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Made in the USA? You Bet: In tough times for American manufacturing, these companies have flourished

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MADE IN THE USA? YOU BEEN

IN TOUGH TIMES FOR AMERICAN MANUFACTURING,
THESE COMPANIES HAVE FLOURISHED

By Gerry Boyle '78



Kelley Osgood Platt '80 hears it often, even in North Carolina, where manufacturing is alive and well. That Americans don't make anything anymore. That when it comes to manufacturing, America can't compete.

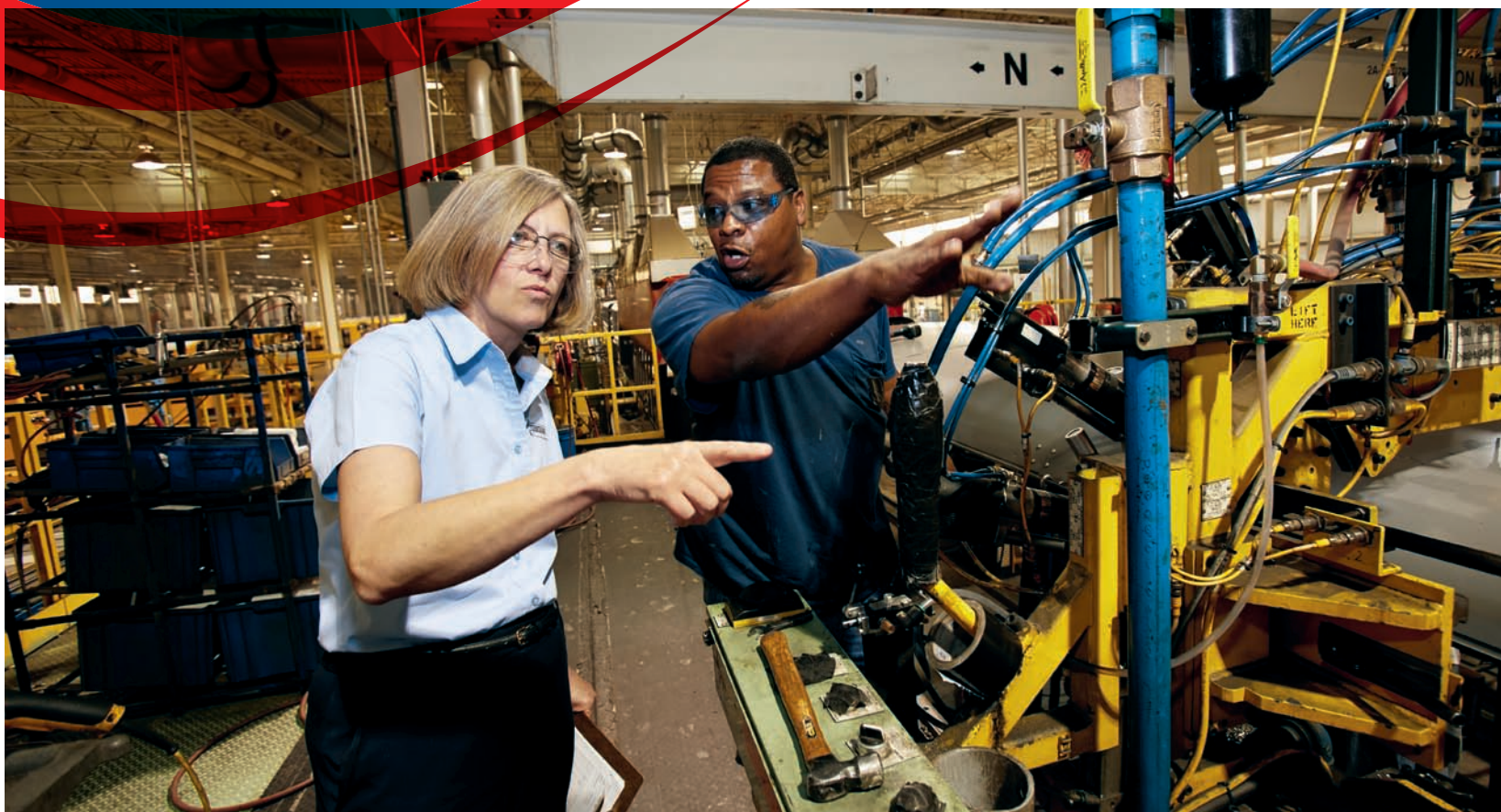
"Frankly, it makes me mad," said Platt, chief executive officer of Thomas Built Buses, a school-bus maker in High Point, N.C. "It's absolutely possible to be a successful manufacturer in the U.S."

