

MANUFACTURING BEST PRACTICES

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IT PAYS TO KEEP AN OPEN MIND

Costex Tractor Parts' new facility will support its best practice of learning from one another.

CTP Vice President
Melissa Uribe Gil

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It Pays to Keep an Open Mind

CTP's new Miami headquarters will nurture one of its best practices: learning from one another. **BY JOHN KRUKOWSKI**

COSTEX TRACTOR PARTS

www.costex.com | HEADQUARTERS: Miami | EMPLOYEES: 360 | SPECIALTY: Replacement parts for heavy equipment | BEST PRACTICE: Listening to all stakeholders

Melissa Uribe Gil, vice president: "Everyone has something to contribute, and you will see this reflected in the new building."



2020 IS SHAPING UP TO be a big year for Costex Tractor Parts (CTP). What began in 1980 as a small exporter of heavy equipment parts has grown into a supplier of more than 60,000 replacement parts for Caterpillar and Komatsu heavy equipment.

CTP serves customers around the world from facilities in the United States and China. This summer, the company will cut the ribbon on its new headquarters in Miami, consolidating operations that have been disbursed among seven different locations.

A LOOK AT CTP'S BEST PRACTICES

- On competitiveness: "We continuously strive to offer value to our customers by working with our suppliers in their continuous improvement programs," Vice President Melissa Uribe Gil says. "Whether it's improving a product or finding ways to improve their production efficiencies, our suppliers are part of our team as well."
- On quality: "Our team of engineers is continually checking our production lines, our assembly lines and visiting factories worldwide to ensure that complete shipments arrive at our facilities in the best conditions possible," she says.
- On energy use: Uribe Gil says that about 1 million watts of CTP's new building's power will be generated by its own solar panels.

"This move will help us with communication and efficiency throughout our organization," Vice President Melissa Uribe Gil tells *Manufacturing Best Practices*. We spoke with Uribe Gil recently about the best practices that have sustained the company's growth for four decades, culminating in the construction of this new facility.

Manufacturing Best Practices: Why is CTP building the new headquarters facility?

Melissa Uribe Gil: We're moving as a result of our company's expansion. We have grown quite a bit over the last few years, and this move is giving us the opportunity to all work together under one roof, as opposed to our current locational state.

MBP: How will this allow you to better serve your customers?

Uribe Gil: This new facility will not only house all of our employees, but will also hold our complete line of inventory. Our new headquarters will be over 450,000 square feet and will be equipped with 28 loading docks, thus making faster turnaround times for our local deliveries, domestic and international shipments alike.

We will also have a training center on-site where we will train and educate our customers. There will also be a retail center to give our customers the option of purchasing safety equipment and other items related to our industry.

MBP: What best practices have you learned or applied as you designed, built and prepared to move into the new building?

Uribe Gil: What I've taken from this experience is simple: Keep an open mind and listen to everyone in the company. Everyone has something to contribute, and you will see this reflected in the new building. We've also had to be flexible to last-minute changes.

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MBP: Tell us about your company's transition to manufacturing.

Uribe Gil: Manufacturing makes up for our biggest product line, which is seals and gaskets.

When you manufacture, you control the quality and production times. That is invaluable to a product like gaskets, which are critical components in an engine.

We had many learning curves, as we now had to take ownership of the complete process versus before when we could demand that the supplier increase its quality. It was an adjustment at first, but it paid off with significant results when it served as the launching pad to the CTP brand.

MBP: Tell us about order turnarounds.

Uribe Gil: Well, teamwork is a big part of our beliefs and practices here, so I can honestly

say that our teamwork is the No. 1 ingredient in making sure our turnaround times are maintained at an all-time high.

As far as improvements made, we are continually improving daily. Some actions recently taken to help with turnaround times were a complete inventory organization overhaul, and we also recently held staff "product familiarity" training for our warehouse team. Our team must know the products to provide the utmost accuracy in shipments. You can buy the fanciest and best software programs, but if your team doesn't work together, it won't work.

MBP: How do you get your employees involved in continuous improvement?

Uribe Gil: We have an in-house continuous improvement program in which we reward team members who have ideas that produce results. The people with the best ideas are usually the ones facing these challenges, front and center, day in day out. If we empower them to make decisions, everyone benefits. We celebrate successes as a team in our company, and we learn from our mistakes.

MBP: What are some improvements CTP has realized because of this process?

Uribe Gil: One example I can think of is our cabin glass. As we all know, they are fragile, and they were easily breaking while being stored. The person working in the glass cabin aisle of our warehouse suggested a storage enhancement, so we quickly

took his idea into consideration. Now, this product is positioned upright all together in our inventory racks, and this person became a "specialist" in this product's storage category. We never again had a broken glass cabin.

MBP: Can you walk us through a recent case study where you helped a client?

Uribe Gil: One of our dealers was facing negative word of mouth about our brand. We came in with a technical seminar, explained the benefits about our product to the end-users and, months later, [the dealer] saw results in higher sales.

MBP: What do you credit for the company's long-term success?

Uribe Gil: Having an open-door policy with the team plays a role in our success, [and] we encourage our team to give us feedback at all times. We are continually evolving and learning from each other. We've also had great support from outside sources through the years, and many of our customers have been with us for over a decade. In fact, our longest-running customer to date has been with us for 38 out of the 40 years that we've been in business.

MBP: What are CTP's biggest challenges?

Uribe Gil: One challenge that we face in this industry is that most people aren't as open to using an alternative to the OEM as they are in other sectors, such as the auto and pharmaceutical industries, for example. We always strive to innovate and convince the

end-user that our product is of excellent quality. Like Avis, "We try harder."

MBP: What projects are you currently focused on?

Uribe Gil: (laughs) Other than our headquarters? We are increasing our product range to include other brands. We want to be a specialist in heavy equipment parts, regardless of what machine the end-user chooses. **BP**

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