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Pacific Bearing President
Bob Schroeder

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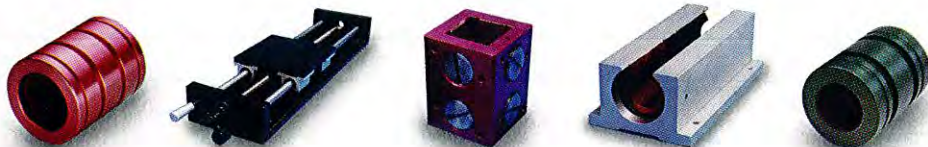


Pacific Bearing's executive staff (from l to r): Linda Dagnon, Mark Bonavia, Bob Schroeder (seated), John Evan and Maria Hornej.

Pacific Bearing

Combining Technology and Teamwork

By Jay Ginestra



In 1982, Bob Schroeder's dream of owning a family business was becoming a nightmare. The country was mired in the worst recession since the depression and Premac, a machine shop that Schroeder's father purchased in 1981, was on the verge of bankruptcy. For thirty years Premac had provided two large customers with custom engineered parts. Then Caterpillar went on strike for nine months and International Harvester abandoned the agricultural market. "Literally 100% of our business dried up," recalls Schroeder. "Times were hard. Rockford had the highest unemployment rate in the nation. I made a decision," he says. "I'm never going to let this happen to me again."

Schroeder formed Pacific Bearing Company. "I wanted a name for this new business that wouldn't be associated with the 'Rust Belt'.

Rockford was receiving plenty of bad publicity for having an unemployment rate of over 22%," recalls Schroeder. "I was one of them."

“The best people want training.”

In the early days of Pacific Bearing it was 15-18 hour work days, seven days a week. Schroeder's wife, Donna, went back to teaching and did all the company's administrative work in the evenings. On weekends, Donna's family came to the plant to assemble bearings. Today the business is booming. In 1993, revenue grew by approximately 30%. In 1994 that escalated to 40% growth. This past year, Pacific grew by another 40%. Pacific's success has been founded on new technology and designs. Today, Pacific Bearing has 100 associates and does business worldwide. "Do business on a world wide basis and leave no safe haven for a competitor to copy your product," says Schroeder. "You must be the low cost producer in the world



Pacific holds weekly in-house training seminars to keep associates informed.

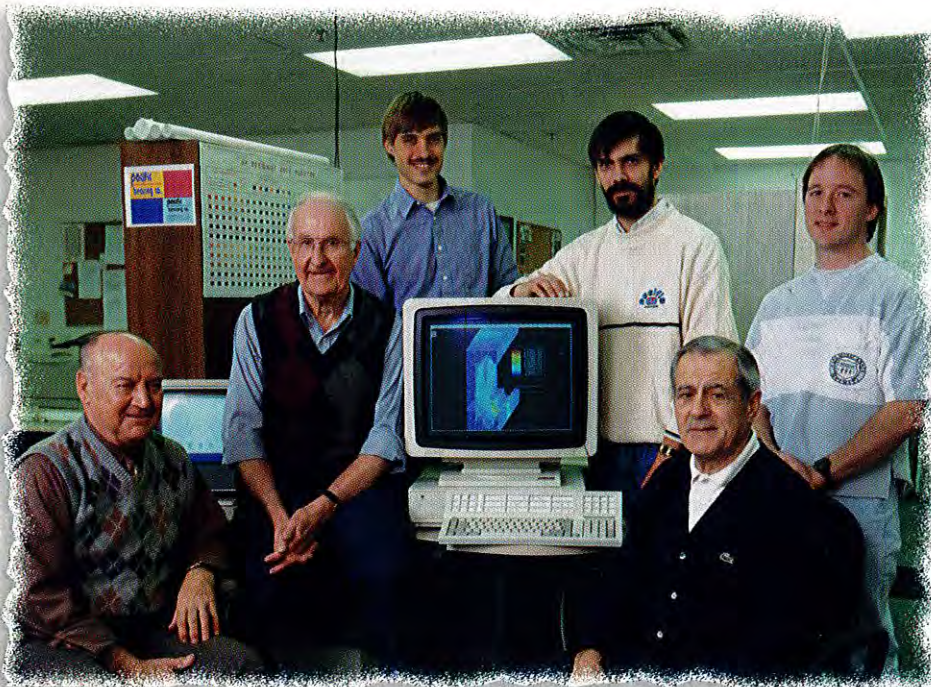
or a foreign manufacturer will try to take away the market you've developed."

