

LOCAL BUSINESS

Precision, craftsmanship drive Hemco

□ Company that started making fountain pens now thrives making industrial gages

Hemco Corp. might be an aberration, even an anachronism.

Although Michigan has the highest unemployment rate in the nation, Hemco has the largest backlog of orders it has ever had.

Hemco is different in other ways.

First, Hemco doesn't use "high tech" computer-assisted equipment, but rather drill presses and grinding machines dating back to the 1950s. Second, Hemco's emphasis is not on quantity, but craftsmanship. Third, the culture of the Holland Township company is more medieval than modern.

Hemco Corp. was founded as the H.E. Morse Co. by Henry Morse in 1946. Morse migrated from the Detroit area, attracted by the work ethic of the West Michigan labor force. The company's first product was the fountain pen.

However, in making fountain pens, Morse discovered a unique gold-plating process. This proprietary plating process would serve the company well in its future.

In the 1950s, H.E. Morse Co. started manufacturing gages for the U.S. government. These gages were plated with chrome, using Morse's unique plating process. Chrome plating increased the life of Hemco's gages by 400 percent compared to standard tool steel gages. Demand for "the longer lasting gage" crowded out the production of fountain pens.

Larry Wysong purchased the company from the Morse family in 1977. The company

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The Business Next Door

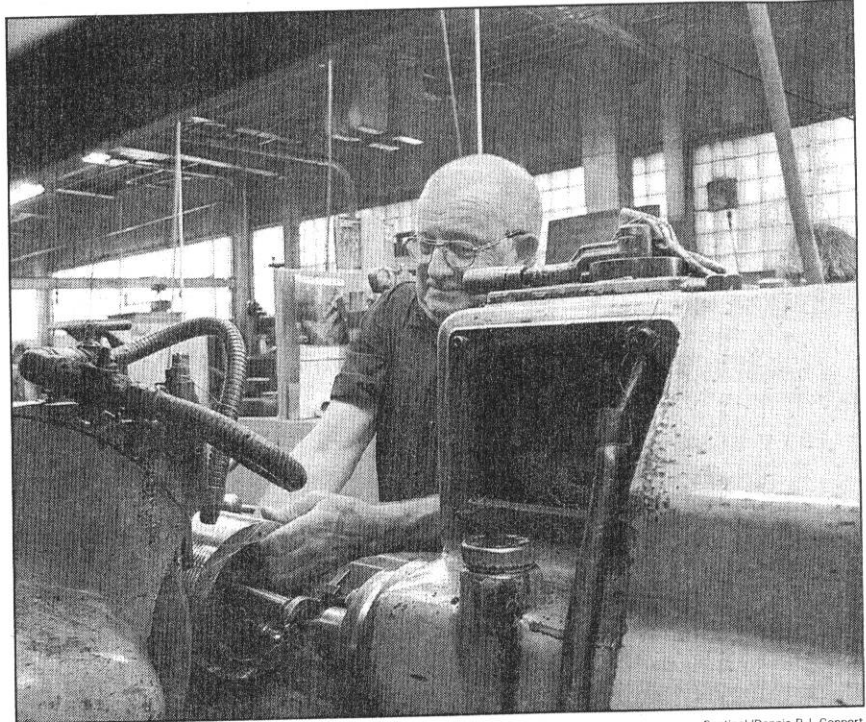
still manufactures "the longer lasting gage" using much the same process. First, workers "rough out" the product, then they heat treat it to make it harder. Then they "grind" grooves, or threads, into the product. After the product is ground it is "lapped" to improve the surface finish and finished size, after which it is chrome-plated to increase the productive life of the gage.

The word "gage" can be confusing. I'm used to the word "gauge," an instrument for measuring or testing. Hemco gages measure the accuracy of threads.

"We can make gages for anything with threads," according to Hemco general manager Mike Hop, 48. "Measuring the precision of threads is especially important for manufacturers that mass-produce parts, ensuring that what they make fits with what others make."

For example, Hemco makes gages for companies that manufacture drilling equipment, making instruments that measure the precision of threads on fittings and pipes. Given the price of oil, oil drilling and related gages are in heavy demand. Hemco also manufactures gages for the medical industry, making instruments that measure the precision of threads on screws used to fuse bones.

Craftsmanship has continued to be the key to Hemco's success, a product of the 50



Sentinel/Dennis R.J. Geppert

CRAFTSMAN: Al Wolters, an employee at Hemco Corp. since 1960, operates an external thread grinder Friday at the company's Douglas Avenue plant.

experienced people on the factory floor.

Al Wolters has been working at Hemco since 1960, currently an expert at operating four different "grinders." Joe Bernal has been working at Hemco since 1978, an expert in "lapping." Hop has worked at Hemco for 29 years.

One way to protect mutual interests and maintain standards is to recruit family. Bob Hop, Mike Hop's father, worked at Hemco from the early 1950s until 2003. Mike's son is now working full-time at Hemco.

Joe Bernal has a son working at Hemco. There is also a mother-daughter combination, as well as a husband-wife combination.

Everyone from Hop to the grinders and lappers seem to be a unit. For example, visually it was very difficult for me to distinguish people who work in the office from people who work in the plant. Everyone seems to be on the same page.

Hop says that workers remain at Hemco because "their jobs aren't mundane."

Because some machines, such as grinders, work slowly, gains in efficiency have occurred because workers have become skilled in the operation of more than one machine. Because many of Hemco's products are unique, employees are involved in job design as well as working the machines.

"Many of the people here have more than one title," Hop said.

What is Hemco's secret of survival? How did it evolve from supplying pens to Schaefer to specialty gages to Schlumberger?

From a marketing strategy perspective, Hemco survives because it is a niche business. From a management perspective, it survives because it practices "participative management."

Hop attributes Hemco's success to relationships: "Many of our customers are our friends, and many of our employees are like family." Steve Vanderveen is a professor of management at Hope College.