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Heat treating specialist Paulo Products Company credits constant improvements and a strong family heritage for its continued growth and market leadership. Linda Seid Frembes reports

Paulo Products Company may have five plants operating in three states but its culture is driven by its small family business roots. Company President Ben Rassieur III and Executive Vice President Terry Rassieur continue to lead the business their grandparents created in St. Louis, MO, in 1943. "There was no heat treating operation in this part of the country. Back then, no one was doing it as a standalone business either," Rassieur says. "They developed a wide variety of heat treating processes and went on to build a plant in Kansas City, MO, as well as acquire two plants in Tennessee and one in Ohio."

Today, Paulo delivers innovative engineered heat treating, brazing, and metal finishing solutions to a range of customers in the auto-motive, aerospace, and commercial industries.

As customers' expectations increase, Paulo's overall strategy is to address quality, service, and productivity. The quality portion will focus on consistent delivery and less variation. Productivity is enhanced using their developed IS capabilities. "We are very information oriented," says Rassieur. "Based on our methodology, we developed our Production Information Client-Server System (PICS) that tracks the design process, production, and analysis of production. You can build engineering models with certain time and process parameters."

Paulo's PICS captures vital information about parts and production runs, and helps to reduce variation in the process. This proprietary information system also tracks every customer order. Processing instructions for every part processed at a Paulo plant are stored in the database to be retrieved when an order is entered. Additionally, data for hundreds of "generic" processes provide instructions for such parts as tooling components that are unique. The PICS system tracks every order from receipt, through processing and inspection, shipment, and billing.

Although the company doesn't prescribe to any one particular continuous improvement methodology, Rassieur emphasizes the teamwork approach that is prevalent at Paulo. "Cross-functional teams are assigned around certain processes; everyone is involved. Depending on the project, we will vary the people working on the team to best fit the goal. We draw from practical experience, not just one method."

The company does, however, hold industry certifications based on needs of particular markets. The St. Louis, Kansas City, and American Brazing (Cleveland) plants are ISO 9000:2000 certified. The Nashville and Murfreesboro plants have achieved the International Automotive Task Force (IATF) ISO/TS 16949:2002 standard that represents the technical standard requirements of the major automotive manufacturers around the world. Murfreesboro, St. Louis and Nashville are approved to the Ford HTX standard and have received the coveted Ford "Preferred Supplier Award." American Brazing has earned AS9100 certification. Both Kansas City and American Brazing have met the NADCAP standard for aerospace. Other Paulo facilities are currently working toward receiving the ISO/TS 16949:2002 upgrade. "We are always working to improve the system," says Rassieur.

Paulo takes a conservative approach to growth and is committed to maintaining a strong business. Rassieur notes that the company has always been profitable, even in tougher economic times.

When asked about trends, Rassieur also noted that important trends are measured in the long-term, like the movement of manufacturing to low cost areas. "This creates supply chain issues due to long transportation times, especially from overseas. We've noticed that lot sizes are decreasing as we are likely used as a supplement to low cost areas."

Energy costs have also been on the forefront since heat treating is very energy intensive. The company must pay attention to conservation and efficiency, especially since its fuel sources are natural gas and electricity. Paulo has also felt the effects of disruption of other gases like hydrogen from the Gulf Coast. Rassieur adds: "Some of these are short-term challenges. We will continue to work on energy efficiency since that is a lasting issue. Every Monday, we read 150 meters across all five plants. There are sub meters on every piece of equipment so we can track usage against production. We look for problems like burners out of tune, etc. It helps to focus on improving the biggest energy users. As my dad said to me when I first entered the business: 'No matter what we do, there is no substitute for off,' and that is still true today."

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