"I thought going international was going to be difficult," Schroeder says. "It really wasn't. Two trips to Japan in three months and we had an agreement with ASK, a Japanese bearing manufacturer and distributor." Schroeder credits a great product and an excellent

International Sales Manager. "I look for companies of similar size that manufacture unique products in the linear motion field. I propose to sell their products here and they sell our products there. It's an easy concept to sell and it works," says Schroeder.

Pacific Bearing makes self-lubricated bearings that are size interchangeable with industry standard ball bearings. Schroeder has a simple business philosophy. "Find an industry dominated by a few very large companies focused on the needs of the many and you will find opportunities in things they are not able to do," says Schroeder. "Then focus on proprietary or patented products that offer performance advantages over the competition." Educated at the Rose-Hulman Institute of Technology in Terre Haute, Indiana, Schroeder learned this early in his career as a young engineer at Camcar. "It's worked for them, I thought it would work for me," he says.

The self-lubricated bearing industry is dominated by two companies that make products to their own standards. "If you wanted to use their products you had to figure out how to make it work," Schroeder says. "I decided Pacific



Pacific's diverse engineering team (from l to r): Joseph Gregorich, Charles Nelson, Thomas Hansel, Mark Huebner, David Nienbuis and Paul Sackley.

would make size interchangeable bearings, which would allow customers to easily switch to our product."

"Because the Simplicity bearings mode of failure is continual rate of wear, the design eliminates unexpected - and costly - shutdowns," says Schroeder. Some early converts were the Big Three automakers. "We've seen applications where GM and Chrysler were changing bearings every two weeks because they couldn't afford a catastrophic failure," he says. "In many instances, an automotive customer retrofitted with Simplicity bearings, and two years later, those bearings are still operating within specifications."

Schroeder has spearheaded several innovative programs for his

problems. Recognition awards are made for outstanding efforts. "This meeting keeps everyone abreast of our day-to-day operations," Schroeder says.

Pacific Bearing has made a commitment to on-going education. Currently, Pacific has eleven associates enrolled in the Rockford Machining & Tooling Association's (RMTA) apprentice program, the largest of any company including the largest manufacturers in Rockford. Pacific also holds weekly in-plant training seminars. "The best people want training," Schroeder insists. "We hire for ability and desire, and then teach associates to do the job." Pacific has created its own videotapes and manuals for every machine tool in the plant. "This eliminates any erosion as knowledge is passed from

time work. These retirees have proven to be a valuable addition to the Pacific workforce as they help solve pressing problems and provide a stabilizing influence. "Engineers and Machinists with 40 years of experience can be a great source of knowledge," Schroeder says. "Retirees have been through it all before and can help people see that problems aren't as bad as they may seem. They put things into perspective for our younger associates."

Schroeder has built Pacific Bearing on simple philosophies. "We make money by making things that work and have fun doing it," Schroeder says. "If someone has an idea and wants to try something - associates must ask themselves, 'If I fail will I put a hole below the water line, if yes - better ask first, if no - just do it!'" Schroeder recalls a few rueful instances early in his career when he proposed a design, heard it dismissed as impractical, and watched as another firm patented a similar idea years later. "That taught me to trust my intuition," he says.

These basic philosophies are firmly in place at Pacific today, where Schroeder encourages employees to continually pursue new ideas. Pacific's continual rate of growth shows this mentality to be working. "When somebody brings me an idea, I'm not going to treat it that way. I'm going to listen to every idea that's presented to me," says Schroeder.

By treating associates as members of a team, Schroeder has managed to find some of the top engineering and machining talent in the Rockford area. Pacific Bearing's worldwide success has created tremendous employment opportunities for people throughout northern Illinois and southern Wisconsin, who possess the skills and experience needed to compete in a global economy. **BP**



Machinists John Meyers and Jeff Grinnell use the latest automation to load parts.

associates. All Pacific Bearing associates attend a weekly company meeting for thirty minutes each Wednesday to discuss current business status, sales, profits, and

person to person," says Schroeder, "Everyone learns the important facts."

Pacific has initiated a nationally recognized program of hiring retired engineers and machinists for part