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## Iowa's Positech Designs Safer Workplaces

*Custom designer of material handling equipment and lift-assist devices securing clients, adding jobs*

It may be difficult to think of a 55 year-old manufacturer with a worldwide customer base as a startup company or to think of managers of a publicly traded, multi-national company as entrepreneurs, yet those terms are appropriate at Positech Corporation.

In 2004, the Positech in-house management team purchased the company from parent Columbus McKinnon Corp., making this five-decades-old northwest Iowa manufacturer a locally owned and locally managed company.

Located in Laurens, the company was established in 1951 as Mefferd Industries. It changed

its name to Positech (Position Technology) in 1980 and was bought by Columbus McKinnon in 1989.

Positech custom designs material handling equipment and lift-assist devices for manufacturing customers in food processing, pulp and paper, farm equipment, automobile and aerospace industries.

According to Peter Hong, Positech president, (shown above) its custom-engineered products help eliminate negative worker ergonomics, reducing physical stress, repetitive stress and potential injury.

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## Concrete solutions from Iowa's Hawkeye Group

The Hawkeye Group, a Mediapolis, Iowa-based manufacturer has been called one of southeast Iowa's best-kept manufacturing secrets. While the company may not be as well known as Iowa business icons such as Pella® Windows, Rockwell Collins and the Principal Financial Group, it is no stranger to the marketplace it serves — the concrete pipe, manhole and precast concrete products industry.

Hawkeye Group, which got its start more than 50 years ago as a producer of concrete pipe and other products, is an Original Equipment Manufacturer (OEM) of some of the most sophisticated equipment and robotics systems for a worldwide customer base of concrete manufacturers.

The company's equipment is used to make massive concrete pipes and culverts — ranging from 12 inches to 12 feet in diameter and weighing up to 16 tons — that are used in storm and sanitary sewer systems, by road and bridge builders, and by housing subdivision developers.

Don Schmidgall, Hawkeye Group president, says the company has captured the largest market share in North America for this industry and continues to see increasing quantities of machinery shipped worldwide, with customers in Europe, China, South Korea, Malaysia and other southeast Asian countries. “We are continuing to add manufacturing jobs and increase capital investment in our facilities to keep up with our sales growth,” says Schmidgall.

With sales growing more than 300 percent in the past two years, the company has added 130 employees to its operation—more than doubling its 2004 workforce of 100.



The company is in the midst of a building boom as well. Two 4,500-square-foot buildings—one for Hawkeye's paint booth and one containing laser-cutting machinery—as well as a nearly 13,000-square-foot facility have been constructed. The multi-phase, \$2 million expansion project, which will create 47 new jobs, is receiving a series of tax benefits from the Iowa Department of Economic Development-administered High Quality Job Creation program.

“We make a complete series of automation and robotics solutions that allow our customers to produce consistent, high-quality concrete products more efficiently and cost effectively,” says Schmidgall. The custom-designed systems Hawkeye manufactures can run anywhere from \$1 to \$7 million and take anywhere from 16 weeks to one year to produce.

“Robotic systems are fueling much of our sales growth,” says Schmidgall. “Concrete manufacturing is very labor-demanding; our robotics allow companies to divert existing workforce to other higher-skilled tasks.”

Hawkeye Group, which holds 22 patents on its product line, has been perfecting solutions for its customers for more than 50 years. But according to Schmidgall, it's only the beginning.

“We have 10 third-generation Schmidgalls heavily involved in the design and engineering of our products,” says Schmidgall. “They are also looking to extend our expertise in automation and robotics equipment to the manufacturing processes in other industries.” ■

## Fast start for Progress Casting in Iowa

### **Workforce made choice easy**

“If you dream it, you can do it. This applies to Progress Casting Group,” says Bob Silhacek, company president. “A year ago on June 14, 2005, we came to this site and put spades in the ground to build our third manufacturing plant. Using local contractors, we went from green field to state-of-the-art foundry in less than 11 months. It has been a wonderful experience.”

