Rebirth
Developers breathe new life into once stalled projects

Digesting Savings
New UW-Oshkosh biodigester will be the largest of its kind in the U.S.

Face Time
Steve Jenkins on making an impact in Fond du Lac

Fueling the Fire
Waupaca Foundry – the world’s largest iron foundry – is poised for growth

CEO and President Gary Gigante finds opportunities under new ownership
he name may not be recognizable, but there’s a good chance that an iron casting made by Waupaca Foundry is on your vehicle or on the John Deere tractor you saw in a nearby field.

As the world’s largest iron foundry company, an estimated three quarters of all brake rotors for cars are made at Waupaca Foundry. A single John Deere tractor has more than 75 Waupaca Foundry-made castings.

“The castings we make here are in thousands of products,” says Gary Gigante, the company’s CEO and president. Waupaca Foundry – which has three plants in Waupaca, one in Marinette and two out-of-state and employs

By MaryBeth Matzek

Photographs and compilations by Shane Van Boxtel, Image Studios

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more than 3,600 — is well known in the communities where it operates because of its large employment base and economic impact. It may not have the name recognition of another (smaller) regional foundry that stamps its name on manhole covers, but what it lacks in name recognition among consumers, it more than makes up in output. The foundry traces its history to the 1870s and boasts annual sales upwards of $1 billion, producing more iron castings than entire countries. If Waupaca Foundry was a country, it would rank among the top 10 casting producers nations in the world. “To put our size in perspective, China is the top casting producer in the world, but their largest facility is half the size of ours,” says James Newsome, Waupaca Foundry’s director of marketing. Like many industries, foundries were hit hard by the recession, but the company has climbed back and surpassed pre-recession output levels. There’s also plenty of optimism about the future. “We’re excited about the future. We recovered pretty fast from the recession and the demand is high for our products,” says Gigante, who has been with the company for more than 20 years, including the last six as CEO and president. "The change (in ownership) has been transparent for employees, but for managers it’s been a big difference. They are allowing us to run the business – they are very hands-off,” Gigante says. “They know manufacturing and know what healthy companies look like.” But to understand where Waupaca Foundry is going, Gigante says it’s important to understand the foundry industry and the company’s past. Safety first Safety is an integral part of life at Waupaca Foundry – even for visitors. Everyone who comes to the various plants, including reporters there to interview the company president, views a short safety video. Workers see ample amounts of moving and loud machinery, plus extremely hot temperatures in the foundry, but transparency is important for the company to protect its employees and all visitors. Despite the noise, a volunteer tour guides visitors in the Waupaca Foundry facility in Tell City, Ind., died in a July accident. Ken Voss, director of safety and health for Waupaca Foundry, says training and education are ongoing, encompassing classroom instruction, educational movie trailers, on-the-job instruction, risk-based training, and a comprehensive equipment training and specific safety programs for contractors. The company has a behavior-based safety program that includes peer-to-peer and job safety observations and feedback. Although each plant has a dedicated safety manager and team to provide guidance, individual employees are personally engaged in established safety and health initiatives. “Each employee is accountable for working safely each day,” Voss says. “Individuals are encouraged to correct unsafe conditions and behaviors immediately when they occur or seek assistance from management if needed. All employees are encouraged to report near-miss incidents and safety suggestions on a daily basis, and these leading indicators are measured with set goals.” The Buddy Company, of Michigan purchased the foundry and 10 years later ThysenKrupp of Germany purchased The Buddy Company, becoming the foundry’s owner until last year. In 1969, Waupaca Foundry built Plant 2 and Plant 3 in Waupaca. It added the Marinette facility in 1973. During the 1990s, the company expanded into Indiana and added the Tennessee facility in 2000. All of the foundries take scrap metal and melt it down, creating new iron. That iron then runs through a mold where it turns out a casting. The casting is then “cooled” by sand before it rolls off the machine. “We can melt 80 to 120 tons per hour. I don’t think anyone can do more,” Newsome says. From the 1950s to the 1990s, Waupaca Foundry had a steady growth rate. Once the Indiana plant came online, output spiked — making it the world’s largest foundry. In addition, specialized in making equipment used at the City of Waupaca’s stone crushing plant. The company was sold a couple of times in the intervening years and in 1955, Clifford Schwenn bought it and renamed it Waupaca Foundry. In 1964, the Buddy Company of Michigan purchased the foundry and 10 years later ThysenKrupp of Germany purchased The Buddy Company, becoming the foundry’s owner until last year. Solid footing Waupaca Foundry traces its roots to 1871 when John Rosche started the Pioneer Foundry along the banks of the Waupaca River. Its son later partnered with H.H. Suh to create Suh-Rosche, which lean manufacturing initiatives, along with the company’s decision to build its own mold-making machines, set it apart from the competition. The company never relied on one industry or company for the majority of its sales, Newsome says. That variety allows it to weather economic storms, although the company was hit hard when the automotive sector declined in the late 2000s. “We only have three customers that are more than 10 percent of total business. That diversity in customers helps us ride out the storms,” he says. Despite that diversity, the recession — especially that steep and sudden decline in business from the automotive sector — led Waupaca Foundry to idle its Tennessee plant in January 2010. While the plant was idle, a maintenance crew kept it operationally ready so once demand increased, the plant could easily come back online, which it did in October 2011. “It was very important for us to get that plant back in business,” Gigante says. “It was a difficult choice to idle it, but we hired back everyone who wanted to come back and hadn’t found other jobs.” Waupaca Foundry continues to grow. From fiscal 2009 to fiscal 2013, the company’s revenue grew 113 percent. Waupaca Foundry has a large economic footprint in the communities where it operates. A 2013 economic impact study by the University of Wisconsin Extension reported that Waupaca Foundry generated $82.5 million in direct labor income in Waupaca County. The foundry also purchased more than a quarter million dollars’ worth in goods and services from other Waupaca County businesses. David Thiel, executive director of the Waupaca County Economic Development Corporation, isn’t surprised at the survey’s results. He knows just how big a role the company plays locally. “They are huge in Waupaca County and not just as an employer. They also work with many businesses locally,” he says, adding that employers don’t just come from Waupaca County. “They also play a role in the community by supporting numerous projects. Once you take into account the employment base, their work with local businesses and their giving, it all adds up to make Waupaca Foundry a substantial player in the county’s economy.” Combining the direct
Waupaca Foundry is known as a good employer, offering competitive wages and benefits while also putting a strong focus on promoting from within. (Case in point: Current CEO Gary Gigante started as a metallurgist at the Marinette plant 32 years ago.) Employee longevity is a trademark of the business, with annual turnover at 5 percent (or 10.4 percent of the total income and $347.6 million, or 9.9 percent of the total sales), of Waupaca County, says Joey Leonard, the company’s vice president of human resources.

