

DIAL TOOL INDUSTRIES, INC.



CONFIDENT IN MEXICO'S MAQUILA FUTURE

By Ann Vermeulen

Dial Tool Industries, a full service manufacturer with extensive experience in prototyping, stampings, value added services, automation and molding, began its tradition of excellence in 1955. DTI's founder, Gregory "Leo" Pagliuzza, had a goal: to provide complete manufacturing services and efficient, cost-effective tool and die services. His goal has been achieved and today, the company continues to uphold it and has been fulfilling the needs of its valued customers for over 50 years. Dial Tool is still a family owned business and flourishes under the leadership of Leo's sons Steve and Mario.

Located in the heart of the manufacturing center of the Midwest, Addison, Illinois, Dial Tool is certified to the ISO9000/QS9000 standard to assure the process will result in the best product at the lowest cost. The 50,000 sq. ft. Corporate Office and Main Manufacturing facility has capabilities of progressive die stamping up to 100 ton, specializing in high speed, thermoplastic injection molding, magnetic molding, and reel to reel insert molding. An automation department designs and builds automated equipment and the assembly/value added services include welding, soldering, riveting, staking, and tape and reel

packaging. The company has also a full tool room and engineering services with full proto-typing capabilities.

DTI Inc. also owns DTI Molding Technologies, an ISO9000/QS9000 certified facility, located next door to the Corporate Headquarters. DTI Molding is a modern shop equipped with a variety of technologies to produce even the most difficult molds and plastic products. DTI Molding has the capability of doing both short and long run applications. The company specializes in precision molded parts with tight tolerances, unusual configurations and dimensions, and is able to match all color requirements. All the molding machines are computer or micro process controlled to produce a consistent & high quality component.

DTI Molding company brings to the family the dynamic of an integrated premium molding operation: "With the opening of DTI Molding, we are now in the position to provide our customers with a total solution to their needs", confirmed Doreen Huro Michelini, Vice President, Global Operations DTI. "We can provide engineering design assistance, proto-typing capabilities in both metal and plastic, design and build dies and molds, full production capabilities and value added services. We strive to provide our customers with a product rather than with component parts."

The recent economic difficulties have affected Dial Tool the same as everyone else. But, as explained by VP Michelini: "Instead of sitting back and waiting for things to get better we have looked at ways to cut costs and to be more efficient. We also have been aggressively looking for new customers and better ways to serve them. Dial Tool is a privately owned business and top management has not been afraid to take chances even in times where business had dropped off and the economy took a dive."



DIAL TOOL IN CHINA

In February 2002, partnered with a local company, Dial Tool Industries, Inc. started manufacturing in China. DTI has always had the philosophy that the customer comes first and to service them above and beyond to the best of their ability. Evidence to this is the long relationships they have maintained over the years with their customers. As these customers have expanded their facilities to Asia, it was only natural for Dial Tool to follow.

Located in the southeastern province of Guangdong, the town of Dongguan City, Dial Tool China can be easily reached from the Hong Kong airport in less than two hours by bus. This location is not only convenient for their visitors, but allows them to use Hong Kong, one of the largest ports, to ship to their customers worldwide. All products are exported through their Hong Kong warehouse for consolidation to the United States or wherever their customers request.

Dial Tool China's current capabilities include high-speed stamping, transfer press stamping, injection molding, insert molding, assembly, spot-welding, riveting, wire harnessing and special packaging including tape and reel. Dial Tool China has a full tool room to produce both progressive dies and molds and offers progressive die stamping, thermoplastic injection molding (straight and insert molding), assembly/value added services including welding, soldering, riveting, staking and tape and reel packaging. This 100,000 sq. ft facility specializes in Turnkey programs that can take your product from components to finished goods.

The company, through its corporate office, has a complete in-house Design and Engineering Team with more than 60 years of combined experience. This team will work with the customer from concept to completion, to develop ideas that work from proto-typing to production-ready tooling. Both engineering teams in the US and China work closely together, using shared techniques and technologies to provide their customers with up to date solutions to their tooling and manufacturing needs. Tools are built for both in-house manufacturing and export back to the United States, comply with Class A standards, and are always maintained in production ready status. The engineers in both the US and China are capable of reading your files in Cardkey, AutoCAD and Pro-E.

