



Gaining Momentum

A Smooth Integration Accelerates Opportunity for Everyone

Nick Dobson, now division president of Sanders Composites Inc., originally came to California on a six-month assignment with Pratt & Whitney, a leading manufacturer of aircraft engines, gas turbines, and space propulsion systems. He never left. In 2008 his task was to manage the San Diego site of Pratt's original equipment manufacturing (OEM) and repair business and to move the repair operations to Singapore and Michigan. Shortly after he arrived, he was asked to present the site to potential buyers of the OEM business as well.

EXPERIENCE SHOWS

Five potential buyers were vying for the business, one of which was Sanders Industries. The OEM component had 50 employees and relationships with major customers, including Boeing, Honeywell, and Hanson Sunstrand. It also had a skilled workforce that had been trained and certified in lean manufacturing techniques.

"I worked with four of the potential acquiring companies on behalf of Pratt and I hoped Sanders Industries would win the business," says Dobson. "They had their act together and went straight to the information that they needed to know. It was obvious that they were very experienced in purchasing companies and anticipating every detail."

Sanders presented an offer package and after review by Pratt & Whitney, the purchase was completed in April 2009. Sanders also offered Dobson the president's position and he was delighted to accept the offer.

"I like working in a smaller company where I can be closer to the action and have more control over the specifics of the business," he says. "And I also wanted to see the people here be able to stay on and continue doing what they do very well."

A WELCOME OUTCOME

After having to break the bad news of Pratt's decision to close the plant, the announcement of Sanders Industries' purchase of the OEM division was cheered by employees. Even several employees who had been courted by competitors chose to stay. Benefits arrangements were worked out satisfactorily and since the close of the acquisition, morale has remained strong. Operationally, the transition has also been smooth—even with implementation of a new ERP system. In less than 30 days, the company's finance and management environment was migrated to Microsoft Dynamics ERP without disrupting production or operations.

"Without multiple management layers at Sanders Industries, it's easy to get answers when I need them," says Dobson. "There is also greater opportunity. If you execute well, the rewards are greater."

The new Sanders Composites business aligns well with Sanders' existing operations, especially the rubber division that makes molded rubber products for tooling applications in composite manufacturing. The site's lean manufacturing culture is accustomed to working toward specific metrics and continually improving processes. These practices can be expanded to other Sanders Industries' operations to help take a lean manufacturing approach to the next level. Recently other division presidents visited the Composites site to observe the culture and Dobson has been instrumental in establishing Sanders University, which will launch a lean manufacturing training curriculum.

"It's a new opportunity for me and it will benefit the entire company," says Dobson. "this will help us achieve new efficiencies that will help us win and retain new business."

AIMING FOR GROWTH

Since the acquisition, the Composites business has taken strides that are already paying off. By tapping existing expertise, improving cost structures, and reviewing customer pricing, the company has been able to retain key customers that had originally intended to depart prior to the Sanders acquisition. Simultaneously, the company is strengthening its sales capabilities to take advantage of new growth opportunities.

"Becoming part of Sanders Industries has been beneficial for everyone," says Dobson. "Because of the smooth transition, we are able to move forward with significant momentum."