

On Decc G.R. manufacturer dons a coat of innovation

Thursday, July 26, 2007

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Fred Mellema started working in his dad's coating business when he was 10 years old. The plant Mellema's own 10-year-old son began working in a couple weeks ago is a very different place.

"It's a much larger place," Mellema says, smiling. After thinking about 30 years ago versus today at the Decc Co., of which he's now CEO and owner, he adds, "There's nothing the same. Everything was hand-sprayed. Now less than one percent is hand-sprayed."

The other 99 percent of parts, largely automotive, that come through the sprawling plant of the Grand Rapids coating applicator are handled by machines.

The company, founded in 1964, just invested \$1.8 million in a sizable new machine, made by Thiereca Inc. in Grand Rapids, that will allow the coater to complete a substantial project for Caterpillar, launching it into industries beyond automotive, says Victor Stacey, sales and marketing manager.

The machine arrives in eight pieces, being unloaded outside Decc's rear entrance. A small group of employees oversee the delicate operation of receiving, then moving, then piecing together the sizable portions of the machine, including Engineering Manager Lisa Mueller. In the bright sunlight, she shields her eyes and examines the new equipment.

She is an example of Decc's innovation.

"Most of our competitors don't have one great engineer -- we have four," Stacey says.

Mueller brought with her from Denso Corp. a knowledge of Japanese automotive process, which allows the coater to increase efficiency and problem-solve for customers. It's that strength that won Decc the Caterpillar job, scheduled to launch in September. Because Decc designed a machine that could apply coating to a variety of Caterpillar's heavy truck parts, the 80-employee company took that business away from a competitor, Stacey says.

"What we do for the Caterpillar parts makes it unique in the industry," he says.

That protects the small business from increasing global competition. Coaters that function strictly as a job shop, without offering any additional value to customers, will be at the mercy of the cheapest labor, Stacey notes. Half a penny's difference in price could cost a job.

Like a human body, the brains of Decc Co. are upstairs. That's where six people recreate coating situations and test formulas.

"This is the largest R&D department in our industry -- I guarantee it," Stacey says.

Innovation has bred ambition in the small company, which plans to continue growing beyond the Caterpillar win, possibly enough to merit a physical addition to the 100,000-square-foot plant.

"We just quoted a job for \$6 million," Stacey says, pausing. "Six million dollars is a lot of money in our industry."

That one job alone would double the company's 2006 sales. Decc reported a 53 percent sales growth

from 2006 to 2007, bringing it to just over \$6 million. Five years ago the company had \$4 million in sales, Stacey says. He expects that to bump to \$9 million or \$10 million next year.

"The innovation we made in the last few years was in the decision to differentiate ourselves," he says. "If it's easy to do, it's going to end up overseas."

This story is part of a monthly Manufacturing Innovations series. Business Review will hold a townhall-style forum Sept. 19 in Grand Rapids on this topic, in conjunction with the Society of Manufacturing Engineer's annual conference, the Great Lakes Advanced Productivity Exposition. See page 2 for registration details.