is to move the New Domestic’s business up to around 40 percent. McIntyre explained that the automotive industry is becoming more globalized, with plants being built around the world. Anderson Global’s strategic positioning as a firm with global reach reflects that new reality and opens the doors wider to the New Domestic.

Once strictly a tooling shop, the reborn Anderson Global is reaching far beyond its tool shop roots, stated McIntyre.

“We’re trying to change what we are and what we do, and change our culture completely. If we can successfully change this business into a company of knowledge workers where the machines and computers do most of the making and doing, our employee team members can do the thinking, planning and innovating. We feel this type of manufacturing is going to be viable for many future generations.” MiBiz