Three companies run by Colby alumni have been doing it very well for a very long time.

In a global world, the three Colby grads—Platt at Thomas Built, established in 1916; Tim Hussey '78 at Hussey Seating Co., founded in 1835; and Bruce Ferguson '62 at Ferguson Perforating Co., in business since 1927—rely on investment, innovation, and creative and dedicated employees to stay a step ahead of the competition. It isn't easy, even for companies that are historically leaders in their product areas. As Platt says, "You have to be smart about it."

These firms have flourished, employing generations of workers and evolving as the world changed around them. And while their products aren't similar, the three manufacturing leaders have a lot in common—including their determination to preserve their companies for hundreds of today's workers and for the next generation.

Top, from left, Bruce Ferguson '62, of Ferguson Perforating Co. in Providence, R.I.; Tim Hussey '78, of Hussey Seating Co. in East Berwick, Maine; and Kelley Osgood Platt '80, of Thomas Built Buses, in High Point, N.C. The three head manufacturing companies that are thriving in the United States, contrary to conventional wisdom that says manufacturing can't survive here. (Photos left to right by Mary Schwalm '99, Fred Field, and Steven Cook.)



Kelley Osgood Platt '80, chief executive officer of Thomas Built Buses, confers with L.C. Flowers, a Thomas Built employee, in the company's plant in High Point, N.C. Thomas Built is a successful school bus manufacturer, now building a variety of conventional and hybrid-powered buses.

Since its founding in the western Maine town of North Berwick, Hussey Seating Co. has produced a lot more than seats. Horse-drawn plows, fire escapes, and even the steel skeletons of ski jumps have streamed from its factory. Sixty years ago, the company invented a new system for telescoping gym seating. Now, myriad models later, Hussey supplies seating for sports stadiums, college gyms, and auditoriums as well as court-side chairs bearing the logos of dozens of teams in professional and college sports. With 250 employees, Hussey had more than \$70 million in sales worldwide last year.

That success is the result of investment in automation

"IF WE'RE NOT IMPROVING THINGS HERE, WE'RE FALLING BEHIND, BECAUSE OUR COMPETITORS ... ARE ALL TRYING TO FIGURE OUT HOW TO BEAT US."
—TIM HUSSEY '78

(the company uses robotics first developed for the auto industry), investment in people (engineers and designers), and cost cutting. "It's what I tell our folks all the time," Hussey said, in his office at the company's sprawling plant, where representatives of the Phoenix

Suns basketball team had just arrived for a meeting. "As long as we continue to invest and make sure we're the best in the world in both expertise and cost, we'll continue to manufacture here and to grow."

And he does mean the best in the world.

Hussey sells seating systems, not only to American sports arenas but to colleges and high schools from Maine to Hong Kong. Most of the company's products are produced in its North Berwick plant, which isn't to say that Hussey is unaware of low-cost labor elsewhere.

In 2000 Hussey traveled to China. There he toured a baby-stroller factory outside Shanghai where there were several

hundred sewers, all women, on one floor of the factory.

"They were being paid a buck an hour," Hussey said. "We walked around for twenty minutes and I never saw one of them pick up her head. Head down, hands going, feet going. There was a supervisor walking up and down the aisles for every twenty sewers with a stopwatch. Quality control out back was world-class. I said, 'It's over. We can't compete on sewing.'"

The company has since moved some low-skill work to China. But rather than prompt a wholesale move overseas, the Shanghai experience reinforced Hussey's belief that success in the United States comes from continuous improvement in areas of efficiency and innovation. "If



PHOTO BY MARY SCHWALM '99

Bruce Ferguson '62, CEO of Ferguson Perforating Co., with employee Dave Silva in the company plant in Providence, R.I.

we're not improving things here, we're falling behind," Hussey said, "because our competitors—whether they're in Shanghai or Grand Rapids or Mexico City—they're all trying to figure out how they can beat us."

