



## GW Plastics puts millions into toolmaking

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PLASTICS NEWS STAFF

ANAHEIM, CALIF. (Feb. 22, 3:20 p.m. ET) -- GW Plastics Inc. has redesigned and upgraded its mold-making plant in Royalton, Vt., adding three significant new work cells, equipment and a more efficient layout that will enable the company to become a larger player in higher-cavity mold making.

"We didn't have to invest in the U.S., but we've chosen to," said Larry Bell, vice president of business development and marketing, in an interview at Medical Design and Manufacturing West, held Feb. 8-10 in Anaheim. "It underscores and demonstrates that we are going to invest in the U.S. in toolmaking."

GW, headquartered five miles west in Bethel, Vt., also has internal mold-making operations at its plant in Dongguan, China, and has made molds in the U.S. for more than 50 years. It was *Plastics News'* Processor of the Year in 2010, and has been profitable every year since the Riehl family headed a group of managers and investors that bought the company in 1983. The company gets two-thirds of its revenues from the medical industry.

"We believe that we are well-positioned to provide a new level" of service and capabilities with this investment in the mold-making operations in Royalton, said Bell. GW also has a precision molding plant, a technical center and a silicone molding plant at its Royalton site. "We feel that by using lean manufacturing and understanding what goes into the cost of building molds, we can build a high-quality mold at the right cost."

The first phase of the project is nearing completion at a cost of \$1.5 million to \$2 million. It includes three key new pieces of equipment that have their own work cells: a plunger electric discharge machine with automation; a computer numerically controlled wire EDM and a CNC milling machine with automation.

The milling machine, just delivered to the 12,000-square-foot mold-making plant in mid-February, is expected to begin operating in the next three months.

"We are putting everything into place and increasing standardization," said Tim Holmes, vice president of engineering at the custom injection molder and contract manufacturer. "We decided to put together a two-to three-year strategic plan" to revamp how GW makes molds in Vermont.

That initiative launched in June. "We challenged our people to look at where our costs are and how to take more costs out," he said. "We did a complete evaluation of the process flow, our current equipment, and how we did things," and decided to focus on automation.

GW discovered "a lot of wasted movement of material and people," said Holmes. "The workers ... helped us eliminate a lot of the waste that goes on day-in, day-out and helped us plan how to get more throughput."

The company developed a completely new layout, moving each piece of equipment to a new location conducive to lean manufacturing. "We brought in more robotics and automation and switched to a cellular manufacturing approach. That dovetailed nicely to another initiative we have to use a lean manufacturing approach," he said.

In addition, GW increased training and development, and separated mold making from repair and maintenance work — a change Holmes said will help speed mold delivery.

Roughly 35 people work in the mold-making operations in Vermont, with another 30 in China. In total, GW employs more than 600 at its manufacturing sites.

Holmes estimates GW will increase throughput per person 10 percent in the first full year that the new equipment and layout are in place, and improve efficiency 20-25 percent in three years.

The investment will help GW reach into new markets.

"We have historically been very good at precision, lower-cavitation molds," said Holmes. "Seven- and eight-cavitation molds have been our sweet spot. But with this new strategic initiative in our mold making, we should develop capabilities for 32- and 64-cavitation molds."

GW currently provides that as a company, but in several instances has had to go to outside mold builders, he said. "We'd like to build those internally. Our long-term vision is to always have the capacity to produce 50-60 percent of our molds internally."

Holmes said GW is likely to double the mold-making capacity it has now in Royalton and move mold making into a larger facility at some point.

"We have no additional equipment on order and nothing committed from a capital improvement standpoint for 2011," said Holmes. "It's ... probable we will defer more capital equipment purchases for mold making until 2012."

Bell said the investments emphasize GW's belief that mold making is a core competency.

"It's always surprised me that some companies don't have mold-making capabilities," said Bell. "We believe you have to understand how a mold is built" to make improvements to design.

"Mold-making will continue to be the front-end of the business," said Bell. "We're able to offer help with the manufacturability of plastics. We can optimize design to minimize cycle time and can show them how we can offer a cost-effective system by optimizing design before we make any molds."

Bell also said the company's product development center, opened one year ago, has become a strength for GW.

"Strategically, we didn't set it up to be in competition with product-development companies," he said. "It lets us solve problems for companies," both large and small. "We have some very strategic customers who use it, as well as some smaller to midsize companies with limited capabilities who turn to us to get [the project] across the goal line," especially when there are design-for-manufacturability issues.

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