

Schwerdtle Stamp Company Grows in New Market & Improves Operations



Background

The Schwerdtle Stamp Company of Bridgeport, Connecticut is a 138-year-old, family-owned, manufacturer of tools, dies and fixtures for decorating and marking a variety of products including cosmetic containers, industrial tools, medical and research equipment, electronic parts, appliances and automotive parts. These products honed Schwerdtle's skills in graphics and producing intricate precision parts. In the 1960s, Schwerdtle's chemical engineers were the first to formulate 95 durometer silicone that was sufficiently thermally conductive to be used for hot stamping, making the company an industry leader.

Situation

As the plastic injection molding industry began its major exodus out of the U.S. to set up shop in China, Schwerdtle saw many of its customers follow suit, relocate or close for lack of business. This caused the company to re-size their operations to meet the significant reduction in volume, and to focus more on the complex tooling required to decorate the products that were still being molded here in the U.S.

Additionally, when the recession of 2008 hit, the time had come for the sibling co-owners to retire. This led to the sale of the two buildings the company had been housed in in order to fund their retirement. Inheriting the business was daughter Katherine Schwerdtle Saint, who was named as president and, her brother, John Schwerdtle II, as vice president. Tasked with relocating the business to a single building, she also began rethinking Schwerdtle's business strategy and identifying potential areas for business growth. She also needed to assess the existing technology and find a way to preserve the valuable knowledge among her predecessors. Having worked with CONNSTEP, Inc. previously to learn and apply Lean

Results for Schwerdtle Stamp Co.:

- Increased investments – \$590K
- Increased sales – \$400K
- Cost savings – \$ 300K
- Increased customer base – 15%
- 2 new jobs created
- 18 jobs retained
- New business sales – 15%



In my opinion, a major piece small manufacturers are missing in-house is a real understanding of the crucial need for a new approach to business development that includes technology scanning and management of technology in addition to the more typical business practices of strategic planning, SWOT analyses and sales and marketing activities. CONNSTEP understands that, for Connecticut's manufacturers to compete globally, they need ALL of these tools in their toolbox. The extensive industry experience that all of CONNSTEP's consultants possess, helps them offer real value to manufacturers that goes far beyond LEAN training.

Katherine Saint
President
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principles to improve plant layout and process flow, Saint turned to them again.

Solution

CONNSTEP first assisted the Schwerdtle leadership team with the development of a strategic plan to guide the strengthening of operations and the re-focusing/prioritizing of their available markets.

When it became apparent that adequate growth required new markets, CONNSTEP facilitated an Ideation Workshop, helping the Schwerdtle leadership team identify new areas of potential business. This activity was followed up with the Team to engage in a Fail Fast/Fail Cheap assessment of the new ideas developed including:

- a self- assessment of the value Schwerdtle brought to its best customers
- how to leverage those values with new products in new markets
- speaking with and sampling the various players in the new markets to define what they really needed, how new products were introduced and establishing an estimate of size and likely profitability of the potential new market

The result was a defined need for Schwerdtle’s silicone sheets bonded to aluminum for tactile gripping of fragile products by robots and other automated handling equipment. The company’s excellent graphics capabilities, coupled with their silicone bonding technology and ability to fabricate intricate precision

parts, made them an outstanding candidate to produce such aids for robotics. This turned out to be a trifecta as it was one of Schwerdtle’s core capabilities, lacked competition and was a new use of an essentially existing product.

Soon, companies like Tesla, Gillette, Align Technology – the makers of Invisalign braces – and Jabil Packaging Solutions began buying silicone sheets and molded custom gripper fingers for their robotics systems. Citing this as the best opportunity for business growth, Schwerdtle built their strategic plan around the use of this technology for customized gripper fingers for use by robots in automated assembly operations. They closed out some of their less profitable products, and in their traditional markets, they focused on the tooling used in the plastics industry for decorating and assembly including tools for hot stamping, heat sealing, and thermal-forming.

By targeting a new market – silicone molding bonded to aluminum – and improving operations, Schwerdtle has grown its customer base, reduced costs, created and retained jobs, increased sales and invested in ongoing training of their highly-skilled engineers, CNC programmers and machinists. They have also moved the factory to a single floor, lean-flow plant as well as purchased new CNC equipment including a 60,000 rpm spindle speed CNC that is capable of creating extremely fine detailed engravings of molds.



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CONNSTEP, Inc. is a consulting firm strategically helping companies in Connecticut to grow their businesses and improve operational methodologies, leading to increased profitability, improved efficiencies, and creating sustainable competitive advantages in the marketplace.