Full Speed Ahead

Exercise equipment manufacturer, CYBEX, brings improvements in technology and workplace environment to its new $15 million facility.

By Anna Wells, Editor The move itself was no further than 1.5 miles, but still—no one can accuse CYBEX of poor planning.

CYBEX senior vice president of manufacturing Eddie Kurzontkowski (left) and general manager John Champa (right) at the company's new $15 million facility in Owatonna, MN.

When the company first began incubating the thought of an expansion project, it was with an anticipation of growth—something company leadership was so confident in, that they invested $15 million in a new 340,000 square foot facility. And it’s this calculated planning that CYBEX senior vice president of manufacturing and engineering Eddie Kurzontkowski and general manager John Champa will tell you was instrumental in keeping this operation in Owatonna, MN, where it has existed since the early 1980’s. Job retention has not been the only benefit: CYBEX has introduced some new state-of-the-art equipment from which they’ve seen immediate payoff in ergonomics, cost of product and workflow.
These investments have allowed CYBEX to optimize the speed at which it has been able to deliver a customized product, as well as helped them improve employee skill sets.

Let’s Get Physical

CYBEX International, a manufacturer of commercial and consumer exercise equipment, has two locations in the US, as well as one in the UK. The Owatonna facility is responsible for producing CYBEX’s strength equipment and ARC trainers—a cardiovascular piece which, according to Champa, is the number one

product in terms of revenue in the company right now.
The success of this product, among others, had CYBEX anticipating a need for increased capacity. “From the growth of the business and the sales projections for future growth—back in March of 2005—we projected that the building would no longer have the manufacturing capacity in the third or fourth quarter of 2007,” says Champa. “We put the stake in the ground and said ‘this is what we’re going to get to, and with what we have, we are not going to have the manufacturing capacity to meet those needs.’ The time to understand you’ve got a capacity problem for the growth of the business is two or three years before you’re there. Once you’re there, you don’t have any options.”
CYBEX took initial steps in attempting to determine whether or not it would be most advantageous to stay on domestic soil with the product line or to move offshore. There were many benefits to keeping the operations in Owatonna, according to Kurzontkowski. “We’ve got a skilled, long-term workforce here, and we wanted to keep that intact,” he explains. “Another big thing that kept bringing us back to manufacturing in the states is that we build to order. Having the short lead times to be able to customize has made us able to grow that part of the business. In going offshore, we’d have lost that flexibility.”

CYBEX has invested in new equipment such as the robotic weld cells above.

Municipal Goals
CYBEX approached the city of Owatonna, who, after negotiations, assisted the company in acquiring 36 acres in the economic development zone through tax increment financing. The success of this, again, goes back to the early planning process. “The city was very good in working with us, and it’s a great example of local government and business working together for a common goal,” says Kurzontkowski. “That went very well, but we had planted the seed about a year and a half earlier.”
Phase Two
Once the location was determined and CYBEX broke ground on its new facility, the company spent the next part of the planning phase focusing on new capital equipment investments and, perhaps most importantly, employee buy-in of the project.
In terms of equipment, CYBEX was most interested in implementing automation that would lower cost of goods without having to lose employees. “We’re doing a balance of Lean practices where we take a lot of the waste out of the process, and also automate as much as possible,” says Kurzontkowski. “One thing that has been

nice is to get employee buy-in. Because the business has grown, we've been able to bring in capital. We don't have to add people, but we don't have to let anyone go."
One of the numerous investments was in CYBEX's robotic weld cells. "We brought in these robotic welders, and we didn't have to let anyone go because our business was growing so much. We brought in this new equipment that saved us from having to add bodies on machines to keep up," he says.
Adds Champa, "We utilized the strength of our employee base by sending them to training to master the operation of our new equipment. Our employees that were manually welding three years ago are now running the robotic weld cells—so they were able to learn new skill sets, and we have much more buy-in for the overall initiatives of the new automated equipment."

The state-of-the-art paint system pictured is part of the company's investment in equipment upgrades.

