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Nordson Corporation

**True to Its Name**

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**Open for business since only 1990, custom coater Cost Effective Coatings has expanded five times to maintain its efficiency and competitiveness. It also provides more than coating services.**

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*Editor*

**A** business that a decade ago might have been named simply “two guys and a powder booth” has evolved into a custom coating business that can help design, powder coat, warehouse and ship customer parts. The company, Cost Effective Coatings Inc., has grown because of its commitment to the concept embodied in its corporate name.

“You need to be cost-effective to survive in this business—in most any manufacturing business today,” says partner and sales manager Rich King. “For us, learning how to improve the economics of our powder coating operation has been key to the growth of our business.”

King and business partner Dave Heth, both former General Motors Corp. engineers, started their North East, PA-based business in 1990 because they desired more autonomy in their careers and saw a need in the marketplace. Because of the Clean Air Act of 1970 and its 1990 amendments, there was a greater need for more environmentally friendly coatings, as well as powder coaters in general.

“In our market, there weren’t that many powder coaters and there were even fewer good powder coaters,” King says. Word of mouth spread, and the young company was getting referrals for new business from its customers and its suppliers. And it has been growing ever since.

Cost Effective Coatings supplemented the original equipment with an integrated pretreatment and powder coating line, all of which was used equipment, in 1992. In 1995, the company added 20,000 square feet and installed two Nordson (Amherst, OH) CK powder coating booths and one Horizon

booth with integrated sets of pretreatment and curing ovens. “The cartridge reclaim in the Horizon booth gave us the ability to coat high-volume runs with reclaim very economically,” King says. In 1997, the company installed a sand stripper to clean its tooling for itself and other customers.



**Parts are powder coated for Ridg-U-Rak, a North East, PA, pallet-rack manufacturer, at Cost Effective Coatings Inc., which also is in North East. (Photos courtesy of Nordson Corp.)**

About a year and a half ago, the company decided it was time to install new equipment to its existing paint line, King says. “We changed colors, but not fast enough for the flexibility we needed to move ahead. And we often sprayed to waste.”

So Cost Effective contacted Nordson again, this time purchasing the equipment supplier’s ColorMax system, the first to be used in the eastern Great Lakes region. Cost Effective now has six powder coating booths and 10 finishers. The company works two shifts during its busy season and one shift the rest of the year, coating a variety of automotive parts, drain-cleaning and pipe-fitting tools, office furniture products, and shelving systems and fixtures for retail stores.

“With the ColorMax system, we reduced

hourly powder use an average of 37% for powders previously not reclaimed,” King says. “In real dollars, that’s at least \$65 per hour in powder saved with the reclaim system.”

The new booth also makes color changes easier, Heth says. It used to take the company about 45 minutes to change colors; it now takes two people an average of 12 minutes from one reclaimed color to another.

“This reduced our standard labor cost by \$35 per color change,” Heth adds. “But more importantly, as a busy shop, we’ve reduced lost revenue from downtime during a color change by \$200 or more. And with several color changes each day, the savings and increased line capacity really add up.”

The economics of fast color change has allowed Cost Effective to offer more competitive pricing, Heth says. “That allows us to take on business we couldn’t handle before.”

If a customer needed a short run of a part with a new color the next day, Cost Effective can interrupt its schedule and get it done, Heth says. “Before, that would have caused too many problems.”

The ability to run more colors has also earned more business from existing customers, King says. Since adding the ColorMax fast-change booth to the line along with a roll-on, roll-off Horizon powder booth for the long-run, high-volume jobs, Cost Effective can now handle a mix of high-volume colors and custom-color runs for the same clients.

“We’ve even become a resource for other powder coaters who need overflow capacity,” Heth says. For example, during peak demand periods for seasonal products, Cost Effective can take on part of other companies’ production because of how quickly it can respond.

“Faster setup time allowed us to cut setup charges 66%,” King says. “This allows us to run custom colors weekly for many large retailers, who purchase from Cost Effective’s customers.”