“Our economic footprint is considerable in the communities where we operate,” Leonard says. “Waupaca Foundry is a benchmark company.”

“Employee longevity is an integral part of the culture at Waupaca Foundry,” Gigante says. “The in-house promotions and training we offer help us weather any skills gaps out there.”

Gigante also praised the workforce. “We have very talented employees who are dedicated to what they do,” he says. “We couldn’t be who we are without them.”

Many plant employees start out in entry-level jobs that don’t require a lot of training and from there, they receive additional training and can move into new positions, Leonard says.

The foundry was a key supporter when Fox Valley Technical College opened a new facility in Waupaca several years ago. Leonard says it uses the building heavily for training.

“We offer tuition reimbursement and internal training leadership programs to grow tomorrow’s leaders,” he says. “The in-house promotions and training we offer help us weather any skills gaps out there.”

Like many manufacturers, continuous improvement is an integral part of the culture at Waupaca Foundry. “We got into lean early – back in the 1990s,” Leonard says. “We are constantly looking at how to make what we do better.”

A good example is mold making. Gigante says, “No one makes molds like we do. We designed and built our own high-speed molding machines. They also are vertical, which sets us apart from the competition,” he says.

Fueling the continued growth

Foundries and sustainability don’t naturally go hand-in-hand, but as Bryant Esch, the foundry’s environmental coordinator, points out: “Foundries are the original recyclers; 94 percent of feedstock is someone else’s junk,” he says. “Having access to raw materials is integral to the company’s success. Every day at the Waupaca Plants 2 and 3, trucks carrying metal to be melted down arrive every 30 minutes or so. Workers use a giant furnace to turn that scrap metal into liquid metal, which is then poured into multiple machines, turning out a variety of products.”

Waupaca Foundry is a recognized leader in sustainability practices and received a commendation from the U.S. Department of Energy’s Better Buildings, Better Plant Programs for its efforts to reduce the energy used in its manufacturing operations by 25 percent over 10 years. In 2011, the foundry reduced its energy intensity by 6.3 percent, and it’s down 16.5 percent since 2009.

With the intense heat coming from the furnaces, the foundries have heat recovery systems in place to take the heat during the winter and circulate it throughout the entire facility. That not only helps conserve energy, but helps the foundry with its heating costs.

“Long before sustainability was a buzzword with businesses, we were doing it,” Gigante says.

Foundries use a large amount of sand and water, and Waupaca Foundry has programs in place for both. The company’s closed-loop cooling water systems reduced plant water cooling demands by more than 80 percent while daily water use was reduced by 225,000 gallons. As for sand, Esch says each grain is used about 50 times. “We are looking at some sand reclamation processes so we can even get more use out of our sand,” he says.

All that sand also creates dust, but the foundry uses a dust collection system that keeps the air clean, Esch says.

“Waupaca Foundry sets the bar for sustainability in our industry,” Gigante says. “A lot of agencies look to us and that gets back to the manufacturers and then down to us, the suppliers.”

With adequate capital on hand and new owners in place, Gigante says Waupaca Foundry is now able to move ahead and see continued growth. “The demand right now exceeds capacity for foundries,” he says. “That means there is room for us to grow.”

Newsome says some foundries were unable to weather the recession and closed, leaving those who survived with more opportunities now that manufacturing is picking up and in need of castings.

“The key to continued growth is making sure there is always enough supply on hand of both scrap metal and sand,” says John Wiesbrock, vice president of Waupaca Foundry’s supply chain management. “We are very just-in-time. The supply chain is set up daily.”

As for sand – another key ingredient the foundry needs – a good supply is available in the region. “Our access to natural resources, along with the great work ethic make Wisconsin a great place to do business,” Gigante says.

Sustainable growth

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waupacafoundry.com