Environmental Fitness
CYBEX's new facility incorporates a number of environmentally-friendly initiatives:

- **Energy-Efficient Equipment:** The $3.5 million state-of-the-art powder paint electrostatic system has energy efficient motors throughout the entire paint processing system.
- **Water Recycling System:** This allows the filtering and reuse of water in the paint process over several times; it reduces daily waste water from the painting process to

the treatment facility dramatically. All runoff is captured in two holding ponds (for water shed management), and the surrounding area will be seeded for the use of wildlife and natural foliage.

- **Windows/Lighting:** Installing windows throughout the building will reduce energy use by 10 percent, while energy-efficient lighting (HID ballast coupled with Holophane high efficiency Super Glass) dramatically reduces the number of fixtures without sacrificing light levels.
- **Front Office:** The all glass design is intended to enhance the environment for employees while windows were placed around the entire facility to allow natural sunlight.
- **Building Design & Insulation:** This will offer energy savings in utilities by as much as 25 percent, by recovering gas savings and electrical with the enhanced lighting.

No Paint, No Gain

Another one of CYBEX's most interesting additions was its new state-of-the-art powder coat paint system. Designed as a turnkey system with automated shot blast, this addition to the facility was relatively groundbreaking for CYBEX. Not only did this improve quality, but it addressed some ergonomic and employee job satisfaction issues as well.

“We’re doing retraining with these people, so they’re not losing their positions,” says Champa. “This was a position that we replaced with automation that was an area of high turnover because it was not a very desirable job. There were ergonomic issues. We automated that and retrained those individuals, so we were able to add the technology, reduce the cost of goods, and also improve the quality of the product—and we trained the employees into a higher level position, so there were four ‘wins’ there.

CYBEX’s exercise equipment is built-to-order per customer spec, making it critical for the company to invest in equipment to help shorten lead times.

“The paint system is something we’re really proud of in this building,” continues Champa. “We almost doubled our capacity with the paint department. We have new technology that allows us to change colors in seconds, rather than in 15 minutes. We do a lot of color changes for our customers because of customization, because that’s the nature of the business, and that’s what our customers are requiring. Now we have the technology to be able to do it.”

Targeting High Volume Parts

Another piece of equipment that has proven quite valuable for CYBEX has been its tube laser. “Bringing in the tube laser, we were able to save a lot on cost of goods,” says Kurzontkowski. “The high volume parts—like the Arc trainer parts—came down in cost substantially once we started using the tube laser.”

Says Champa, “When you look at a tube laser—yeah, it’s a million dollar investment, but when you’re having the type of payback we’ve had on these components, that machine had about a year and a half payback on it.”

Calculated Risk

This type of ‘spend money to make money’ philosophy has manifested itself significantly in this new project, although Champa and Kurzontkowski emphasize a calculated approach. “When we consider capital projects, we do a lot of research,” Champa says.

The two also stress a projected payback period of two years or less. “We felt comfortable that even if the business got a little soft, we were in the three year window,” says Kurzontkowski.

The Little Things

Kurzontkowski and Champa are also quick to point out that there are myriad ways to improve employee job satisfaction that don’t come with a big price tag.

“One of the things that was an objective from the very beginning was to improve the working environment for the employees,” says Champa. “We have a higher light level—55 foot candles—and four by four foot windows all around the perimeter to let natural light in.

“We painted the exterior walls white to reflect the light and clean it up a little bit,” he adds. “The air makeup systems—like in welding—we completely enclosed them in their own environment so we can run double air makeup systems to push all the weld smoke out, so it’s a cleaner environment for the employee. We definitely wanted to improve the working conditions with the design of the building.”

And in consistency with its product offerings, CYBEX allows its employees access to the fitness facility that doubles as a product showroom. This benefit is complete with adjacent locker rooms.

Keeping employees happy, according to Champa, is invaluable to the success of a company: “Relating to higher quality, shorter lead times, ontime deliveries, and the service we’re able to give after the sale—these are all things that we were able to better do by manufacturing here with our world class workforce. And these are the things that are important to our customers. What we’ve done here really supports what our customers are asking for.”

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