

By Jackie Schultz

# ALLIANCE COMPLETES EXPANSION

Alliance Machine Systems International recently completed the expansion of its Spokane, Wash., headquarters, consolidating all manufacturing into one global Center for Manufacturing Excellence. The expansion is part of the company's earlier announced restructuring to enhance operations. Alliance manufactures material handling and specialty folding/gluing systems, including the J&L specialty folder-gluer and the ALF robotic load forming system.

As part of the restructuring plan, the material handling products previously manufactured in the Alliance facility in Hengevelde, Netherlands, were moved to Spokane in early 2009. Later in the year, the J&L specialty folder-gluer, formerly manufactured at the Alliance facility in Keithville, La., was relocated to Spokane.

"The 2009 timing was selected to take advantage of the generally lighter factory loads associated with an unusual global economic slowdown," says President Mark Duchesne.

Initially, the company leased an auxiliary building in Spokane, manufacturing in two buildings about two miles apart. "We have been manufacturing all products in Spokane under this arrangement for about one year," Duchesne says.

In March, Alliance completed the expansion of the main Spokane building, increasing the available manufacturing floor space from 54,000 sq ft to 67,000 sq ft. The company is in the process of completing the planned transition by moving out of the auxiliary leased facility and into the newly expanded manufacturing space, all under one roof.

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### Built-in Efficiencies

The assembly addition is designed as a seamless extension of the current facility, with large, high bays and full length overhead bridge cranes. It provides a significant increase in production capacity, and facilitates improved production flow and flexibility to handle a variety of machine types and sizes, according to Duchesne.

"Our new floor layout was designed with Lean Manufacturing principles in mind," he says. "Simplified production flow, point-of-use inventory, and mobile, modular assembly equipment will help us continue to enhance our processes."

The layout also allows for the capability to load trucks under full cover, and the new space

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has an abundance of natural light as well as high-intensity conventional lighting.

The addition has enhanced operations by eliminating some excess capacity and also centralized the bulk of the production and quality processes. In addition, it has improved internal communication and allowed the company to apply continuous improvement resources in Spokane across the full product line. The Spokane facility now employs about 145 people, about 15% more than in 2009.

The operation is equipped to manufacture all the Alliance systems sold by the company and most of its 2010 production is scheduled to be manufactured there. "We do, however, have subcontractors in certain low cost areas of the world that do some manufacturing for us under our direction and using our designs," Duchesne says.

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Outside of Spokane, Alliance has sales and service personnel located around the world in close proximity to global customers. In the U.S., the sales and service professionals are regionally located.

"Our long established Alliance Machine Systems Europe subsidiary in Bladel, Netherlands has an experienced sales and service team with unique insight into the needs of the corrugated box maker in Western Europe, Africa, the Middle East and beyond," Duchesne adds.

## Prime Location

The second largest city in the state of Washington, Spokane is considered a desirable location for manufacturers, according to Duchesne. "As manufacturing has dried up in many parts of the country so has the availability of skilled manufacturing technicians. This is not the case in Spokane where there remains a pool of well-versed, highly experienced craftsman with a strong work ethic and a penchant for quality."

Duchesne says the high school graduation level in the region is higher than the national average and the Spokane community colleges offer programs for machinists, welders, industrial painting and other manufacturing training.

"Our management team and manufacturing work force collaborate within a continuous improvement environment employing the latest engineering and manufacturing techniques focused on the delivery of the highest possible quality and value to our customers," Duchesne says.

## Prepared for Growth

The completed expansion comes on the heels of a modest increase in order rates, Duchesne says. "It does appear that after a period of extreme caution on the part of purchasers of capital equipment, companies are now looking to get

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"Converters that have a business model based on productivity never really stopped improving but some put projects involving significant capital on hold," he says. "We do see the trend now moving toward a more normal investment rate, although there is still a level of caution that is keeping the pace conservative."

He says the market activity in the Americas is slightly ahead of the rest of the world. "Quoting and interest has picked up all around the world. Compared to 2009 our 2010 backlog is good and shows positive momentum. We continue to solicit orders and have adequate capacity to satisfy customers' demand in 2010."

Alliance has grown steadily over the last 10 years, acquiring several companies, including Thermoguard Equipment, Quadro Engineering, Serco Holland and ASC/Pallmac.

Regarding future acquisitions and growth, Duchesne says, "Alliance is focused on assisting our customers by enhancing their productivity and we are always perusing opportunities to be even more effective at that mission. Although we don't discuss products while they are in the development phase, we continue to dedicate significant resources to R&D."

