



Balance Between Capital Equipment and Part Price: Dealing with Cost in a Recession

Commercial Spring and Tool Company Limited (CST) was founded in 1971 by Frank Martinitz, a tool and die maker by trade. CST's early beginnings started with manufacturing small clips on four-slide equipment. Over the years the company grew into a predominant springmaker in Southern Ontario encompassing springs, wire forms, stampings, heat treating and coating.

CST's strong tooling and engineering foundation led the way for building custom assembly equipment and specialized tooling for spring manufacturing. The strength of the people at CST allowed it to grow at a steady and consistent basis through the years.

In recent years with the worldwide recession, CST has faced new challenges.

"We suddenly had to deal with doing business in a new world," said Gurmail Gill, vice president at CST. "We had smaller production lot requirements, more frequent set ups, higher material costs, currency exchange factors, increase in freight costs, the list goes on; however, these were changes that everyone in our industry would be facing. We had to overcome some of these changes and differentiate ourselves.

We chose to look at it as if the glass was half full and pursue manufacturing excellence in our spring plant."

CST implemented a cost per part program that would require new manufacturing technology wherever possible. If it was not available, CST would need to build it. The company invested in several high-tech machines allowing it to increase its Overall Equipment Effectiveness (OEE), reduce set up times and be competitive on a total cost basis.

"In other areas of our spring business we brought to the discussion table some of the best experts in the manufacturing technology sector and built state-of-the-art spiral spring equipment second to none," explained Gill.

"This was a long and trying process but we are clearly positioned for the future," said Gill. "This was all possible with the company's grass roots in tool making that Mr. Martinitz had instilled in the business and his commitment to the industry. We clearly see the benefits of the cost per part program that we implemented which allowed us, in automotive manufacturing, to break through the capital equipment dilemma and significantly increase new business opportunities." ♦