

Washington Manufacturing Alert

The Newsletter
Of The State's
Most Important Industry

Vol. 8, Issue 23
Nov. 7, 2016

Newsire: Fujifilm Sono-site wins huge ultrasound contract; Timken buys Vancouver company; REC Silicon lays off Moses Lake employees; Bellingham feed producer plans move to Skagit County; Paccar sees soft truck sales in 2017; plus other news items. **Pages 2, 4**

Our Next Issue:
Nov. 21

Seattle Curtain Ready To Unveil Next Chapter In Family Legacy

BY BILL VIRGIN
Editor/Publisher

Getting a family-owned business to its second or third generation of ownership can be a tough proposition.

Seattle Curtain Manufacturing is now in its fourth.

The 86-year-old company accomplished that feat by demonstrating considerable agility over the years in adjusting its target markets and product lines to fit with customer tastes.

Now it's up to Jordan Assouline, Seattle Curtain's president, to reinvigorate the company and position it for the possibility of a fifth generation of ownership.

"The fourth generation will be a pivotal one," he says.

Doing so won't require drastic changes in strategy or a big diversification campaign, Assouline believes. With an established legacy for custom products, "People who come to us are not looking for rock-bottom prices." And while he's open to considering new lines of business, "The focus is on doing what we do and doing that really well."

What Seattle Curtain does is make curtains for commercial projects like hotels and restaurants, and for custom applications in residences. It does that with a considerably scaled down operation – it has just three full-time employees, him included (at one time it had more than 30). Many of the company's business functions like bookkeeping and installation have been farmed out.

(Continued on page 3)

Mason County Adds Manufacturing Plants, Jobs

After enduring a double wallop of losing two major employers, Shelton and Mason County are getting some welcome news from the manufacturing sector.

Not only is Sierra Pacific's replacement for the Simpson Lumber mill ahead of schedule for completion and already hiring (WMA Oct. 10, 2016), the county has landed one new manufacturing facility, while another local company has relocated within the county to accommodate planned expansion.

Lynn Longan, executive director of the Economic Development Council of Mason County, said there are prospects for more.

Fraser MetalWorks, a metal fabricator of products such as gates and railings for the defense, commercial, industrial and residential markets, relocated in July from downtown Shelton to Port of Shelton property at Johns Prairie. The company has 20 employees now, but aims to increase that to 100 over the next five years, Longan said.

The company is also distinctive in that it has started its own apprenticeship program, working with high school students.

Longan said her organization is working with two other

companies, as yet undisclosed, that are suppliers to Fraser and are interested in locating close to the company.

The new arrival is Gem Shavings LLC, an Auburn-based maker of horse bedding. Gem says it kiln-dries shavings, vacuums them to remove dust and bales them in plastic bags.

Gem wanted to be closer to a supplier, in this case the Sierra Pacific mill, so it's opening a plant at Simpson's former Mill 5 location (it's keeping its Auburn location). Longan said the company is hiring five employees now, but hopes to double that, with two operating shifts, in six to nine months.

The news hasn't been consistently upbeat for manufacturing. An Oct. 31 fire destroyed a cedar-lumber mill operated by Camco Inc., based in Sweet Home, Ore. That mill had 20 employees. Firefighters were able to save several million dollars worth of inventory.

The former Simpson operations in Mason County had 270 employees; Sierra Pacific expects to have more than 200 employees at full operation. A plywood mill, which was purchased and moved to Oregon, had 238 employees.

Sonderen Packaging Installs New Box Printing Machine

Folding-carton manufacturer Sonderen Packaging has installed a 904,000-pound German-made printing press that will give the Spokane-based company more capabilities and greater operating efficiency.

The KBA Rapida 145, delivered in 14 53-foot trailers, can print in seven colors and on a maximum sheet size of 57 inches, the company said, allowing it to run multiple jobs for the same client at the same time. As an example, five different Stash Tea boxes can be printed on the same sheet. It can operate at up to 17,000 sheets per hour, compared with older presses rated at 9,000 sheets an hour.

The press also allows the use of UV ink, which dries instantly once cured under a UV lamp, speeding up the process.

The Spokane Regional Clean Air Agency, which issued the permit for installation of the press, said Sonderen has

adopted multiple environmentally friendly measures, including using vegetable-based printing inks and water-based coatings, neutralizing all chemicals before disposing of them, recycling solvent to reduce waste hauling, recycling aluminum printing plates, using water-based adhesives to glue cartons and plastic pallets to reduce the need to purchase wooden pallets, and replacing metal halide light fixtures with more energy efficient lighting throughout the plant.

One of the first customers to have a job printed on the new press was another Spokane-based company, Sterling International, which makes chemical-free inset traps marketed under the Rescue brand name.

Sonderen has more than 120 employees and a 130,000-square-foot facility, as well as a warehouse in Puyallup.

Newsire: News Briefs

BOTHELL: FujiFilm SonoSite has received a \$799.6 million fixed-price, indefinite-delivery, indefinite-quantity contract from the Department of Defense for ultrasound systems, accessories and training. The five-year base contract includes one five-year option. The equipment will be used by the Air Force, Army, Navy, Marine Corps and federal civilian agencies.