The reduced color-change time is also the result of a solid commitment to practicing and fine-tuning the well-choreographed routine that now takes less than 15 minutes. “We impressed the need for well-run color changes on our staff right from the start,” Heth says. “We even did color changes on short runs that should have been

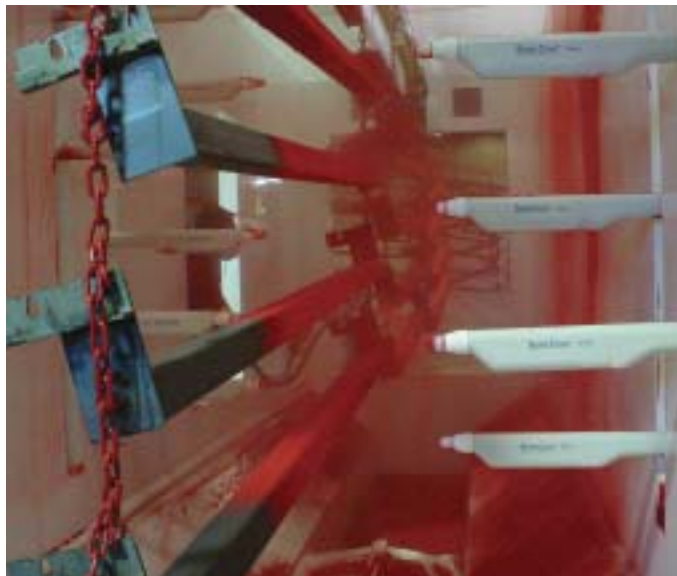
**The economics of fast color change has allowed Cost Effective to offer more competitive pricing.**

sprayed to waste—just to get everybody in the practice of doing it right.”

“And we’re still making progress and improvements,” Heth adds. “Nordson’s been receptive to our suggestions for small changes that make us more efficient.” These include modifications to the ColorMax system, such as replacing the hoses and manifold system with components that more efficiently meet Cost Effective’s needs.

For customers like Wire Weld USA, a store fixture manufacturer in Lockport, NY, the sophistication of Cost Effective’s system has had a profound effect. “Their products are wire goods, and if you can’t reclaim powder efficiently, you might as well be giving money away,” King says. “With just one color, a white vein powder used on wire goods, we were taking \$40,000 worth of powder to the landfill every year before we installed better reclaim technology. Today, we have just a few pounds of powder in process in the whole system at any time.”

There have been other, less-obvious advantages from the cyclone quick-change system, says operations manager Wendy Marchini. “Cartridge-type reclaim modules are big, heavy and difficult to move around the production line,” she says. “And



**The multiple gun system and position sensors enable Cost Effective Coatings to apply a high-quality coating to Ridg-U-Rak beams.**



***An employee observes the reclaim and feed systems. Both are designed to keep minimal powder in the booth at all times.***

with a diverse workforce, we need to make sure our workers can do their jobs without risk of injury.”

Marchini, who is responsible for scheduling production on all three coating lines over the two, 10-hour daily shifts, has seen faster color change impact scheduling. “We gained capacity, and the reduced color change gave each shift another 160 minutes of production per week.

“And it’s made my scheduling job easier,” Marchini adds. “We can run any color part next to any other color part with an allotment of under 15 minutes to make the change, which lets me break into a run with a

special order if necessary.”


Cost Effective’s most recent expansion is a new 60,000-square-foot warehouse that’s nearly completed. The facility allows the company to paint to stock and ship on demand, which is a big help for many clients, Heth says.

The number of customers that take advantage of the warehousing and shipping services is significant. Most of the company’s biggest customers use those services, thus Cost Effective ends up shipping about 70% of all the products it coats for customers.

“We saw a need because of our market, our customer base,” King says. “Some of our customers’ shipping needs are seasonal, but they manufacture in large quantities and ship from stock. Since the coating is the last value-added process, it makes sense to hold the stock there.”

Managing logistics for its customers has been part of the company’s strategy for years. Cost Effective provides trucking service to pick up and deliver goods from customers and their vendors. This is most effective if the fabricator and the end

user are within a 250-mile radius. The company also provides assembly, packaging and labeling services for many of its customers.

“It’s not enough any more to sit back and wait for a phone call to coat a bunch of parts and then run them down the line,” Heth says. “We need to be able to help customers achieve their commitments to lean manufacturing. And often-times that comes down to who’s holding the finished goods.” 

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