Cheap labor isn't the only difference between manufacturing in the United States and abroad. Ferguson, whose company has plants in Providence and Pennsylvania, points to environmental regulation in the United States that seems most restrictive when compared with countries where there is virtually none. Making a ton of steel in China

"YOU NEVER KNOW WHERE THE NEXT GOOD IDEA IS GOING TO COME FROM. THESE PEOPLE [AT FERGUSON PERFORATING CO.] ARE BRIGHT. THEY HAVE GOOD INTUITION." —BRUCE FERGUSON '62

produces three to five times the pollution of a ton of steel made in the United States, he pointed out. "The air is terrible [there], the rivers are terrible. How do you judge what is the right thing to do? Everybody wants less expensive, but there's a price to be paid for all this."

Ferguson Perforating is concerned with much more than steel. With 130 mostly longtime employees, it has

made everything from screens for iPod speakers to anti-blast plates for Humvees. Its bread and butter, though, is highly complex and sophisticated parts for the aerospace industry. Fashioned from titanium alloys and other metals, the lightweight, high-strength parts are inside jet engines, among many other uses. Sitting at his desk outside the production floor, Ferguson reached for a tapered, cone-shaped piece of metal with precisely placed slots and holes.

"This is where we live," he said.

The goal is to increase the efficiency and reduce the noise of jet aircraft. Ferguson's company has the expertise to make machines to design and build the highly sophisticated parts. And Ferguson knows that technology is driving the industry and that to be left behind would be fatal.

With that in mind, the company recently installed the world's largest fiber-optic laser. The machine arrived on three

that used to take 13 minutes now takes 5.5 seconds. "It's extraordinarily fast," Ferguson said. "Scary fast."

Ferguson Perforating's cutting-edge fiber-optic laser, a massive machine with computerized controls and a labyrinth of bundled cables and wires, was installed by company electricians. The engineering and design part of the sophisticated business is done in-house. Some employees come from vocational schools; some speak English as a second language. And none are overlooked when it comes to improving the process.

"You never know where the next good idea is going to come from," Ferguson said. "These people are bright. They have good intuition."

Like Ferguson, Platt sees innovation coming from the production end of the manufacturing operation. "I'm more than impressed" by the Thomas Built employees, she said in an e-mail. "I am awed." She said production teams offer thousands of suggestions for improving the process. "They all care so much about what we do."

That caring is a two-way street. At all three plants, workers have been employed for decades and even generations. At Ferguson Perforating and Hussey Seating, a four-day workweek is in place. The companies pay for education, and not just courses directly relating to the work on the factory floor. "I consider English and writing relevant

tractor-trailers, two oversized and requiring a police escort. The concrete wall of a part of the plant had to be knocked down to get the laser in.

There are two such lasers in operation. The other, according to Ferguson, is owned by the U.S. military.

"This thing is cutting a kerf three or four thousandths of an inch wide," he said. A cutting operation

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to what we're doing," Ferguson said. "Composition, what have you. Almost anything. Even if you don't stay at Ferguson, it's going to benefit you when you go out into the world."



Hussey Seating, where the

company has offered a tuition reimbursement program for years, Tim Hussey links that philosophy to his grandfather Philip Hussey and an experience he had at Colby as a member of the Class of 1913.

"He went to President [Franklin] Johnson and said he was dropping out. He couldn't afford to come back the next year," Hussey said. "The president said, 'You are coming back, Phil Hussey. And I'll make sure it happens financially.'"

Phil Hussey graduated and for 40 years helped his own employees have access to education, Tim Hussey said. "It was always this culture where we've got to help people get educated, and it started at Colby."

That culture of collaboration is evident inside the factories. When Ferguson takes to the plant floor he's greeted by workers on all sides. Platt says that when she needs inspiration or has a problem to ponder she often goes for a walk on the production line to get a boost. A stroll through the Hussey Seating plant with Tim Hussey brings a chorus of greetings. "Hey, Tim. ... Hi, Tim. ... Tim, how you doing?"