Dial Tool China currently ships worldwide to customers in Hong Kong, Singapore, Malaysia, Taiwan, Europe and the United States, as well as throughout China. Their number one priority is providing quality parts on time and having the flexibility to make changes to meet the customers' needs.

The DT plant in China is an ISO-9002 and UL Registered facility. All team members are committed to ensure that the highest level of quality standards is maintained for both incoming and outgoing materials. Training and audits are routinely performed to maintain the highest degree of compliance to policies and procedures. Where appropriate, inspection gages are designed and built to assure zero percent defects.



It is the company's policy to follow all local government rules and regulations concerning labor, environment, health and safety of their team members.

Dial Tool China is dedicated to the pursuit of Total Customer Satisfaction in Quality and Service, and to the adage of "Do It Right the First Time" by delivering defect-free products and services. Through Lean Manufacturing and following the Kaizen 5 S's, they work closer towards their goals of "Total Quality" and "Growth Through Diversification".

DIAL TOOL INC. IN MEXICO

On September 10, 2001, DTI opened its doors for business in Chihuahua, Mexico. Dial Tool De Mexico is a full service facility dedicated to servicing its customers in Latin America and around the world. Starting in less than 4,000 square feet, the facility has now grown to its current size of 10,000 square feet. According to Doreen Huro Michelini, the main competitive advantages of Mexico are its technically talented labor force, its dedicated employees and its proximity to customers in the US, Mexico and Brazil. "We also have found a very stable work force here in Chihuahua and besides that, the same raw materials used in US and the secondary services we need (plating, heat treat, powder coating, etc.) are readily available here."



Doreen Michelini



Originally opened to service Mexico and the Southwest United States, the facility currently ships worldwide to customers in Hong Kong, China, Singapore, Malaysia, Taiwan and Brazil. Dial Tool de Mexico is an innovative, versatile manufacturer with the capabilities to provide creative solutions to service their customers' needs. These customers come from a wide scope of industries including electronics, automotive, insert molding, telecommunications, aerospace, medical, electrical and appliance.

The plant's current capabilities include high-speed stamping, in-line tapping, assembly, sawing, soldering, spot-welding, riveting, staking, automated packaging and specialty packaging including tape and reel.

Dial Tool de Mexico is an ISO-9002 and QS-9000 certified facility. Their QA Supervisor and his staff are committed to ensure that the highest level of quality standards is maintained for both incoming and outgoing materials. The Dial Tool de Mexico Team works closely together to ensure quality parts and on-time delivery and has the flexibility to work two shifts and weekends to meet the on-going demands of their customers.

"Mexico and its work force have a lot to offer the world. It is my opinion that the government needs to work more closely with the universities and technical schools to provide the courses and training needed to attract the different business sectors," pointed out Ms. Michelini.

Dial Tool de Mexico is dedicated to the pursuit of Total Customer Satisfaction by delivering defect-free products and services, because the customer is their number one priority. Through Continuous Improvement Programs, they continually move closer towards their goal of "Total Quality".

Doreen Huro Michelini, who travels constantly between US, Mexico and China shared her opinion on both countries: "The biggest difference between Mexico and China is the availability of raw materials. Many times we or our customers will specify proprietary metals and plastic resins that are not currently available in China. If that particular material is needed it must be imported into China at a cost. Another big difference is the reliability and availability of utilities such as electric and telephone. Although higher in cost, utilities in Mexico are more

reliable, allowing us better control over our facilities. In China, phone service is poor, which can affect the transmitting of data via phone lines. Electricity is also at a shortage, forcing us to shut down our facility one day a week to conserve. Problems such as these take a lot of juggling to keep your facility running efficiently."

DTI's goals for the future are several: "...increase our presence in Mexico through the building up of existing customers, attracting new customers we can service in Mexico, targeting local customers and increase our capabilities by training our team members in new skills and technologies. We are also investigating new industries not previously approached", said the VP Operations.

Ms. Michelini is confident in the future of the maquiladora industry in Mexico. Based on her ample knowledge and personal experience, she believes that: "... you are going to see an increase in maquilas returning to Mexico once they find that the draw of low cost labor isn't the only determining factor when moving to China, India and other low cost labor countries. Companies need to start looking at total costs of making products including raw material cost and availability, final destination of product to include freight, duty and the cost of safety stock, utilities costs, the cost of quality which may include frequent trips, etc. However, I think we, as maquilas, need more government support on tax issues and government relief which will make us even more competitive globally." **MN**



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