“I want to thank Governor Tom Vilsack and the state of Iowa for their help and support as we progressed from visiting, negotiating and completing our new plant in New Hampton,” says Silhacek.

Progress Casting reviewed sites in Iowa, Minnesota and South Dakota and received a package of state, community and regional incentives that included \$700,000 in awards from the Iowa Department of Economic Development. More than 1,000 persons applied for the first jobs at the plant, where the workforce is expected to reach 150 persons as the business grows.

“When we set out to find a location that had a rural setting and productive and dedicated employees, we never imagined that we would come across a place that had so many of the attributes we needed. We found such a place in New Hampton,” says Silhacek.



**Bob Silhacek, President,  
Progress Casting Group, Inc.**

### **Progress Casting Group Inc. New Hampton, Iowa plant:**

- Higher volume, custom casting house
- State-of-the-art, Low Pressure Permanent Mold aluminum foundry
- 84,000 sq. ft. plant, \$14 million investment
- 70 employees, 3 shifts
- Two production lines, two more planned
- Customer base: Wisconsin, Illinois

**Plant manager Jamie Schaffran of Progress Casting holds an aluminum cylinder the New Hampton plant produces and ships to Harley-Davidson for motorcycle engines.**



## NSK Corporation rolls ahead in Iowa

**A**n expansion project underway at NSK Corporation's Clarinda, Iowa, facility continues to roll ahead. The global manufacturer of precision bearings and related motion and control products is in the midst of a multi-million-dollar expansion project to remodel and install machinery that will produce automotive-sized ball bearings for auto makers, industrial manufacturers, and the automotive aftermarket.



*A multi-million-dollar expansion project at NSK Corporation's Iowa facility will allow the company to more efficiently produce precision bearings and motion and control products.*

The project was awarded \$2 million from two Iowa Department of Economic Development-administered programs—\$1 million from the Iowa Values Fund and \$1 million from the Economic Development Set-Aside (EDSA) program. In return, NSK is creating 150 full-time jobs while retaining 373 employees in this southwest Iowa community. “There were three different states competing for this expansion project, but Iowa’s Value Fund provided NSK Corporation with the incentives we needed to add and retain the jobs in Clarinda,” says Chris Seitz, NSK Clarinda plant manager.

Japan-based NSK Corporation has two facilities in Clarinda. One plant, NSK-AKS Precision Ball Company produces balls used in bearing production. The other plant, NSK Corporation, manufactures small ball bearings for general industrial, power tool, lawn and garden and automotive customers. According to Seitz, the expansion will help NSK Corporation address global changes in the marketplace.

The current expansion project consists of moving medium-sized bearings and water pump bearings to the plant. “These product lines are larger than any product previously produced at the Clarinda plant and they will be shipped primarily to customers in the automotive industry,” says Seitz.

NSK first located in Clarinda in 1975 and since then, NSK has expanded its Clarinda operation 16 times. In 1988, NSK formed a joint venture with Amatsuji Steel Ball Mfg. Co., (a Japanese steel ball manufacturer) to produce steel balls for many markets including the automotive industry, anti-friction bearing industry, original equipment manufacturers and other ball companies.

Today, more than 450 employees work for the two businesses. According to Seitz, “The Clarinda plant has been very successful over the last 30 years. We are always implementing new and better ways to do business. This is possible because of the great team members we have. The community of Clarinda and Iowa Western Community College have been very cooperative during all of our expansion projects and are truly partners.”

The community is similarly proud to partner with NSK. “We’re delighted that NSK has called Clarinda home for the past 30 years, they are a great corporate citizen,” says Chad Wellhausen, Clarinda Economic Development Corporation executive director. “We understand the benefits this expansion and 150 new jobs bring to our community.”

For more than 30 years, a central location, high-skilled workforce and supportive local and state governments have helped NSK prosper in Clarinda, Iowa. With its current expansion project, that will be completed mid 2007, NSK and its Clarinda facility will continue to be well positioned to roll ahead in the global marketplace.

