

Move pays off for aircraft parts manufacturer

By Bob Cox
Star-Telegram Staff Writer

Sometimes, being forced to make big changes turns out to be a blessing.

That's been the case for Photo Etch, a small Fort Worth manufacturer of aircraft components.

Two years ago, Photo Etch owner Randy Fry faced a dilemma. He had no plans to move. But the company's leased quarters, a small, funky, 1930s-era building near downtown Fort Worth, badly needed repairs and improvements the landlord wasn't rushing to make.

So Fry looked around, found 50,000 square feet of space in an office and warehouse complex on Blue Mound Road in far north Fort Worth and in early 2004 moved lock, stock and darkroom.

And is he ever glad he did.

The move has allowed Fry to implement a series of changes that are transforming the already fast-growing company. And it has opened up business opportunities that may fuel unprecedented growth.

Looking back, Fry shakes his head in wonderment at why he waited so long to move. "I'd probably would have waited another couple or three years," he says. "I'm glad I was pushed."

A longtime veteran of the oil and gas supply business, Fry bought Photo Etch in 1997. The company, with about \$4 million in revenue at the time, had a decades-long track record using a photographic engraving process to produce backlit instrument panel covers for aircraft.

Fry set out to expand the company and began cultivating a related source of business, producing components for aviation simulators. Photo Etch sales topped \$8 million in 2004 and are up 30 percent so far this year.

"When customers see this building and the difference between a building built in 1930," Fry said, "it makes a big difference" in attracting new business.

The improvement in Photo Etch's business is not all related to the move.

New opportunities abound, Fry says, as larger companies look around for suppliers that can do good work at low cost. Photo Etch's customers include major aerospace industry companies like Lockheed Martin, Boeing and Raytheon and smaller players like Link Simulation and

Training in Arlington, a division of fast-growing L-3 Communications.

Photo Etch supplies backlit cockpit display panels to Lockheed Martin in Fort Worth for the F-16 fighter jet. "They have been designated as one of our STAR Suppliers since 1994," Lockheed spokesman Joe Stout said. Lockheed awards the STAR Supplier status for quality, timeliness, cost and other attributes.

Since buying the company, Fry has pushed for growth. Photo Etch had one sales rep in 1997. It now has five. Fry was the only employee with an engineering background "and my engineering degree was 25 years old," he said. In the past year, he's hired two engineers.

Fry invested in new equipment and tried to make process changes, but the cramped quarters in the old, multilevel building hampered progress and impeded efficiency. Efforts to implement cost-efficient lean manufacturing processes, begun three years ago, are paying off dramatically since the move.

Employees manufacturing the same products are clustered together in work groups, with their supplies close at hand. Moving one work group of four people saved an estimated 270 miles a year in distance employees walked to perform their jobs.

Working with the Texas Manufacturing Assistance Center in Fort Worth, Fry has had all of his 80-plus employees trained in lean manufacturing processes and philosophy. He's cutting inventory and supply costs and speeding up deliveries.

Fry has worked to make sure employees buy into the changes by letting them share in the rewards. Every day every scheduled order is shipped on time, each employee is paid an extra \$5. A chart on the wall tracks the progress and highlights the days the on-time performance falls short.

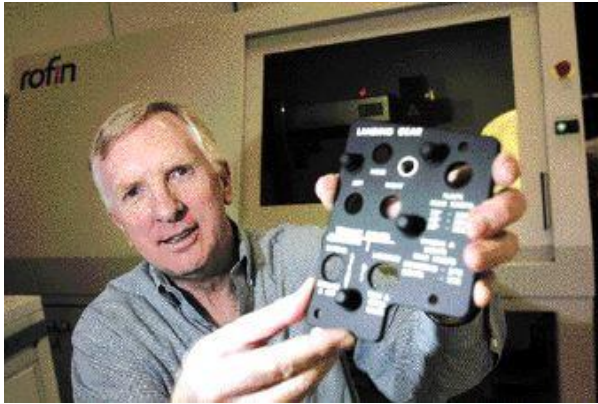
"When we miss it, the whole place knows it," Fry said, "and they want to know how to stop it" from happening again.

In January, employees' paychecks contained an extra \$75. In February each got \$90, and in March, \$95.

Each step in the manufacturing process is tracked with bar codes so that problems can be easily detected. The tracking also helps determine where the cost of production needs improvement.

Now that he can track productivity and costs, Fry is setting his sights on tracking quality.

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Photo Etch CEO Randy Fry displays one of the many aircraft instrument components that the small Fort Worth-based company produces in their location in north Fort Worth.

While the old photographic etching process is still used to produce thousands of older-model instrument panel covers, a new digitally controlled laser etching machine produces newer ones.

About half the company's business is instrument panels and half is components for simulators, which Fry says is the real growth area.

He also has his sights set on a bigger prize. If the Air Force decides to buy new aerial refueling tankers, Fry hopes to bid for the contract to design and produce the entire terminal aboard the plane from which an operator will control the refueling.

"That would be fun. It would lead us to another level," he said.

Now that his company has a new home with room for expansion, Fry is pushing for continued sales growth and continued improvements in production and delivery, while maintaining the small-company, people-friendly environment.

"Our goal is to build this into a pretty efficient plant and keep the culture."

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