



Three molders make cut

Best of the Midwest: small, tough, well-respected

PLASTICS NEWS REPORT

AKRON, OHIO — Three small custom injection molding companies will vie for the *Plastics News* Processor of the Year Award.

A team of judges has selected three finalists: Donnelly Custom Manufacturing Inc. of Minnesota, Innovative Injection Technologies Inc. of Iowa, and Wisconsin-based Plastic Components Inc.

This marks the third straight year Innovative Injection Technologies,

known as i2Tech, has been a finalist for Processor of the Year Award.

The winner will be announced March 11, at the *Plastics News* Executive Forum at Saddlebrook Resort in Tampa, Fla. The finalists and winner will be honored at a ceremony and reception that evening. The following morning, a senior executive from each finalist company will participate in a best-practices panel discussion.

Plastics News will profile the winning processor in the March 17 issue.

This marks the 12th year for the

award, which honors excellence in well-rounded companies by looking at seven criteria: financial performance, quality, customer relations, employee relations, environmental performance, industry and public service, and technological innovation.

Last year's winner was Mack Molding Co. of Arlington, Va.

The judges are members of *Plastics News*' editorial staff. The new co-sponsor of the award, Chicago-based Blaigne & Co. LLC, helped analyze the financial performance of the nominees.

Donnelly Custom Manufacturing Inc.

Donnelly has a catchy slogan that says it all: "How Short Run is Done." The company in Alexandria, Minn., has become an expert on short-run, close-tolerance jobs, while forming close relationships with customers.

Donnelly's sales have climbed steadily, averaging 12 percent annual growth for the past four years, to reach \$28.8 million in 2007. The company has been consistently profitable, rising an average of 30 percent during that same period.

Donnelly employs 230 and runs 32 injection molding machines, 19 of them all-electric presses.

Although the judges gave Donnelly good marks for all seven criteria, the processor scored especially well for customer relations and employee relations. Officials at two customers praised Donnelly for on-time delivery, and for upfront design work on major new projects.

Donnelly's manufacturing statistics are astonishing: 2,700 active molds, 15,000 mold changes a year, an average production run of less than 11 hours.

That level of complexity won't work unless you have high-quality, flexible employees. Each day, cross-functional teams meet inside a "war room" to set the day's activities. The employees create an action plan for the next 24 hours, held accountable by their peers, not management.

Donnelly also does a lot of training, so employees have plenty of opportunity to move into new positions. Officials aren't shy about investing to improve working conditions, spending more than \$80,000 to replace two gantry cranes with overhead bridge cranes, shortening mold changeover times and making the process safer.

Located in Minnesota, the "Land of 10,000 Lakes," Donnelly also got points for its environmental performance. In 1990, founder Stan Donnelly deeded several acres of land to Alexandria, to improve storm-water runoff. More recently, the company granted easements to the Alexandria Lakes Area Sanitary District to allow the relocation and upgrading of sewer lines.

Short-run molding can be a profitable niche, if you can figure out how to do it right. Donnelly officials reinvest much of the profits back into the company — a total of nearly \$5 million from 2004 through 2007.

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Even from its modest beginnings, when Stan Donnelly founded the company in 1984 with eight employees, Donnelly Custom Manufacturing focused on short-run molding. The first big product was a constant-velocity joint boot for the auto industry. Next came rollerblade parts, which turned into a big market by the mid-1990s. Donnelly leaders thought about moving into the long-run molding business, but decided instead to stay with short-run work, paring down the customer list and moving into other markets.

President Ron Kirscht joined the firm in 1992. He is a frequent speaker at industry forums.

In 2007, the mayor of Alexandria presented Donnelly with an award recognizing its creation of jobs, wages and wealth in the area.

Donnelly was nominated by Christy Domanoski, an account executive at the company's marketing communications firm, Scheibel Halaska of Milwaukee.



How Short Run Is Done™