

# The Gemstone

Newsletter

March 2006

## Gem City Engineering Co., Ltd. GCE Thailand Achieves Record Growth in 2005

It's been nearly six years since the start of Gem City Engineering, Ltd. (GCE Thailand). The business has steadily grown over the years and in 2005 sales were up nearly 50%. GCE Thailand has truly been an asset to the overall GCE corporate strategy.

Our decision to open a facility in Thailand was based on more effectively serving our customers who reside in the Pacific region and to develop a "Bridge Strategy" to a lower cost region. We recognized early on that the rich manufacturing environment in Asia had driven the need for multi-national equipment manufacturers to be strategically positioned to support the increasing demand in Asia. To provide equipment and services for our technical and general industrial customers, the most logical location for us was Bangkok, Thailand.

The work performed during the start up years laid the foundation and support to gain market share which has enabled the business to steadily grow. Sales growth in 2006 is anticipated to equal the 50% growth rate achieved in 2005. The management team in GCE Thailand has proactively anticipated infrastructure, supplier development, and manpower needs to support the continued growth. In 2005, several actions were taken to support the growth in the business. These included:

- Converting to the same operating system that is installed in our corporate headquarters in Dayton, Ohio.

- Conducting training of Thailand's engineering and administrative staff in Dayton.



- Doubling the size of our available manufacturing floor space.
- Having a senior manufacturing manager from the Dayton operation begin a one year assignment at GCE Thailand to assist with the continued implementation of lean strategies and to help grow the supply base to support future needs in Thailand and the US.

In 2005 we also successfully implemented our "Bridge

Strategy" to most efficiently meet several of our customers, needs. This entailed successfully transferring engineering and manufacturing opportunities to Thailand.

These initiatives resulted in customer cost savings and increased worldwide GCE exposure. As a result, we have continued to expand our capabilities to quickly and efficiently respond to customer requirements. We're excited about 2006 since it promises to have even more opportunities to use the "Bridge Strategy" to further grow our presence in Asia.

Thailand, known as "The Land of Smiles", has indeed smiled upon GCE.



Please visit our website at [www.gemcity.com](http://www.gemcity.com) and contact us at [sales@gemcity.com](mailto:sales@gemcity.com).

The Gem City Engineering Co.



## BEST OF THE BEST

On March 23rd, GCE held our first **Supplier Recognition Luncheon**. GCE recognized six suppliers – five manufacturers and one distributor – for continuing excellence in their day-to-day business relationship with GCE. Based on a four point evaluation scale reviewed by Purchasing and Quality Management, these six companies stood out for their dedication to provide GCE

with the Cost / Delivery / Quality / Service that is needed to help keep us competitive in a our dynamic markets. We salute them here as a measure of our appreciation for their efforts. Dave Harry, GCE President, and Bob McKee, GCE Purchasing Manager presented **Supplier Excellence Award** plaques to representatives from each company.



### BECKER ELECTRIC SUPPLY

Mark Brown, Gary Wagoner, Bob McKee, Dave Harry



### BROWN CNC MACHINING

Bob McKee, Steve Brown, Dave Harry



### HOFACKER PRECISION MACHINING

Bob McKee, Terry Zehn, Fred Hofacker, Dave Harry



### PIPER PLASTICS

Bob McKee, Dino DiVenere, Bruce White, Dave Harry



### PRECISION METAL FABRICATION

Bob McKee, Rick Miller, John Limberg, Dave Harry



### TOOLING ZONE

Bob McKee, Mike Williams, Steve Iiams, Dave Harry