

R & R Engineering

Efficiency, Technology Replace Rest and Relaxation

By Matt L. Ottinger

R & R Engineering Co. President Ralph Amos founded his Summitville company in 1969. He has seen it blossom into the pinnacle of u-bolt manufacturing in the United States.



About four miles off of Interstate 69 between Anderson and Marion, a wandering Hoosier could find many of the usual staples of Indiana life – rolling fields, grazing horses, small town living. Summitville, however, also boasts a company that's leading the nation in its field, hardly commonplace for a town with just over 1,000 residents at the time of the last census.

Since President Ralph Amos founded R & R Engineering Co. in 1969, it has steadily grown to become an archetype of manufacturing in the United States, producing u-bolts, j-bolts, threaded wire forms and more for companies in lawn and garden, agricultural, marine and other industries. R & R credits technology and efficiency as the key forces dictating its drive to the top.

"We have eight times more production capacity than our largest competitor," Amos explains. "That allows us to take on large amounts of work."

Chief among its leading technology is its 62 high-speed planetary threading machines and the fact that it keeps each employee armed with the tools to do the job effectively.

"We have enough scales and trucks to make sure each employee can do the job efficiently and not have to wait on anything," Amos says. In a promotional packet, the company explains, "As the leader, we continue to invest heavily in the latest technology to allow us to provide the quality you need with the service you deserve."

Amos also notes R & R has the world's largest single-end and double-end u-bolt machines, and that the advanced technology found throughout his facility allows one of his employees to do the work of three competitors.

"We had a competitor recently go out of business even though they had 120 employees working three shifts, six days a week," Amos surmises. "But we could do more volume because of our technology."

For the working man

Considering R & R has only 45 employees, the company takes pride in its ability to get the most out of its workforce.

"We only work one shift (8 a.m. to 5 p.m.), 40 hours a week," says Mike Melott, vice president of sales. "We just ask people to work hard when they're here, but spending time with family and free time are very important to all of us."

Amos also explains that in order to motivate perfect attendance, the company offers a \$1 an hour bonus each week if an employee works 40 full hours with no absence or tardiness.

"We're always looking for creative ways to reward our employees," Melott adds.

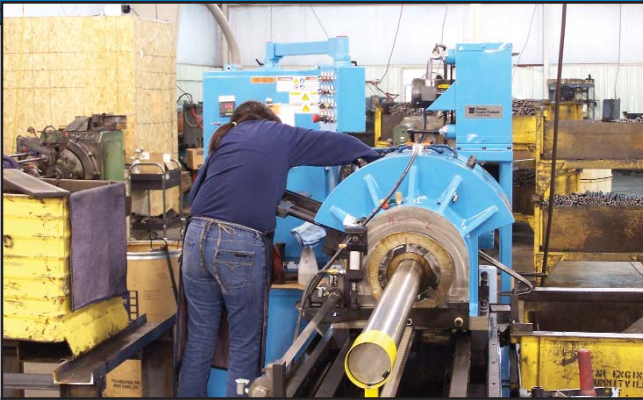
Workers can also look forward to paycheck bonuses when the company's profits exceed expectations – and a 25-cent soda machine likely doesn't hurt morale either.

Despite being located in a small town, Amos claims finding capable workers is not a problem, largely due to the pervasiveness of a hard-working Hoosier mentality.

"Indiana is a wonderful place to be," he says. "We have industry, agriculture and good, sound government. It's nice to be able to hire responsible people who are hard-working. We're blessed to have good employees with good attitudes."

Melott adds that specialized degrees usually aren't necessary to work at R & R, and that workers are often cross-trained so they can perform many functions.

"As long as they have a technical aptitude and a willingness to learn, that's the most important thing," he says.



R & R Engineering Co.'s leadership credits technology and efficiency from its workers as being key motivators toward its success.



Expanding into the future

While many manufacturing companies have felt the sting and volatility of a sometimes unpredictable industry, R & R has been an ever-glowing spark – or perhaps a u-bolt of lightning – in its field. Whether its industry is challenged by energy and steel prices, rising health care costs that can cripple small businesses or competition in Asia, R & R has remained above the fray.

According to Melott, the company has maintained a managed growth rate of 10-20% annually over the last decade. Additionally, sales have grown 69% over the last four years, driving a 12% increase in employment during that time. In the last five years, its capacity has increased from 160,000 to 250,000 parts per hour.

Amos explains the company moved to its current warehouse facility in 1994 and has had to expand nine times since. The warehouse now features 196,000 square feet of usable space.

When it comes to expanding nationally, R & R has independent sales representatives working throughout the

country. However, Melott explains marketing in the industry is largely based on prestige.

“The manufacturing sector in the United States is a pretty small group of folks,” he says. “Once you’re specialized in something, people tend to know you. That helps us constantly get our name in front of people who are making decisions.”

Because of that, R & R has a diversified base of customers, which keeps the company from being too dependent on a particular revenue source.

“Diversifying our customers ensures our longevity,” Melott states. “Some manufacturing companies will put their faith in too few customers who make up a large part of their business. Then a downturn at one company can really hurt those businesses.”

Customer service trumps all else

Although technology may be the basis of R & R’s efficiency, the company still believes its old-fashioned ideology of interaction with the customer may be its greatest asset.

“We do very little business online; some of our larger customers will use it, but we’re mostly hands-on,” Melott says. “We pick up the phone and call people. Customer service is the most important thing.”

Amos notes that being responsive is a necessity.

“People like it when they call and can speak to someone,” he explains. “We’re not big on making people leave voicemails, hoping they’ll hear back from someone later.”

Another customer service R & R provides is an expansive inventory, with 3.5 million pounds of raw material on hand.

“We can normally ship parts the same day,” Amos beams. “That has brought us a lot of business.”

Melott explains that a vast inventory not only allows orders to be fulfilled expeditiously, but buying in advance helps to stay ahead of market fluctuations.

“The price of steel has increased about 80% in the last six years,” he states. “As we see trends developing, we’ll step up our inventory. It’s a big investment, but buying ahead lessens our exposure to cost increases. We want to protect the customer’s price for as long as possible.”

INFORMATION LINK

Resource: Ralph Amos and Mike Melott, R & R Engineering Co., at www.randengineering.com



With 3.5 million pounds of raw material on hand, R & R can fulfill most orders immediately. A vast inventory and buying in advance also helps the company minimize cost fluctuations and pass the savings on to customers.