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STREAMLINING GLOBAL SOURCING WITH HASSLE-FREE SOLUTIONS by Dennis Cowhey, President, Computer Insights



Jim Dorn founded MPI in 1976 as a distributor of engineered mechanical components. The company initially specialized in fastener distribution and subsequently expanded to become a leading supplier of power transmission components such as bearings, sprockets, chains, and pulleys. MPI serves a diverse range of industries, including Agriculture, Automotive, Conveying Equipment, Lawn & Garden, Work Trucks, Recreational Vehicles, and Car Washes.

MPI's recent growth and diversification have made it a prominent resource for engineered metal or plastic components. Despite this evolution, MPI's people, culture, and commitment to stakeholders remain the company's defining features.

Jim Dorn's ethical foundation has lived on throughout MPI's evolution to its current position, resulting in a business that values integrity, responsiveness, loyalty, and trust. These values are the pillars of the company's relationships with its customers, employees, suppliers, and stakeholders. As a result, many of MPI's top customers have remained with the company for decades.

Who We Are

MPI functions as an extension of an OEM's Engineering, Supply Chain, and Quality teams by sourcing mechanical components to print. Unlike typical suppliers, we do not have a line card or catalog.

Our team carefully reviews custom-engineered blueprints, communicates requirements to global manufacturing partners, sources the product, ensures its compliance with OEM specifications and quality standards, and stores the inventory at its Chicagoland location.

Our business model centers on providing quality, on-time delivery, and cost-competitive solutions for our customers. Additionally, MPI excels in VA/VE and Reverse Engineering, providing valuable assistance in solving complex problems with engineered components and driving operational efficiencies and cost reductions.

Consolidating their supply base, OEM customers can source a diversified range of unique products from MPI, an end-to-end supply chain company that manages the entire lifecycle of a part, from part creation to timely shipment.

Despite the simplicity of the value chain on the surface, the production of highly demanding engineered components for MPI's customers and their applications involves nuanced complexities in each phase of the lifecycle.

Core Product Categories

MPI specializes in producing a range of products, including Bearings, Pulleys, Sheaves, Sprockets, Chain, Specialty Cold-Formed-Fasteners, Stampings, Castings, Weldments, Assemblies, Injection Moldings, Forgings, CNC Machined Components, and Hydraulic Cylinders.

Our manufacturing partners are located in various regions, from the USA to China, India, Taiwan, and other low-cost regions. Our customers appreciate our versatile offerings, and we have a proven track record of exceptional performance in Quality, Delivery, Cost and Innovation.

Quality

MPI received its ISO:9001 certification in 2012. It has since maintained a well-documented operating cadence that adheres to standard operating procedures for all processes and tasks. One of MPI's primary objectives is to ensure that products meet customer requirements at the point of origin and in the Quality Lab at headquarters.

The Quality Lab houses a range of quality inspection equipment, including a new CMM, which multiple inspectors utilize to guarantee that finished goods comply with customer specifications before they are stored in the finished goods area and deemed ready for shipment.

This meticulous approach to quality control has earned MPI a reputation for unwavering quality performance. In the rare instance of a quality issue or reject, MPI employs the traditional 8D process to identify the root cause of the problem and devise and execute a corrective action plan to prevent a recurrence of the issue.

People

The employees of MPI are why it has had 40+ years of success. It has long-tenured employees and new blood that helps the company evolve in a very competitive market. Global sourcing is no easy task, and it requires the right kind of people with the right skillsets to operationally execute what can be challenging customer requirements.

MPI strongly emphasizes technically minded people who can accurately interpret customer requirements at the part

level and clearly define those requirements to manufacturing partners. MPI also has "boots on the ground" in China, where much of its product is manufactured.

Engineering, Quality, and Supply Chain professionals reside in China as full-time employees that help manage the supply base and uphold our commitments to MPI customers.

MPI has always prioritized its employee base, well-being, and work-life balance. It creates an environment that is empowering and provides a sense of unity, teamwork, and helping others to achieve the company's goals and the employee's goals.

MPI takes work and customer satisfaction very seriously but also fosters an environment of fun. Work doesn't have to be a hindrance – and we take measures to ensure employees like coming to work and are properly rewarded for their performance. They feel good about the environment they step into on a daily basis.

