



Notes From The Chairman

Rapid Prototyping: The Key to Competitive Product Introduction

Precision and fast turnaround are two factors that have contributed to APC's enduring relationship with our customers. A good example of this is with Orthopedic Equipment Company, (OEC), Warsaw, Indiana, where we've earned thumbs up from Purchasing Agent Jay Haughee.

Haughee notes that APC's engineering know-how is brought into the production process early on in the design stage. Our experience and understanding of their needs make us a true partner in OEC's manufacturing process.

OEC components are designed with many of the features common to parts produced by the die casting process, yet their quantity requirements do not justify the expense of production dies. The manufacturer of orthopedic medical devices requires short run, low volume production, with fast turnaround for quick product introduction. These are very specialized products and there is not the luxury of large production runs; also, time is very compressed. APC knows and meets these requirements. Our fast turnaround combined with the added benefit of high precision give them a competitive edge.

The typical job for OEC is a larger, structural casting, which needs to be strong yet have a good appearance since it will be visible to customers. Unlike typical sand castings, which are quite rough, the rapid prototype castings we produce for OEC have a smooth RMS finish. These require minimal machining, which saves OEC time and money.

We've enjoyed a long working relationship with this client. Haughee pays us a high tribute saying: "APC almost instinctively knows what we are talking about." He notes that "good partnerships are very valuable," and that we understand the scope and parameters of the job and what is needed. "If necessary," he says, "APC can work off a napkin sketch." This kind of working rapport is what we strive to achieve with all our clients, but it also means that you have to commit your entire operation to serving your clients with no holds barred.

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APC has learned to focus on segments of its increasingly pluralistic markets, and to develop products and services that have unique characteristics based on quality, complete service, responsiveness, short lead times, due date performance, flexibility and integrity - characteristics which permit us to offer value, not price alone. At times this commitment somewhat limits the markets we target, but our market niche centers around those customers who need service, casting and engineering solutions "outside the box." For them "affordability" is an issue as much related to beating their competition to market as it relates to the actual dollar cost of the prototype or interim production casting which we provide; maybe more so.



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Most of our customers have several characteristics in common. They generally compete in high-tech markets where sometimes mere "days" can make the difference between establishing a competitive edge or running second. They frequently require "complete service" which can include machining, coating, testing or even sub-assembly. They often require a level of flexibility to meet their needs for rapid design change, or unanticipated product demand requiring accelerated deliveries with no reduction in quality. These are real market-driven customer needs which must be met, not just some of the time, but every time, in order to provide real "value" which transcends price.

To meet these customer needs requires not only a high degree of competence and flexibility, but often entails some level of risk. It is in this environment that APC finds its niche. We do not define ourselves as simply a supplier of precision castings for prototype and short run applications. We often input the casting design itself and engineer to save our customers castability problems in die design. Taking complete responsibility for machining, coating and other secondary operations is a service we provide to help insure that our customer's product meets specifications and enters the customer's design readiness. If a project falls behind schedule we stand ready through the use of Rapid Prototyping methods or round-the-clock effort to help get it back on target.

Customer Service: What does it really mean?

A recent visit to a restaurant with three other people brought about a course of events that got us thinking about customer service in general and how it relates to our own business. After being seated, we ordered our lunch, explaining to the waitress that we were on a tight schedule and would appreciate speedy service. Fifteen minutes passed with no sign of the food; the waitress apologized with assurances that our food would be "served shortly." Fifteen minutes later, still no food, but another apology. Ten minutes after that, our lunch arrived with another apology and an explanation: A large party was being served in an adjoining dining room which delayed service to several other customers. Feeling some resentment, we resolved to avoid this restaurant in the future, particularly when we were in a hurry.

Anyone in business learns quickly that work volume doesn't come in a nice even flow. It comes in waves. At American Precision Castings, like any other manufacturing operation, we get not only large and small orders, but also orders that vary in complexity. Some jobs are easier than others. Some require more work at one stage than others. There may be unforeseen complexities in the development of the master pattern. Or we may have found a way to reduce machining costs but in the process have taken up two or three more days on the front end. Any one of a hundred things can threaten to extend the planned completion time beyond what was promised to the customer.

What to do? First and foremost is the promised delivery date. Is it a hard and fast deadline or is there some flexibility? If the due date is not flexible, is there any way that we can help the customer meet the deadline?



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From our perspective, the customer's schedule becomes our schedule when we accept the order. Customers don't want to hear about how busy we are or the equipment problems we may or may not be experiencing. And why should he or she? They have their own problems to deal with and don't need us to add to them. Our customers have brought their business to APC because they believe we will make their life easier by getting the job done on time and in a professional manner.

Designing and maintaining flexibility in our organization is the key to serving our customers. Never should the customers get the impression that they have to take a number and wait a turn in line. Work on the customer's job begins the day the order is received. This of course means that since a variety of prototyping technologies are in use today, we have to be prepared to work with the one the customer is using. That is why we employ a variety of methods and technologies and are constantly on the look-out for new developments. Every decision in our organization is based upon the impact it will have in terms of providing better results for our customers.

The explanation that another customer's order is given priority is not the way to build customer loyalty and good will. Nobody likes being a second class customer. We like to believe that we are the best in the country in what we do - prototype and short-run castings. But no matter how good we are, we can never allow ourselves to believe that we are the only game in town. Our customers count on us every day to come through and deliver the goods. And they deserve the best. Learning from this experience, we've re-dedicated ourselves to this goal: to serve all customers in a timely manner and with equal consideration.