

Tekweek

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Plastics targets June 1 date for spin-off from parent Tek

Logistics next on timetable

Tek Plastic Products (TPP) has targeted June 1 as a date to become an independent supplier. "Our objective now is to work out the logistics of employee ownership," GM Peter Troccoli said.

The action follows a feasibility study by Peat, Marwick, which says the organization is ready to move ahead. The study identified "a few areas for us to focus on," Peter said, "but nothing that will interfere with the repositioning."

The organization has been interviewing legal firms and banks to help set up the employee-ownership mechanism. All is "not completely in place," Peter said, "but we're confident that we'll have an employee equity system in the near future."

"We're really charting new territory. It's not easy, but we're all trying to make it work."

The tasks are many: a new business plan (now being developed); renegotiating the lease; reexamining contracts, and coming up with a new name for the company.

Then there are the operational tasks: adopting official policies and procedures, detailing employee benefits, calculating pensions.

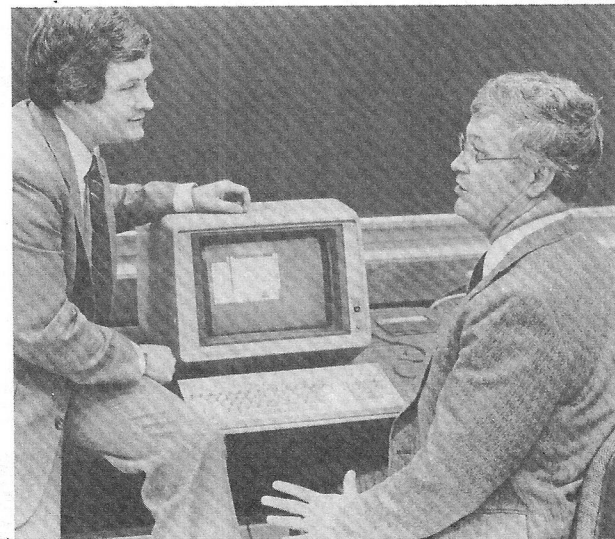
"We've spent the past year focusing on ourselves as a business," Peter said, "and we've had tremendous support throughout the company. We've worked together to cut costs, improve efficiencies, build a leadership team and improve relationships with our customers."

TPP's management team, which also includes Bruce Bills, Steve Borte, Mary Kaplan, Jerry Schmidt and Don Williams, has been working on the details.

And employees have been gearing up mentally for the big switch.

"Obviously it has some risk," says Walt DePaul, an operator, "but there's risk in everything. If you don't take chances, you'll never get anywhere."

Manufacturing engineer Peter Thompson, a veteran of other plastics companies, sees the spinoff as a win/win situation for everyone. "This is a logical (step)," he said. "Knowing what I do about the industry, I'd say that TPP will be the largest and best molding shop west of Denver." □



IDG's Dave Squire, left, talks workstations with Purdue University's John Rice. We donated eight of the workstations, running Small Talk language, to help Purdue establish an artificial-intelligence lab.

Sourcing delegation leaves for Far East

A Tek delegation of manufacturing, engineering and procurement people is leaving today for Hong Kong and Korea.

Two reasons: to explore alternate sources for materials already being purchased from outside vendors, and to further acquaint participants with the Asian "electronics supermarket."

Results of a similar trip to Taiwan 16 months ago have been significant, said Bud McElfresh (Americas Pacific Operations). From that trip, Tek has placed orders for dies for plastic molding, resistor networks, toroids, and transformers. And the first-year savings from just the transformers more than covered the cost of the trip. Other exploratory orders are

(KOTRA) and the Myoung Corporation (Tek's Korean distributor).

Bud said this sourcing mission is an extension of Tek's practice of buying from the vendor who provides the best quality/delivery/price package, whether inside or outside the company.

In some cases, for example, Tek buys parts from U.S. companies who have the parts built offshore. "By dealing directly with the offshore manufacturers, we may be able to cut our manufacturing costs," Bud said. "That's the purpose of the mission."

Sally Petersen (AmPac Operations) will lead the delegation. □