"At the end of the day we have a great workforce here," Hussey said.

That said, he maintains that American schools can do a better job preparing students.



PHOTOS BY FRED FIELD



Top, Tim Hussey '78, president and CEO of Hussey Seating Co. with Bob Lebourg, an employee, at the company's plant in North Berwick, Maine. Hussey Seating is the world's leading manufacturer of stadium seating.

Hussey, who is on his local school board, says he sees too much teaching to standardized tests and not enough creative problem solving. He says schools need to teach not only hard skills, like math, but "more of the soft skills and behavioral skills about initiative and drive

and creativity and teamwork."

Ferguson, meanwhile, says he gets better-educated job candidates from vocational-technical schools (the company recently donated sophisticated machining equipment to a technical high school in Fall River, Mass.) than regular high

schools. Drive and ambition are noted and valued. One rising star at Ferguson Perforating came to the United States from the Azores 15 years ago. He has since mastered English and is working toward his college degree, with the company benefit and encouragement.



PHOTO BY STEVEN COOK

Kelley Osgood Platt '80 speaks with Thomas Built Buses employee Richard Thomas as workers install seats in a bus on the assembly line.

"I don't believe in trying to do the usual as far as how you treat people," Ferguson said, "because the usual has gone out of business over the last twenty-five years."

He said he has learned over his career that if he has the best people and the best equipment, "the financial end will take care of itself." It's worked, and Ferguson seems to get as much pleasure from nurturing his employees as he does from more traditional measures of corporate success. "You get some of them—they just blossom," he said. "And that's the fun."

The CEOs he respects most are those who spend time on the factory floor.

"I just hope that the companies that can be the seed for doing more [in the United

States] survive," Ferguson said. "And they have people running them who are doing it for the right reasons."

"I HOPE THAT THE COMPANIES THAT CAN BE THE SEED FOR DOING MORE [IN THE UNITED STATES] SURVIVE. AND THEY HAVE PEOPLE RUNNING THEM FOR THE RIGHT REASON." —BRUCE FERGUSON '62

He disagrees with those who run a company just to make lots of money. "I've known some of these people, the unbelievable salaries that these people are making," Ferguson said. "They're not rocket scientists. For them, it's just a way to keep score."

For Hussey, too, it's not about personal gain. "What drives me is that

my generation feels like we're stewards here," he said. "It's the sixth generation. ... My job is to have the company in good enough shape so the next generation can have their whack at it."

And these company heads know that success—staying ahead of the competition in terms of innovation and efficiency—depends in great part on the strength of the workforce.

At Thomas Built, Platt points to the fact that the American school bus is one of the most highly regulated vehicles in the world, with federal, state, and local standards and, in Thomas Built's case, more than 20,000 available options.

The company is moving into alternative power plants and fuels, including hybrids that use regenerative braking and buses fueled by propane and compressed natural gas.

Ferguson knows that the investment and innovation that brought the fiber-optic technology to his factory must

as the best in the business.

"It's always trying to stop commoditization," he said. "How do you innovate? To me that is America's future here. It's how we're going to continue to have manufacturing here—through innovation."

Innovation, however, happens best when encouraged from the top. And Hussey said U.S. manufacturing also must convince talented young people from all education levels that it's cool to make things.

That subject is discussed in national manufacturing groups, he said. And it's one that he's been aware of since he was in his mid-20s, earning his master's in business administration from Cornell after a stint in finance. Others in his class were headed for Wall Street or consulting, he said. He told them, "I'm going to create value, not just trade it."

Platt also knows the rewards of making things. She came to traditional manufacturing via banking and the then-Freightliner Corporation, a large truck manufacturer for which she managed pension and benefit plan assets.

Now she knows one very concrete benefit of working for a company with a visible product. "It's certainly easier to explain to your kids and your next-door neighbors," she said in an e-mail, "when you can just point to the yellow bus." ©

continue as competitors follow suit. Hussey knows that the company must roll out new and better models of telescoping seating to continue to be recognized globally (that week it was bidding on a 48-auditorium project in Saudi Arabia)