SPOKANE VALLEY: Contract electronics manufacturer Key Tronic Corp. said revenue for the fiscal first quarter ending Oct. 1 dropped 7 percent from a year ago to \$117.1 million. The company said demand dropped from several customers. Second quarter revenue is expected to be \$115 million to \$120 million.

PERSONNEL FILE

Joe Casebolt has been promoted to director of quality at Schweitzer Engineering Laboratories.

Manufacturing Calendar

Nov. 17-19 Pacific Marine Expo, CenturyLink Field Events Center, Seattle; pacificmarineexpo.com.

Jan. 9-11, 2017 Northwest Food Processors Association expo and conference, Oregon Convention Center, Portland; nwfpa.org.

Feb. 13-16, 2016 Pacific Northwest Aerospace Alliance annual aerospace conference, Lynnwood Convention Center; pnaa.net.

April 11-12, 2017 Amcon contract manufacturing show, Meydenbauer Center, Bellevue; amconshows.com.

May 22-25 Society for the Advancement of Material and Process Engineering technical conference and exhibition, Washington State Convention Center, Seattle; sampe.org.

June 14-15, 2017 FABREO Food & Beverage Expo, TRAC Center, Pasco; fabreo.org

June 19-25 Paris Air Show.

WASHINGTON MANUFACTURING ALERT is published 25 times a year by Northwest Newsletter Group. Contents are copyright 2016 and all rights are reserved. Please do not reproduce or transmit this newsletter or its contents without prior permission from the publisher.

Bill Virgin, Editor and Publisher. Editing assistance: Jenny Cole. Send news items, letters, subscription requests and other queries to the editor, at 15642 129th Court SE, Renton, WA, 98058 or bill.virgin@yahoo.com. Phone: 425-227-4471.

Subscriptions are \$140 a year for e-mail delivery, \$160 a year by mail; Washington residents, please add appropriate sales tax (available at Department of Revenue website, www.dor.wa.gov). Discounts are available for multiple e-mail subscriptions to different addresses ordered by one company or organization (\$120 each for two to four subscriptions, \$100 each for five or more).

Please contact the publisher for rates on advertising in The Manufacturing Marketplace.

Seattle Curtain: Company Looks To Reinvalidate Its Legacy

(Continued from page 1)

But one thing the company hasn't outsourced is manufacturing. It operates in a building at 12th and Yesler on Seattle's First Hill it has occupied for decades. Seattle Curtain brings in experienced part-timers to help with production. "The people we have are highly skilled and very efficient at what they do," he says.

The company was founded in 1930 by Ralph Capeluto, an immigrant from the island of Rhodes who wound up in Seattle after visiting a sister who had settled there. She introduced him to a woman he wound up marrying. Aside from deciding to get married, the two also had to figure out how to support themselves.

"Ralph mentioned that he had worked at a curtain factory and that he was good with the machines," according to "A Hug From Afar," Cynthia Flash Hemphill's book about Jews trying to escape the looming Nazi threat in Rhodes. "Rachel [Ralph's wife], meanwhile, had gone to business school and had bookkeeping skills. There was no other curtain factory in Seattle, and Rachel liked the idea of starting a curtain manufacturing business from scratch. Rachel said she could run the business end if Ralph did the rest.

"The two of them met with buyers from three large Seattle department stores—Frederick & Nelson, Sears, and The Bon Marché—to see if they were interested in buying curtains locally. The buyers were thrilled to be able to order curtains in town, rather than wait weeks for them to arrive from New York.

"With that vote of confidence, Rachel and Ralph went to New York to buy some sample bolts of fabric and two tiny sewing machines. They returned home and opened Seattle Curtain Manufacturing Co. at Prefontaine Boulevard, at the south end of the city's downtown."

The next generation, headed by Morris Capeluto, shifted the business to custom curtains for commercial projects such as hotels and restaurants that had unique designs in mind for fabrics or pleating, and for high-end residential projects where the homeowner wanted something more distinctive than what was available off the rack. They also added cornice boards, headboards, bed spreads, pillows and slipcovers.

More change came in the 1960s with the trend, not just in office parks and large apartment buildings but in residences, to what are known as hard window treatments, such as metal mini-blinds. Seattle Curtain added that product line.

The next evolution in the business was development of the cubicle or privacy curtain, heavy-duty dividers found in hospitals and clinics.

Seattle Curtain is turning out those same products to-



Seattle Curtain's production floor. Photo courtesy of the company.

day, from traditional Romans, swags, cascades, valances and side panels to modern products.

"There's still definitely a market" for those soft treatments, "and a sizable one," Assouline says. "Hard treatments can be in vogue and then go out of style. Soft treatments are kind of timeless." Sometimes those timeless products can find new applications, such as curtains for elaborate home-theater installations.

To make sure that Seattle Curtain is in position to capitalize on those new opportunities, Assouline (who also operates Apex Décor Group, a separate company but one that is a customer of Seattle Curtain) wants to spruce up the company's marketing efforts, including social media.

