

Posted Feb. 28, 2005

## **Innovation drives Ariens Co. Family-owned manufacturer embraces techniques**

By Richard Ryman, Green Bay Press Gazette

BRILLION — At Ariens Co., embracing some manufacturing trends helps it buck others and remain one of Wisconsin's premier companies. The Brillion-based maker of grass-cutting and snow-removing equipment is battling China, outsourcing, location and the vagaries of weather with intelligence, hard work and foresight. Ariens is a Wisconsin Manufacturer of the Year nominee. The awards will be announced Thursday in Milwaukee.

Dan Ariens, the fourth generation of his family to head the company, has embraced cutting-edge manufacturing techniques to allow his company to stay in the United States, in Wisconsin and in rural Brillion. Ann Stilp, vice president of public relations for FH&K in Neenah, said she nominated Ariens because, though a smaller player in their industry, they are one of the more innovative companies. "They had outstanding achievements overall," she said. "Sometimes a company might be outstanding in financials, or outstanding in process improvements. Last year was just overall outstanding for Ariens, especially in light of the threat from China."

Ariens said the company recently completed a 20-year vision blueprint, which should provide direction through his retirement. "Number one for the next five years is to be considered the No. 1 employer in Northeastern Wisconsin," he said. The Ariens' family has been in the Brillion area since the mid-1800s. Henry Ariens first tried his hand at manufacturing with a foundry, which failed, then came back to found the current company in 1933.

"We are here to stay," Dan Ariens said of the company's Calumet County location, which includes three factories. Most employees come from surrounding counties — Brillion is roughly equal distance from Green Bay, Appleton and Manitowoc — but Ariens admits the location sometimes makes it difficult to recruit talented people. "We address that by creating the right kind of culture here," he said. That includes encouraging intellectual curiosity and utilizing the latest in cutting edge manufacturing processes, such as the Lean, Kaizen, Heijunka and Jidoka principles. "As we are being more productive, workers here are finding working for us more enjoyable," Ariens said. Employee loyalty, and the experience that comes with it, is in evidence. Fourteen percent of Ariens employees have been with the company for 30 years or more, 26 percent for more than 20 years and 47 percent for more than 10 years. This year nine employees will celebrate more than 40 years with the company.

Ariens remains a vertically integrated company, meaning it performs most of the manufacturing work itself. Ariens said that allows the company flexibility and speed. Ariens snowblowers are all steel. Many competing brands have plastic parts. Ariens said steel costs have tripled in 18 months, but, again, they've offset that with Lean

Manufacturing improvements. Freight also is a challenge, all the more because many of the company's suppliers are located farther from Brillion.

While the durability and longevity of the company's snowblowers continue to attract customers — “we are doing some things that are interesting nuances; ingest more snow and throw it out faster” — Ariens is focusing its current growth strategy on zero-turn lawnmowers. The company no longer makes tractor-style riding mowers. “They are just very cool machines,” Ariens said of the zero-turn variety. “We are on the forefront of that technology. We have some great people here who said ‘get involved in that.’” The company made its first zero-turn riding mower in 1985. The prices range from \$1,995 to \$4,000, but Ariens said consumers can mow their lawns in half the time than with tractor mowers and save plenty of gas in the bargain. The snow removal business tends to be more weather-sensitive and turnover isn't frequent. “We know you aren't going to put as many hours on a snowblower, but those hours you need it are critical,” Ariens said. “We don't design obsolescence in the product.”

Ariens said China, which is expected to have the world's second-largest economy by 2025, is, and will be for the rest of his life, the biggest challenge. “That's why our focus on Lean Manufacturing is a never-ending process,” he said. According to a Grant Thornton study, the average labor rate in the United States is \$19.86 per hour, compared to 53 cents per hour in China. That means, Ariens said, his workers need to be 40 times more productive. “We have to be able to spend resources to take the waste out of those processes,” he said. “When I say resources, people underestimate the skills and abilities of people doing the work. They know every day there is a better way.”

An example:

Ariens was manufacturing a spindle — a lawnmower part — for \$31 per unit. The same part could be made in China and shipped to the United States for \$19 per unit. Ariens employees redesigned the manufacturing process into a “one-piece flow cell,” reducing the price of the spindle to \$15.72 per unit. “When people talk about productivity, the thought is everybody works harder, but it's the opposite. Everybody works smarter,” Ariens said.