

Dotson Dispatch



Dotson Iron Castings picked as “One’s to Watch”

“A look at five diverse companies with at least one element in common: They’re healthy and primed for success, thanks to pioneering products, services and approaches.”

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Forging a new Path

For a 131-year-old company, Dotson Iron Castings has a forward-looking vision: becoming the world's most automated jobbing foundry. Such a lofty goal helps inspire the Mankato-based company and its 130 employees, CEO Dennis Dotson says, even if it might prove impossible to achieve in a limited sense. "We know we're not the world's most automated foundry," he notes. "But if we were, what would we look like? How would we respond to customers? What would our lab facilities look like? It gets our people thinking out more on the edge. There's a lot that a 131-year-old company can learn."

In pursuing its high-minded aim, Dotson has invested heavily in new equipment – some new to North America – and developed an educated and a productive workforce that works with management to shape operations. The efforts have produced bottom-line results and industry recognition.

FOUNDRY OF THE YEAR

Dotson Iron Castings is one of 400 to 500 iron foundries still in business nationally. That's down from 2,000 when Dotson started with the company in 1973, a drop from 6,000 operating when his father joined in 1943, and 20,000 when his grandfather arrived at Dotson in 1923. While the tonnage of metal that gets melted in this country likely has not dropped as sharply, much of the production has gone offshore, forcing U.S. firms to streamline their operations and find new innovations.

Dotson appears to have found the right formula. In addition to pouring tons of iron castings each month, the company also provides such services as machining, heat treatment, painting and coating, assembly, and inventory management. And last year, it was named Foundry of the Year by the American Foundry Society's *Modern Casting* magazine. The publication cited the effort, ingenuity, and investment behind Dotson's continuing automation push.

The company's annual revenues have climbed steadily to the \$30 million level in both 2006 and 2007, after stalling in the "rust bowl" years of the 1980s, Dotson says. And more projects have been rolling in – the high-profile award helped the company pick up 90 percent of the work from an Illinois foundry that closed earlier this year. The company gained 28 new customers in the process.

What's more, an innovative workforce program – called \$10,000 Projects – is helping those projects run smoothly. Now in its 10th year, the program keeps employees engaged by including them in purchasing decisions for equipment that cost more than \$10,000. The company has under taken 116 such projects and has others under consideration on a continuing basis, Dotson says.

Some of those purchases have included equipment from Sintokogio Ltd, a Japanese firm which is the world's largest foundry equipment maker. Dotson and Sintokogio have developed a tight relationship, and the Japanese manufacturer provides Dotson with the engineering expertise to help review equipment options, Dotson says, adding that his company was comfortable buying equipment from the manufacturer before anyone else in North American was using it. "We are their North American showplace," Dotson says. "We have opened up our plant to other companies that want to come and look at it."

Effort, ingenuity, and a hands-off management approach have helped **Dotson Iron Castings** thrive in a challenging industry.

More than 100 competitors have visited the company to do just that; for those that can't, Dotson will turn on Webcams to show off the equipment remotely. Dotson, in turn, gets return visiting privileges to see how other companies operate and have solved problems. The company also sends employees – from its top engineer to shop-floor workers – off to Sintokogio's manufacturing plant to evaluate possible purchases. The company also is working with other partners to provide value-added services to its customers, including machining and painting parts, Dotson says.

HANDS OFF

Dotson traces the company's growth to circumstances that converged a dozen years ago. While the company had assembled a strong management team, Dotson, who has served as CEO since 1978, was still "pretty much the prime mover of everything." He wanted to give the managers more room to operate, and eagerly accepted an opportunity to join the board of trustees of the Minnesota State Colleges and Universities system (MnSCU) and spent two or three days a week at MnSCU meetings in St. Paul for the next six years. "It was an exciting challenge for me," he says. "But more importantly, it was an absolutely great time for me to get away from the company. As it turns out, it was one of those brilliant moves. When you get away from talented people, great things happen. Today, even though we're a small company, I cannot go out in the plant without seeing something I didn't know was taking place, and that's one of my greatest pleasures."