

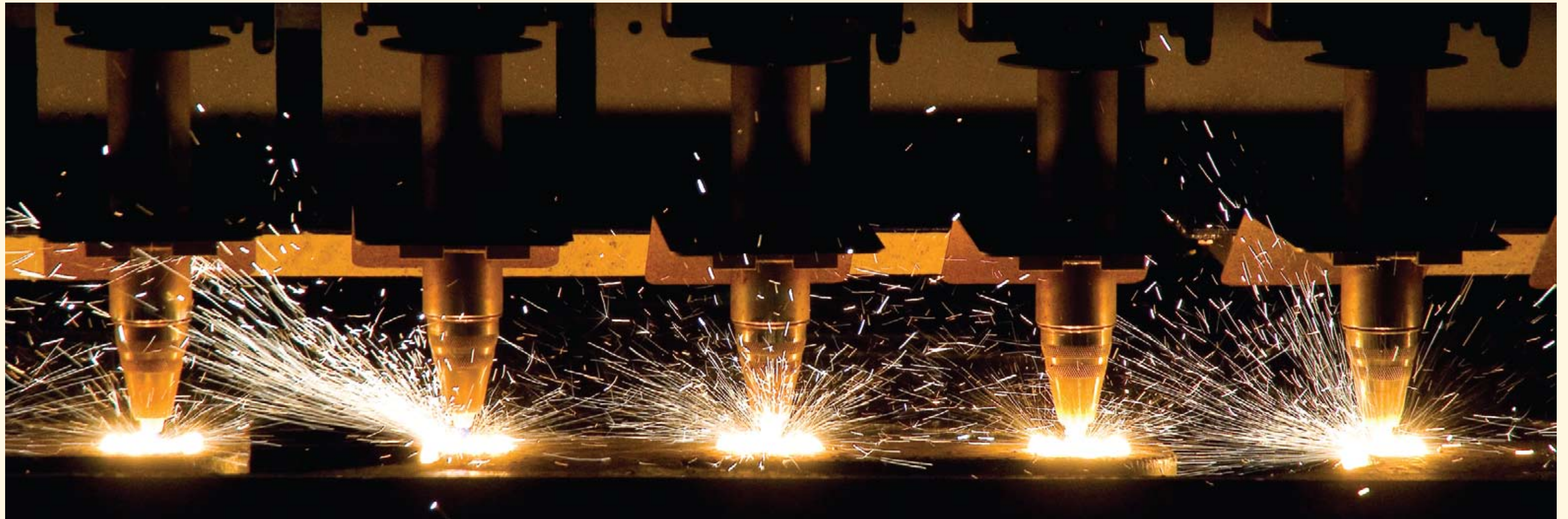
SUMMER 2010

ONEAL NEWS

OEM BUSINESS
SPARKS FULL-SCALE
MANUFACTURING



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IT'S COMPLICATED, BUT IN A GOOD WAY

Question: When is a metals service center a manufacturing center? Answer: When it's one of O'Neal's specialized operations that pick up where most distribution and processing facilities leave off. Since 1921, O'Neal has been fulfilling customers' needs for quality metals and reliable service. Basic processing, such as sawing, punching, and burning, was introduced in the early years as a step-saving convenience to many customers. Then in the '90s, as more manufacturers and second-tier suppliers turned to outsourcing as a means of lowering their overhead and enhancing production efficiency, O'Neal developed far greater expertise in processing and grew its value-added services to the point where extensive multi-stage processing capabilities became available at almost every location. Along the way – and as customers deepened their

commitment to highly qualified outsources – O'Neal's Monterrey, Mexico Weldment Operation was born. This facility produces complex, large-scale subassemblies and mainframes primarily for OEMs (original equipment manufacturers). The multi-component products produced there are delivered painted and ready for final assembly. The personnel, quality certifications, equipment, and range of services at this facility are unique among O'Neal operations, and are specialized to accommodate the types of customers they serve. The latest emerging development among O'Neal operations is a new and more effective way to focus personnel, equipment, and other resources on the needs of OEMs. As an outgrowth of value-added processing – but with much more focus on full-scale production of specified parts for OEMs – several O'Neal districts are actually transforming into manufacturing operations. In fact, O'Neal recently

announced the formation of a separate division devoted solely to OEM outsourcing needs – O'Neal Manufacturing Services. While product distribution and processing remain staples of the company's business, building on those capabilities by creating a whole new level of service through manufacturing enables O'Neal to bring better value to more customers than ever before. At this point, that includes components for applications such as heavy industrial machinery, elevators, agricultural and mining equipment, engine mounts, and power-generation equipment. So how is this different from what O'Neal or other service centers have done in the past? Maybe the biggest difference is the expertise and planning required

on the front end of these very complex projects. **Jay Satterfield** manages O'Neal's Indianapolis, Indiana facility and was recently named Vice President of Operations for the newly formed manufacturing division. He explained that once a sales representative uncovers a potential business opportunity, the customer generally asks for a quote. But a quote, in this case, is so much more than a number. It may be better described as a highly complex and in-depth form of problem solving. That's because the customers generally require an exhaustive, step-by-step description of how a part/component will be produced to their precise specifications, tested, quality-assured, and delivered in the right quantity – error-free – to

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The expert planning required to win manufacturing contracts for items such as this transport rack for windtower blades is extremely complex. But the process pays off big in terms of efficiency and error-free production.

the right place at the right time at the agreed-upon price. On top of that, O’Neal must actually develop and test its proposed manufacturing methodology by producing multiple prototypes for customer approval.

Jay said the process involves bringing together a cross-functional team to review the customer’s engineering drawings, dissect them, consider literally every variable, develop a process for manufacturability, and evaluate the feasibility of that process. At the risk of oversimplifying, it’s a little like being given a destination in a remote location and having to figure out the optimal way to get there, time after time.

“One person can’t do this,” said Jay, “because there are so many things to consider throughout the entire APQP (Advanced Product Quality Planning) process.” That’s why the Indianapolis team includes specialists such as **Todd O’Neill**, Mechanical Engineer/APQP Manager; **Damian Kline**, Regional Processing Manager for welding and fixturing; **Mike Rand**,

Processing Specialist; **Mike Fitzgerald**, Quality Manager, and **Tim Hall**, Major Accounts Manager. Each person has his own area of expertise, and there are numerous checks and balances throughout the system to ensure the proposed manufacturing methodology meets customer requirements.

“It’s a complex process, but it’s worth it because it works,” said Jay. “Once we actually go into production with customer approval, everyone is confident that we’re applying minimal resources to maximize our ability to produce a good part every step of the way, over and over again. We utilize Lean throughout the plant; and our quality checks strive to mistake-proof the process.” The Indianapolis District is proving to be an exemplary model for O’Neal’s continued expansion into manufacturing. Business is more competitive than ever before. But O’Neal is stepping up to meet customers’ needs in innovative ways that are creating a whole new category of metals service centers. 📍

