

Henderson tool shop Sunrise finds its future lies with China

By Chuck Stinnett
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The local tool-and-die industry has gone through a sea change.

The various locally owned shops once were thriving, kept busy machining precision molds that would be used by various of the area's plastic injection molding plants to make parts such as icemaker bins for refrigerator plants or emergency brake handles for automakers.

Demand for molds was so great, and the availability of skilled moldmakers so limited, that Darrell and Lorna Littrell of Sunrise Tool & Die and owners of other tool shops in 1994 formed the Henderson County Industrial Education Alliance to train apprentice toolmakers the craft of computer-aided machining and other skills.

It seemed the only way to ensure that trained mold makers would be available. And with those jobs paying \$15 to \$20 an hour, often with plenty of overtime available, it was a boon to the local economy.

But less than 10 years later, things had changed. Led by China, developing countries with low wages were increasingly luring tool-and-die business from American plants. Once-prosperous companies suddenly found themselves in unfamiliar territory: They were losing money. Many went out of business.

For a while, some shop owners thought the quality of Chinese molds would be poor, driving customers back to U.S. shops or creating opportunities to re-tool or repair tools made overseas. But the quality of Chinese products improved. The future of the U.S. tool-and-die industry suddenly was in doubt.

About two years ago, "Whirlpool came to us, Sunrise, and said (it) will pick five tool-and-die companies in North America to do the majority of its work," Littrell said. "But you have to have 70 or more men in your shop."

Sunrise had only about 30 employees at the time. But, Littrell said, Whirlpool representatives told him, "You've been doing work for us for 30 years," 20 of them as the owner of Sunrise and 10 years before that as an employee at another shop.

Whirlpool proposed that Sunrise team up with another local tool-and-die and molding company, J-Ron Machine and Tool. "They asked us to form an LLC (limited liability company); that would fit their definition of an integrator," he said.

And so Littrell and J-Ron Vice President Ron Bugg Jr. in November 2006 formed a third company, Sunron International LLC.

"You have to change your mindset," Littrell observed. "You're competitors one day" -- albeit friendly competitors as well as longtime friends -- "and then you're asked to be partners."

But he said they had no choice. "We were dying at the vine," Littrell said. "There were no options. You either go out of business or try this."

Sunron was called upon by Whirlpool to do something that once would have been unimaginable: Travel to China to oversee the manufacturing of some molds by tool-and-die shops there.

"Ron Bugg Jr. and me, we went to China and visited 12 shops that Whirlpool had already assessed," Littrell said. "We chose two to be partners with us."

"Whirlpool immediately started giving us large packages of molds to manage. We went from no business in China to \$4 million (in business there) in the first year," he said.

And Sunrise and its toolmakers "will get the maintenance work on those molds year after year."

Sunron and the Whirlpool relationship has been a salvation. Sunron has gone on to win business from Whirlpool's laundry segment and other divisions. And the Chinese connection has generated non-Whirlpool business.

"Whirlpool knew our customer base could benefit," Littrell said. "It means we can offer our customers the option of molds built in the U.S., where we are as competitive as any tool-and-die maker, or offer low-cost (options) in China. Our customer base liked that."

With the ability to provide what Littrell called "low-cost or fast delivery," he said Sunrise has "attracted other customers on the West Coast."

"Other molders were going overseas," he said. "They were using brokers" to identify Chinese tool-and-die companies. Sunrise offers the advantage of having a direct relationship with two such companies. "We're definitely full-service ... in that we provide support in the U.S. or can provide management in China."

Now, Sunrise and J-Ron have decided to go in separate directions.

In May, Sunrise bought out the assets of J-Ron Machine and Tool, including its share of Sunron.

"I still have a passion for tool-and-die," Littrell said. "They have a passion for the molding plastics side."

So the Bugg family is concentrating on J-Ron Inc.'s remaining injection molding operations on Bob Posey Street, including its proprietary line of Claybuster brand replacement shotgun shell wads and Harvester Muzzleloading bullets, which are sold through stores such as Cabela's.

J-Ron, which has about 30 employees, also does custom molding work for the plumbing, auto, sporting goods and music industries.

"It's a good move for both of us," Ron Bugg Jr. said.

"We decided we wanted to focus on molding," he said. "We still have a great relationship (with Sunrise) and a wonderful friendship (with the Littrells)."

Sunrise, meanwhile, is integrating machinery acquired from J-Ron into its own plant on Commonwealth Drive in Henderson Corporate Park.

"We gained a lot of capacity bringing those machines over here," Littrell said. "We probably brought 12 major pieces over," some of which will be used to replace some older machines at Sunrise.

It has so far hired 12 of J-Ron's 20 toolmakers, boosting Sunrise's employment to 42, and hopes to be able to hire others. It started a second shift last week, and "we anticipate starting a third shift in mid-August" that will enable Sunrise to hire another four or five former J-Ron toolmakers, he said.

"It's exciting," Littrell said. "We have an opportunity to do work overseas and we're seeing a growth opportunity we haven't seen for a long time."

To be sure, global trade has made the appliance and other industries tough. General Electric announced earlier this month that it is focusing on spinning off its Louisville-based \$13.3 billion appliance, lighting and industrial unit into a separate company. Whirlpool, meanwhile, increasingly is facing competition from foreign companies such as South Korea-based LG.

Without the Whirlpool and China connections, "We would be struggling."

"I haven't been this excited in a long time," Littrell said.

"We've got work coming in that looks like it will be long-term work because of China. We build tools over there, and they come in and we have to inspect them. We do engineering changes and prepare them for the molders."

It's certainly changed work life for some Sunrise employees.

"In November of 2006 when we started, our guys were scared to death to go to China. Now they go one at a time and do business," said Littrell, who has made three trips so far and expects to make many more.

Sunron employees have access to interpreters in China, so language isn't a serious barrier, nor are technical issues involving engineering drawings. "As long as it's on paper -- the lines are there, the dimensions are there -- it's not a problem," he said.

"I remember starting in this business," he said. Twenty years ago, "If you were doing something out of state, you were really bold."

But in the 21st century, working internationally is inevitable.

"The tool-and-die guys will be without work if they just rely on local work," Littrell said.