He also wants to make sure the company maintains its ties to its core customers.. "We are the go-to company for many designers in the area," he says. If the plan works the company could be bringing on more employees to handle demand.

Taking on the job of running a business with a rich family heritage is "an honor, but also a responsibility," Assouline says. By taking care of what built that legacy, "We can be just fine."

Globe Machine Lands Contracts

Tacoma-based Globe Machine Manufacturing Co. said it has received an order for a tissue roll wrapping and up-ending system, to be delivered in the first quarter of 2017 for a major tissue and towel manufacturer, headquartered in Eastern Canada, to be delivered to a mill in the Pacific Northwest. It also said a major linerboard manufacturer has ordered a strapping and roll-handling system for installation in a mill in eastern Canada.

Newsire: The Latest In Washington Manufacturing

VANCOUVER: EDT Corp., which makes stainless-steel bearings for food and beverage processing, has been acquired by The Timken Co. of North Canton, Ohio. Terms weren't disclosed. EDT's revenue for 2015 was less than \$10 million, the company reported.

MOSES LAKE: REC Silicon said it has laid off 70 employees at its Moses Lake plant and reduced capacity utilization to 50 percent, the result of "the ongoing solar trade war between the U.S. and China [which] continues to restrict REC Silicon's access to polysilicon markets in China."

BELLINGHAM: Scratch and Peck Feeds, which makes organic feed for chickens, ducks and livestock, said it will move to a larger facility in the Skagit County town of Burlington in early 2017. The new production plant will be 40,000 square feet, compared with the existing facility of 15,000 square feet, and will allow for increased automation for milling feed and other products.

EVERETT: The Association of Washington Business honored five companies for manufacturing excellence at its annual manufacturing summit.

- Green manufacturing: Earth Friendly Products, a Lacey-based maker of cleaning products.
- Innovation: Rite in the Rain, a Tacoma company that produces weather-proof notepads and writing implements.
- Operational excellence: SGL Automotive Carbon Fibers, the Moses Lake manufacturer of carbon fiber composites for automobiles, and G. Loomis, a Woodland maker of fishing rods and gear.
- Manufacturer of the year: Nucor Steel Seattle.

OLYMPIA: The Utilities and Transportation Commission has approved rate increases for natural-gas customers of Puget Sound Energy and Cascade Natural Gas, and decreases for those with Avista and Northwest Natural Gas, reflecting changes in prices for the fuel. The commission said PSE residential customers will see an increase of .2 percent, while Cascade's increase will average 1.3 percent. For Avista residential customers the decrease will average 4.9 percent, and Northwest Natural Gas Company customers will see an average reduction of 1.5 percent. The changes were effective Nov. 1.

BELLEVUE: Truck manufacturer Paccar said it expects industrywide sales of Class 8 trucks in the U.S. and Canada to be between 215,000 and 225,000 units this year, down from 278,000 in 2015. For 2017 industry Class 8 sales should be in a range of 200,000 to 230,000 units,

based on predictions of higher economic growth and housing starts and industrial-production growth of nearly 2 percent. Paccar, the parent of Kenworth, Peterbilt and DAF, said its fourth-quarter truck deliveries will be 5 percent lower than the third quarter due to more holidays and slightly lower build rates in North America.

BELLEVUE: Berntson Porter CPAs and the Center for Advanced Manufacturing Puget Sound are seeking participants for an online survey of manufacturers on issues, challenges and opportunities within the sector. The survey can be found at surveymonkey.com/r/MfgDistSurvey. The survey will close Nov. 9.

BELLEVUE: Pacific Northwest purchasing managers continued to be somewhat optimistic about the economy in October, with both the current-conditions and 90-day-outlook indexes in expansion territory, according to survey results released by the Institute for Supply Management's Western Washington chapter. The current-conditions index was at 53.9, up 1.7 from September, while the forecast was up 5.6 to 57.8. Current production and both current and predicted new orders were up, while the 90-day outlook for production dropped. Current employment was lower, but its forecast was higher; inventories were higher, and forecasted to increase in 90 days. Companies reported prices were higher than in September and expect them to be higher in the next three months. Supplier lead times were longer than the previous month, but the forecast was for shorter lead times. Items reported to be in short supply include abrasives and specialty machinery. Items for which prices have increased include bare printed circuit boards and steel and other metals.

EVERETT: Fortive Corp., the parent of test-and-measurement equipment maker Fluke, said third-quarter revenue increased 2.8 percent over the same quarter a year ago. The company said it expects low-single digit revenue growth for the fourth quarter.

REDMOND: Planetary Resources, Inc., which makes satellites for asteroid mining, said it has received 25 million euros in investments and grants from the government of Luxembourg and Société Nationale de Crédit et d'Investissement. The company hopes to launch its first commercial asteroid prospecting mission by 2020.

PERSONNEL FILE

AeroGo Inc., a Tukwila manufacturer of air casters, has named Tim Maguire as director of manufacturing operations.