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Western Michigan

Sven Gustafson: New strategy creates big opportunities for Madison Heights' D-M-E Co.

by Sven Gustafson | Oakland Business Review
Thursday August 28, 2008, 5:30 AM

A 66-year-old injection molding technology company in Madison Heights is responding to difficult industry conditions by focusing on its brand new products in emerging green plastics, and innovative approaches to doing business.

D-M-E Co. was founded in Detroit in 1942 and today boasts 600 to 700 employees around the world. As part of an overhaul of its brand strategy a few years ago, the company conducted a global market study to best determine what its customers were looking for and concerned about.

Among the findings were widespread concerns about the movement of tooling into low-cost markets, worries about attracting talent, and global consternation about the amount of capital available to invest in businesses. The results got the company thinking about issues of speed to market and how to become a more global supplier.

"There's been a lot of shift in just automotive - jobs that have been very, very good jobs for years are gone," said Dave Lawrence, D-M-E president. "You basically have to rethink your whole business strategy, especially a company that's as old as ours and has been involved in traditional manufacturing."

With the help of a Milwaukee branding and public relations firm, D-M-E honed its brand as an essential resource to its customers.

The company has spent several years establishing strategic partnerships with companies in places like Brazil, Asia and Eastern Europe that have proven leadership in their field or technology. The so-called "manufacturing centers of excellence" initiative has flipped the company's traditional business model of producing two-thirds of the products it sells and buying the other third from suppliers on its head.

"We have a simple model: If we have niche capability or expertise, we continue to make a product," Lawrence said. "If speed-to-market in a particular locale is a competitive advantage that we can maintain by making that product, we make it."

"If it's a commodity product, we generally partner with someone."

Other changes include providing training for customers via Web seminars and a scholarship program. D-M-E plans to go live on Facebook to connect industry professionals.

The company also introduced its EcoSmart product, a hot runner system optimized for polylactic acid bioresins, a biodegradable polyester typically made from corn starch. The company has sold a number of the systems to makers of disposable cutlery in Europe, and it's seen increasing interest from the automotive industry.

Perhaps not surprisingly, the company, which is undergoing a \$500,000 to \$1 million upgrade of its Madison Heights technical center and headquarters, is seeing sales growth in India and China offset difficult conditions in North America.

"Overall, business conditions aren't bad," Lawrence said. "I'd like to see them better, but I've seen them a whole lot worse."

Trouble finding talent

A manufacturing plant that I drive past every day has for months displayed a sign that reads, "Help Wanted. CNC Mill."

That it hangs after all this time illustrates the difficulty manufacturers are having attracting skilled talent to good-paying jobs. Never mind that there should, by rights, be plenty of unemployed manufacturing talent to be had in this state.

The Michigan Manufacturers Association announced recently it plans to launch a new Web site, [MiManufacturingJobs.com](#), on Labor Day. The site will be dedicated to connecting employers with job seekers.



Sven Gustafson

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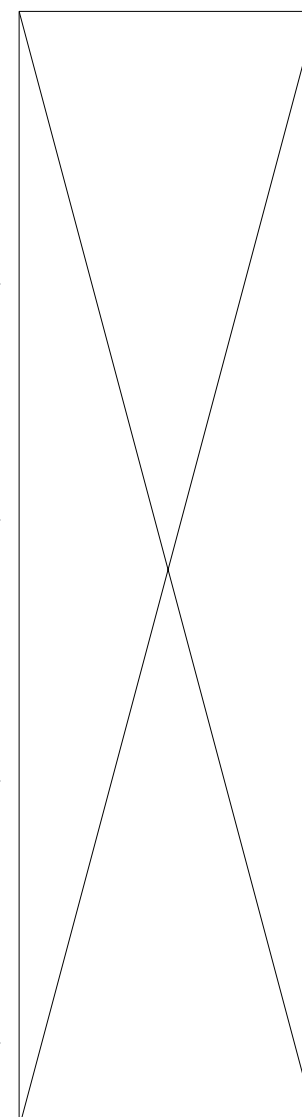
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The Lansing-based trade group says that despite average annual earnings above \$50,000, there are at least 250 skilled trade positions currently unfilled in Michigan.

Contact *Sven Gustafson* at (248) 374-4932 or sveng@mbusinessreview.com.

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