



British Columbia panel processing specialist seeks to increase business without expanding its plant.

by Karl D. Forth

kforth@chartcomm.com



Island Precision

Victoria, British Columbia

Products: Laminated casegoods, millwork, project management

Employees: 25

Plant site: 12,500 square feet, including a mezzanine

Sales: \$5 million, Canadian

Island Precision wants to expand its business, but it isn't enlarging the size of its plant or adding new equipment.

President Brian Timothy says it's the same shop, same size and basically the same equipment that were featured in a 1995 *FDM* article on the Victoria, B.C. company. What's different is that he sees future growth coming from project management.

This year the company is assuming several different roles in order to continue to grow. For some large jobs, Island Precision is the project manager, coordinating its own manufacturing capabilities with other suppliers.

Several good examples of this exist in the company's own backyard, at Vancouver International Airport and the Fairmont Hotel at the airport.

On other jobs, the company acts as supplier to another company that coordinates the overall job. Island Precision is supplying laminated casegoods, including workstations and door pedestals, for a large California law firm. A millwork contractor in Los Angeles coordinates this work, and also does all Finishing, installation and sales.

Timothy estimates that in 2001, Island Precision's business is divided equally between "manufacturing" and project management.

Many companies focus on one role or the other. Timothy and Chris Bouchard, vice president, believe that doing both can benefit both functions. For example, the project manager knows what happens on a job site, and can pass this knowledge back to the shop so they can better serve other companies that are coordinating activities at other job sites.

Island Precision also wants to establish close relationships with customers in the projects division, such as the Los Angeles company, and seeks to do much of the work for these contractors.

For its own project management, Bouchard says the company's primary emphasis will be on what he describes as four-star and better hotels, and similar structures such as high-end care homes.

At the Vancouver airport hotel, Bouchard says a local custom millwork shop supplied the painted MDF crown moldings and veneer. Generally, Island Precision buys special components and large or unusual shapes that it could make, but couldn't make efficiently in its own plant.

Bouchard says that design is an important element in four-start hotel. In residential work that's not as important.

"We do laboratory casework, countertops, workstations, - systems furniture that was designed for one project," he says.

When Island Precision bids on a project, it frequently offers alternative materials or slight changes in the way parts are made to provide a second lower bid. This value *engineering* approach is often well received on a large project.

On the Vancouver hotel project, Island Precision submitted a price for a series of doors that matched the specs, and provided a second lower price that delivered what the customer wanted but didn't specify. With that change it was a large dollar savings,' Timothy says. "We ended up getting the contract because of that proposal".

Timothy credits much of the shops success to efficiencies in the front end, especially in estimating. The graphical estimating program, called takeoff™, was developed in house, and People Logic Software Corp. now markets it to other companies.

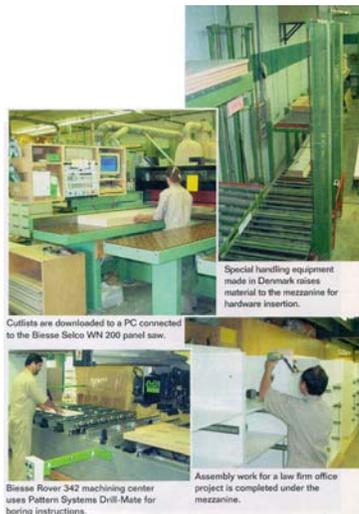
Making other front-end functions as efficient as possible is a priority. For example, Island Precision is defining every aspect of purchasing. Instead of a large loose leaf binder of policies and standards that no one will ever look at, Timothy is developing easy-to-use flow charts for each function that describe each step in the purchasing process. The flowcharts are summarized on a single sheet of paper.

Input items include establishing the project schedule, making a materials list as ordering long-lead material and production material, are on a timeline from start to finish. Outputs include making the purchasing order, shipping list and authorization to pay.

Timothy says Island Precision intends to develop such a table for each function, so that there is consistency in each process and so that an employee on a distant oh site will know what to do next.

“We have project management and estimating finished, and are three quarters of the way through the engineering process,” Timothy says. They are also re-mapping the plant floor to determine if there are productivity gains there.

“Our biggest challenge is finding the time to map out the processes properly.” In the management areas, Timothy says that Island Precision is seeking productivity gains of 20 percent.



Timothy says Island Precision does panel processing best, and he emphasizes that the company is a maker of parts. ” We cut, band, bore and process parts,” he says. ‘By the time they are assembled they are almost out the door.

The estimating data is downloaded from Takeoff into Pattern Systems Product Planner, and then cutlists are made and jobs optimized. Cutlists are downloaded from the office to a PC connected to the Biesse Selco WN120 panel saw. The company closely watches and breaks down manufacturing costs. Sawing, for example, normally represents 7 percent of the total cost to manufacture a product. Each operation in the plant is color coded, with a label on each part showing the sequence of operations for each job. Material to be sawn, for example, has a green block on top of it.

After sawing, a Holzher Accord 1447 edgebander bands parts and a Biesse Rover 342 handles boring. Pattern Systems DrillMate produces boring instructions for the machining center.

After boring, parts are lifted to the second floor mezzanine for sorting and hardware insertion. Timothy says that hardware inventory is kept very small. The company buys hinges and mounting plates in bulk, preferring Blum.

After hardware is added, parts are moved back to the main floor for assembly, packaging and shipping.

Timothy says equipment and software used here have changed little since the plant was reengineered in 1992.

Island Precision has emphasize regular maintenance and tech support from equipment manufacturers. The only noteworthy addition is an Elite 25 Gannomat end borer and dowel inserter.

Timothy says the company will continue to work in a small footprint. Land costs are too high to consider a major expansion. He says that a few upgrades may be added to the plant, such as assembly tables and height adjustable systems.

Many panels are purchased pre-finished with plastic laminate or veneer. States Industries Inc. has supplied some of Island Precision's major projects.

McKillican Canadian is a major board distributor and Island Precision considers it to be a major partner in finding the right product or right yield.

"Because of the way we do our engineering, we know very early in the game what size panels we want to look for," says Bouchard.

Planning ahead and developing systems that work efficiently have allowed continued growth in more than one role.