**For more information on how an Iowa location can help your company secure huge returns, visit [www.iowalifechanging.com](http://www.iowalifechanging.com) or call a project manager of the Iowa Department of Economic Development for a confidential consultation at 800.245.IOWA (4692). ■**

## Iowa's Automated Concepts helps advance U.S. Manufacturing



With completion of a multi-million-dollar expansion project that almost doubles their current floor space, Council Bluffs-based Automated Concepts Inc., (ACI) stands ready to build upon its national reputation as a leader in the robotics integration field.

“We design and integrate leading-edge, turn-key automation and robotics systems for a wide range of manufacturing applications,” says Brian Turner, ACI general manager, “Our solutions help U.S. manufacturers successfully compete on a worldwide basis.” ACI’s leading-edge technology includes automation systems for robotic welding, robotic palletizing, robotic assembly, robotic material handling, robotic material removal and robotic machine loading and unloading.

ACI has a client base that includes Fortune 500 companies such as Caterpillar, General Electric, Deere and Co., 3M and Boeing, and the company’s newly constructed state-of-the-art, 65,000-square-foot facility was in response to its recent string of double-digit growth. “In today’s lean manufacturing environment, our

automated systems help clients achieve their production goals through predictable productivity, increased throughput, zero changeover, reduced work-in-process and improved accuracy and product quality,” says Turner.

Every installation is unique and Turner says ACI meets each challenge by custom designing solutions specifically for each application. An example of the company’s work can be seen in a system designed for an ag-equipment OEM. “The company needed to produce wheel housings more efficiently,” says Turner. “We custom engineered multi-process technology that reduced machining cycle times and labor requirements, compressed manufacturing lead-times, and eliminated much of the set ups and part touches.”

The impressive 150 foot by 200 foot manufacturing cell included three robots, two gear shapers, two machining centers, three lathes, one pin-stamping machine, one parts washer, one deburring system, 16 motorized inbound conveyors and eight gravity outbound conveyors.

The 120-employee company, founded in 1983, moved operations to Council Bluffs in 1990. Since then, ACI has successfully integrated more than 1,200 industrial robotic systems. When the company outgrew its previous location, “We looked at other areas, but we really like our current location and wanted to stay close,” says Turner. “We remained in Council Bluffs because of the quality of our people, the community itself and a strong incentive package offered by state and local governments.”

Facilitating the \$4-million project was a \$300,000 award from the Iowa Department of Economic Development-administered Community Economic Betterment Account. IDED also approved ACI for a series of tax credits and refunds, and other benefits under Iowa’s Enterprise Zone program.

Under pressure to keep costs down and quality high due to globalization, advanced manufacturers are turning to Automated Concepts Inc., for solutions that give them a competitive edge as well as provide measurable impact on part costs, quality and lead times. When ACI needed a new location to accommodate its sales growth, they turned to Iowa to keep their competitive edge. ■

## Positech — Continued from page 1

“Our solutions range in cost from \$2,500 to \$1 million and we ship an average of 300 equipment solutions each year,” says Hong.

It was in early 2003 when Columbus McKinnon felt that Positech’s strength in designing and manufacturing custom-engineered products didn’t fit with their focus on mass production of material handling equipment.

“The out-of-state companies interested in purchasing Positech all wanted to move the Laurens operation to their facilities.” But Hong and his in-house management team felt the success of the Positech brand was in large part because of its Iowa workforce.

“Our Laurens’ team has a special chemistry that makes it unique. Our employees know equipment and how to make things work,” Hong explains.

So instead of moving, Hong and members of his management team decided to invest in their workforce and community by starting American Handling Systems, Inc., and purchasing Positech from Columbus McKinnon in 2004.

Assisting the management team in its purchase was a \$230,000 Community Economic Betterment Account award from the Iowa Department of Economic Development.

