

Out with desperation, in with discipline

Ron Kirscht

Gone are the days of the “accidental molder.” Enter the “desperate molder,” whose lack of vision, discipline, and focus erodes the association between cost, price and value upon which our industry depends—creating an unhealthy dynamic for us all.

In Clare Goldsberry’s 1998 book, “Marketing Strategies: A Roadmap for Molders and Moldmakers,” she addressed the concept of the “accidental molder”—the company that believed the world would come to it without strategy, effort, or focus. A lot has changed since 1998, however, and accidental molders (as Clare predicted) aren’t succeeding anymore. Today, the industry is faced with low demand relative to available capacity. Globalization is exerting increasing performance pressures on quality, service, speed, pricing, and delivery. Add that all together, and you have a hotbed for desperation.

Are you desperate?

How do you know if you are a desperate molder? One telltale sign is a willingness to sell parts for less than what it costs to make them. If you add together material and production costs, you will arrive at a break-even point. Desperate molders often operate below that point, and their main objective for doing so is a misguided attempt to feed their top line. This tactic is ultimately destructive, and survival rates are low.



Discipline is the remedy

So how do you keep from becoming a desperate molder? The answer is to become and remain a disciplined molder. Here at Donnelly Custom Mfg., we have taken our core competency of short-run injection molding and embodied it by making it our brand—How Short Run is Done. This strategic approach and willingness to define and commit to what we do well has kept us focused on improvement and success, and off the road to desperation.

When you recognize and embrace your core competencies and know and control your costs, you can work on providing winning services and enduring solutions. With that groundwork established, you won’t have to operate below the break-even point. You can more easily negotiate a fair price for your customers and your company.

Donnelly’s customers accept a fair price and rightfully expect an ongoing association between price and value. Customer intimacy requires us to anticipate rather than merely react to customers’ changing needs and to be more proactive in helping customers identify opportunities. Lean manufacturing concepts allow us to implement better business practices to meet these opportunities, ensuring greater value—typically without added costs.

Customer intimacy and continuous improvement is best accomplished through an employee-driven culture. That is, the best ideas and solutions emanate from the folks who are closest to the customer and the people who work at the grass-roots level of our companies. Leadership must ensure that people are trained and given the freedom to generate ideas, make decisions, implement solutions, take ownership of the relationships, and continuously make the business processes better.

Successful molders harbor a flexible, yet selective culture. Being more in tune with customers that fit your culture enables you to embrace the “all for some, not some for all” approach of customer intimacy. This approach leads to discovering new ways of adding value—not costs. Flexibility means your relationship with the customer will be mutually more valuable five years from now than today.

Desperate molders’ low-price promises present a challenge to customer retention for all molders. Nonetheless, the best counteraction to these promises is to commit to a strategy built around added value, a narrow focus, and strong customer relationships. These actions will serve as the stepping stones for bringing the industry into a new era, that of the disciplined molder—a better environment for all.

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