

Smart Choices for Small Business Owner Lead to Doubled Sales

(MENTOR, OH) By any account, the manufacturing economy since 1999 has been brutal. More than 2.8 million manufacturing jobs have gone away since the end of 2000, and many will not return. Competition, both foreign and domestic, remains fierce, and customer pressures to cut costs remain unrelenting.

Yet as the self-help books say: tough times don't last, but tough people do. Reeve and Maria Parker of Parker Precision (Mentor, OH) are just such an example.

Working at a screw machine company out of high school, Reeve Parker progressed through a series of jobs and increasing responsibilities. He performed centerless grinding, basic setups, and changeovers. Processes he learned included honing, milling, turning, setting up work cells, and statistical process control methods. Titles also evolved with his job growth: lead setup man, assistant foreman, and plant manager.

Then, together with his wife Maria, Parker sold his first home and, with an SBA loan, went into business for himself, starting Parker Precision in 1997. "I started with my wife and one Quick Turn 20 CNC turning center from Mazak (Florence, KY)," Parker says. He quickly zeroed in on a niche he unearthed from his screw machining days: precision fittings, largely in stainless steel but also in carbon steels and brass, for hydraulic components, earthmoving equipment, and medical customers. "Right from the beginning, I started exceeding the projections I made for paying back the SBA loan," he

relates, mainly by finding the customers and “jumping through hoops to keep them satisfied.”

Automation and cellular setups, also part of Parker’s background, came into play almost immediately. “My first Mazak was a chucking machine, then as I added equipment and customers, I ran bar feeders,” Parker explains. “That helped out a lot, as one guy could run at least two machines. I also ran cells right away. Efficiency made us competitive, and I could pay a decent wage to keep good people.”

Then one of Parker’s main customers moved to a network procurement program; moving from a number of vendors to only four for all their turned parts to streamline costs. Parker Precision made the cut, but having a major procurement contract meant quality, precision, and deliverability “absolutely had to be there” in Parker’s words.

Fortunately, the times began to turn to Parker’s advantage. In May 2003, President Bush signed the Jobs and Economic Growth Act. In place of a temporary 30% expensing allowance enacted in 2002 for machine tools and other equipment, the bill increased the allowance to 50% for machine tools purchased through the end of 2004. Small businesses whose annual equipment purchases did not exceed \$400,000 got an extra incentive: a first-year depreciation bonus of \$100,000.

Parker jumped at the opportunity. Reasonable interest rates plus the new tax incentives made Parker’s cost for seven brand-new machines very near what it was for the five he replaced. The seven new machines, five Mazak Nexus QTN 200 and two Nexus QTN 250 CNC turning centers, also made his productivity skyrocket. Compared to the model it replaced, the QTN 200 provides 20% more spindle horsepower and a 10% increase in spindle maximum speed and traverse rate. The Nexus QTN 200 also reduces electricity consumption 25%, occupies 15% less floor space, and slashes setup time 90%. Parker was able to meet deliveries, maintain tolerances, and schedule new work without adding overhead.

As a result, Parker's sales have doubled every year since he began his company, breaking the million-dollar mark for the first time in 2003. Running a total of nine CNC turning centers, all from Mazak, Parker sees as a significant advantage. "A lot of companies buy machines based on price only," he says. "Then you end up with a number of different kinds of machines, and your employees tend to favor the machines where they get the best results. You may be saving money up front, but productivity and profits suffer. With a single supplier like Mazak means my guys can move around and still be able to help each other. There's only one programming system to learn, the conversational programming is user-friendly, and the CNC is a Cadillac."

Parker also points out the new Mazak Nexus machines are advanced both in technology and ease of operation. "Maintenance, for example, is easy to monitor with all sight gauges located in a single area. Having grease lubrication also adds no tramp oils, making our coolant last significantly longer. That helps maintain costs."

Now in his own building, Parker is growing by sticking to his plan – exceeding customer expectations without adding costs. Reductions continue to be demanded, he admits, but staying close to his customers has made them willing to listen to ideas for new ways of doing things. As new customers represent only a small portion of Parker's customer base, his growth has come from maintaining existing customers.

Parker's advice? "Keep up with technology, stay versatile, and exceed expectations. They're all related. For example, in everything we do, we try and minimize secondary operations. The high tolerances we get off of our Nexus machines help us stay competitive. We're also getting ISO-certified, which really is formalizing what we already have – a decent system that's well-documented and meets objectives. And, if we have a 10-day turnaround for prototypes, for examples, we turn them around in seven. Technology helps you do that."

30 Years of Innovation

In July 2004, Mazak Corp. celebrates its 30th anniversary at its Florence, KY, complex. In 1968, Mazak opened its first sales office in Long Island, NY, and moved to Greater Cincinnati in 1974. Expanding 12 times since then, the complex is now fully ISO 9001:2000 certified and includes a Lean Manufacturing Facility, National Technology Center, and Optimum Customer Support Center. Also established are Technology Centers in such major market areas as Los Angeles, Houston, Chicago, Atlanta, Hartford, and Mexico. These facilities provide complete customer support in manufacturing solutions, process applications, service, parts, and customer training. Mazak produces more than 30 innovative models of machine tools at its Florence facility. The Nexus series of CNC turning centers and vertical machining centers is the latest and most successful high-performance Mazak machine tools manufactured in the United States. For more information, visit the Mazak website at www.mazakusa.com.

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Photo caption: Reeve and Maria Parker in front of one of their new QTNexus 200 CNC turning centers from Mazak Corp. (Florence, KY).



Photo caption: Sample fitting



Photo caption: Parker Precision fittings ready to ship.

