

The Wright Formula for Success

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The environment for suppliers in the automotive industry is often described in negative terms, and this can lead to the perception that all suppliers are struggling to survive. While this is true for many of them, there are also companies out there that have found their own formula for success and are thriving as a result. Some of these companies are smaller organizations that stay under the radar screen of the mainstream automotive press and rarely make the headlines (often, a conscious decision on their part).

I recently had the opportunity to visit Wright Coating Technologies in Kalamazoo, and this company is a good example of a supplier finding their own elements of success. Wright has been in business for nearly 30 years. From its humble beginnings as a small job shop, the company has grown to a well-respected applicator of specialty coatings and provider of value-added services, with nearly 100 employees, seven coating lines, and an impressive group of customers.

What sets Wright apart, is the company's keen focus on strategic positioning. They have articulated a unique value proposition and do not try to be all things to all people. As a result, they are far from a "run of the mill" powder coater. At the beginning of 2008, the company changed its name from Wright Coating Co. to reflect the additional value they offer and enhance their image as a technology specialist in the coatings industry.

Wright is very clear about their place in market. In their specialty coatings segment, they provide high-end critical finishes using proprietary processes. Company president Chuck Grimes sums it up saying that Wright handles the jobs that everybody else in the industry cannot do. At IRN, we often emphasize the importance of using screening criteria when making decisions about what customers and product areas to pursue. Being selective and not just taking any job that comes through the door is a key criterion that distinguishes the successful companies from those that struggle to be profitable. Wright has a process in place to do this. According to the company's website, the jobs that best fit their services are those where:

- The customer depends on the coating to enhance the performance of their component
- The part is difficult to coat due to its complexity
- The customer wants to outsource supply chain activities (e.g. assembly or inventory management and control)

The company has a history of innovation. Back in 1995, they developed a wear-resistant coating process (WRYLON®) applied in a controlled thickness on parts with extremely tight tolerances. The initial application was drive splines for four-wheel-drive vehicles. Prior to Wright's coating solution, the splines were experiencing excessive wear which resulted in a clunking noise in the vehicle and premature warranty claims. While the coating solution added initial cost for the Tier One customer, it solved the clunking problem and ultimately reduced warranty costs. The

solution is still used today, and Wright is working on new programs and applications that will expand its WRYLON® business.

Another example of innovation is Wright's proprietary Classic Kote® process, which makes them one of the only companies in the U.S. with the capability of powder coating plastics. The Classic Kote® process has the potential to help automakers and suppliers in their quest to convert selected parts from metal to plastic in the interest of weight reduction and elimination of part complexity. At the same time, the process is environmentally friendly, unlike the traditional wet spray method. While Wright's business for Classic Kote® has thus far been rooted in the office furniture segment, the company is now looking at potential opportunities for automotive interior components (with the potential to replace many of the existing film and painted applications in this area).

Wright's ability to tackle difficult problems has earned them a reputation with their customers as a solutions provider. This is a very advantageous spot for any company to be in, especially a supplier in the challenging automotive industry. In an environment like the present – rife with economic crises and increasing fuel economy concerns and regulations – this is the time that OEMs and suppliers alike begin looking for new, more cost-effective and innovative ways to do things. Naturally, they will turn to suppliers that offer creative solutions, and that is exactly what Wright Coating Technologies is ready to provide.