As the 77-employee company enters its third year as an independent entity, Hong believes his company is making the successful transition to a nimble, entrepreneurial company. And with annual sales now approaching \$10 million, Hong and his Iowa workforce are custom designing a uniquely Iowan success story. ■



## Opening Doors in Iowa

Construction is underway on a new manufacturing plant in the western Iowa community of Shelby that, when completed, will create 300 new jobs at an average hourly wage of \$11.50.

After an extensive search of Midwestern sites, Midwest Manufacturing, a subsidiary of the home improvement chain Menards, is building the facility to make Mastercraft residential interior and exterior doors that will be sold at Menards home improvement stores across the United States.

In addition to manufacturing residential pre-hung doors, the facility’s distribution center will supply more than 100 Menards stores.

The \$33-million, 735,000 square-foot manufacturing and distribution complex is being built on the southeast corner of the Interstate 80 interchange at Shelby (a town of about 700 residents), 30 miles northeast of Council Bluffs.

The project was leveraged by several Iowa Department of Economic Development programs — Enterprise Zone tax benefits, \$1 million from the Economic Development Set-Aside program, and \$254,000 from the Public Facilities Set-Aside program.

Eau Claire, Wisconsin-based Menards is a privately owned, family business founded by John Menard in 1960.

Today it is the nation’s third largest home improvement retail chain with more than 205 stores in 11 states throughout the Midwest. Menards also operates manufacturing facilities and real estate developments. ■

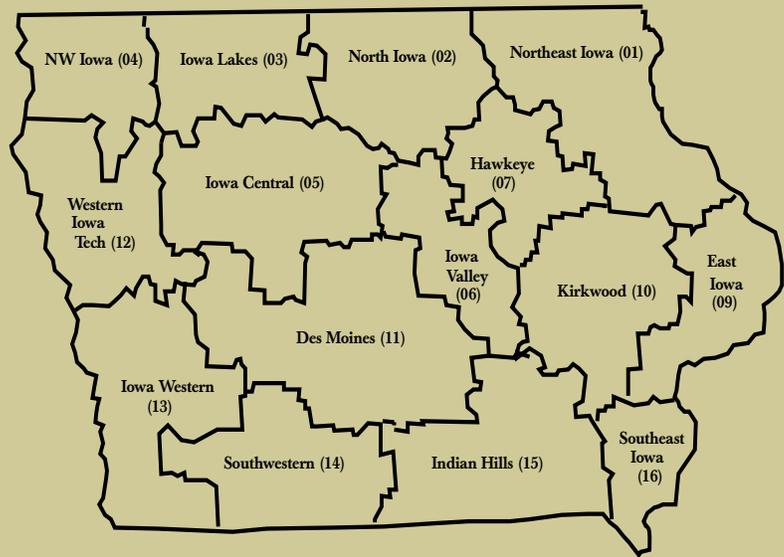
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200 East Grand Avenue, Des Moines, Iowa 50309  
800.245.IOWA (4692) ■ 515.242.4896 ■ 515.242.4809 (Fax)  
[www.iowalifechanging.com](http://www.iowalifechanging.com)

# Statewide support for Advanced Manufacturing

Industry-driven training from Iowa's statewide system of community colleges produces a steady flow of skilled, productive workers for growing operations. Partnering with industries, Iowa's community colleges offer flexible funding to pay for training at new or expanding companies. In addition, Iowa's community colleges maintain highly specialized educational programs in skills supporting advanced manufacturing. For more information on job training for new or expanding industries, phone the Iowa Department of Economic Development (IDED) at 1.800.245.4692. Or, visit [www.iowalifechanging.com](http://www.iowalifechanging.com). ■



## Precision Production Trades Program Iowa Community Colleges (see key below)

IC IP 2 3 4 5 6E 6M 7 9 10 11 12 13 14 15 16

	IC	IP	2	3	4	5	6E	6M	7	9	10	11	12	13	14	15	16
Computer Aided Design				■	■			■		■		■		■			■
Computer Aided Numeric Control Machining						■				■	■						
Machine Shop/Machinist		■	■		■			■	■	■		■	■	■			■
Machine Tool & Design Technology			■		■			■	■			■				■	■
Manufacturing Technology/Metallurgy					■	■				■		■	■				■
Mechanical Design								■	■					■			
Mechanical Drafting					■	■		■	■							■	■
Mechanical Technology			■								■			■			
Precision Metal Work						■			■	■							
Tool & Die Making								■	■			■		■			
Welding	■	■		■	■	■			■		■	■		■		■	■

IC — Northeast Iowa Community College, Calmar  
 IP — Northeast Iowa Community College, Peosta  
 2 — North Iowa Community College  
 3 — Iowa Lakes Community College  
 4 — Northwest Iowa Community College  
 5 — Iowa Central Community College

6E — Iowa Valley Community College, Ellsworth  
 6M — Iowa Valley Community College, Marshalltown  
 7 — Hawkeye Community College  
 9 — Eastern Iowa Community College  
 10 — Kirkwood Community College  
 11 — Des Moines Area Community College

12 — Western Iowa Tech Community College  
 13 — Iowa Western Community College  
 14 — Southwestern Community College  
 15 — Indian Hills Community College  
 16 — Southeastern Community College

## guest opinion

# Raising manufacturing competitiveness to a new level in Iowa



**Peter Hong**  
President and CEO  
Positech Corporation

With more than a quarter century of experience working in Iowa's manufacturing sector — first at global leader John Deere and now as CEO of Positech — I have witnessed how globalization has changed the competitiveness paradigm. Twenty five years ago, low-cost, high-quality and rapid product deployment created market advantages for companies. Today, it presents the baseline requirement to enter the game.

Iowa's advanced manufacturers are facing the challenges of fierce global competition head on. The Iowa Advanced Manufacturing Council has been formed, on recommendation of the Iowa Department of Economic Development, to focus resources that heighten the competitiveness of Iowa manufacturing.

As chair of the Council, we will be working to: Raise the profile and support of Iowa advanced manufacturers. Increase the capacity and collaboration of manufacturers and leverage the purchasing and research and development power of the state's major OEMs. Encourage continued innovation of Iowa's manufacturers. Support the creation of a series of manufacturing workforce attraction, recruitment and development initiatives.

Iowa's advanced manufacturing sector includes companies such as John Deere, Rockwell Collins, Pella Corporation and Case New Holland. These and other companies are global leaders in innovation and operational excellence. To retain and grow investments and jobs in this sector, the Council is working to align private and public resources committed to manufacturing excellence.

The Council is currently advancing increased collaboration in Iowa among industry, universities, community colleges and industry groups, and we have subcommittees already at work to establish a statewide Lean Manufacturing Institute, foster innovation, prepare the workforce of the future and recruit talented people into Iowa manufacturing.

While Iowans are justifiably proud of our agricultural heritage, we know that most people are unaware that advanced manufacturing is the major driver of Iowa's economy, contributing \$23 billion annually to the state's economy and comprising 21 percent of the Gross State Product.\*

At Positech — one of Iowa's 5,400-plus manufacturers that employ more than 230,000 Iowans\* — we reap the benefits of operating in Iowa: a geographically central location, convenient access to all forms of transportation, advanced infrastructure, abundant raw materials, a well-trained, educated and productive workforce, and a state government that will work with you to ensure success.

But living in Iowa is more than just a lifestyle — it's a preferred way of life. Businesses, families and students benefit from a balanced quality of living. World-class innovation, worker productivity and rewarding careers intersect here with top-ranking academics, safe communities and abundant off-hours recreation.

I invite you to take a fresh look at Iowa. An Iowa location can change your life, just as it has mine. ■

\* Statistics provided by Iowa State University Center for Industry Research and Service and Iowa Workforce Development.