Over the years, MPI has modernized with regard to work schedule (4/10's), dress code, and an extremely flexible PTO policy and has several employee-focused events throughout each calendar year to celebrate multi-cultural holidays, current events, and other enjoyable things in our respective lives. MPI likes the mantra – work to live rather than live to work.

Strategies

For several years, MPI was successful in being the traditional "mom-and-pop" shop that created value for customers. It was not the biggest business in the world, nor was it trying to be. What it did do successfully in the first 30 years of operations was create a highly diversified business that was not overly dependent on any one customer, any employee, or any part category. That stands true today, with MPI having the top 80% of its business highly diversified in terms of customer base, industry, and part type.

MPI has been a high mix/lower volume business for much of its history. In recent years, we've employed strategies to transition focusing on a lower mix (SKU count) and higher volume/value components for our customers.

Managing thousands of SKUs in our business can become challenging and inefficient. MPI has successfully positioned itself to be competitive for OEM customers on their high runner parts considered to be "A" components, that is, components that are in the top 80% spend for customer direct material.

MPI has been more frequently using the 80/20 principle with its business, making sure adequate resources are all over the 80% portions of its business. Customers are segregated into Make-To-Forecast or Make-To-Order categories. It likes to focus on the Make-To-Forecast category as this is where the majority of customers fall and where we provide the greatest customer value. MPI also approaches customers with one of the three mindsets: Grow, Hold, Exit.

Criteria for these three categories consider many things, such as the relationship, size of the prize, part relevance, ease of doing business, and mutual value creation.

MPI has realized over the years that every customer cannot be treated the same to sustain a successful business in perpetuity. Suppliers are also categorized into one of those three categories based on their performance and value proposition to MPI.

MPI holds a stand-up meeting weekly with all employees covering Safety, Quality, Inventory, Purchasing, and Sales. In that meeting, everyone is aware of month-to-date performance against plan, current events, customer issues, and everything in between. This ensures 1) awareness, 2) collaboration, and 3) communication amongst cross-functional teams to execute important things on a daily, weekly, and monthly basis.

The Management Team converges monthly to review overall company performance against the annual plan in addition to departmental performance with their respective key performance indicators (KPIs). Each department leader shares major highlights from the prior thirty days and presents key priorities for the coming thirty days. A series of key reports are shared on a weekly basis with the company that clearly communicates how MPI is performing and what areas need attention or recovery.

Throughout the year, occasional all-hands meetings are held to more formally communicate how MPI is doing and offer a platform for employees to air concerns and questions. Under current leadership, MPI has successfully applied snippets of procedure and operating cadence commonly found in highly respected corporate atmospheres stemming from ideologies from companies like General Electric, Danaher Corporation, Eaton, Regal Rexnord, etc.

The beauty of smaller and privately held companies like MPI is that a sliver of corporate policy and procedure can go a long way in helping scale and effectively manage a company like MPI. Ultimately, MPI strives to be a

nimble company for its customers, highly communicative and responsive, innovative, and constantly evolving with continuous improvement to remain relevant well into the future for its customers and business prospects while providing a safe haven of development for its employees.

MPI uses modern technology to keep track of the many details that need to be managed daily, including The Business Edge™ by Computer Insights, Inc.. The Business Edge™ ERP helps manage everything from inventory control to customer support; information is instantly available when needed.

Then, Now & Future of MPI

From a relatively small mom-and-pop shop between 1976-2000 to a decent-sized private company to an emerging and continuously growing company, MPI has seen a lot of change over the years.

In 2019 under new leadership, MPI started aggressively focusing on growth. It more thoroughly evaluated and categorized its incumbent business and started employing strategies to better manage that business and generate organic growth with incumbent customers.

MPI also took measures to identify new prospects, growth areas, and methods for attracting new prospects. MPI made the decision to bring Marketing in-house, which has led to exceptional online presence and content creation for the marketplace. MPI currently holds a great position online, in social media and shares relevant content with those interested in current events, marketplace events, new products, and also shows people some of the fun we have throughout the business.

In addition to organic growth, MPI turned to acquisition in 2022, making its first acquisition through the purchase of Clark Engineering, a domestic manufacturer of wire forms, CNC parts, and tube-related products. Clark Engineering is located in mid-Michigan. Much like MPI, Clark Engineering has a longstanding history, an outstanding group of employees, and great future potential to become a bigger player in the marketplace.

MPI was attracted to Clark Engineering because of its people, its capabilities, and room for improvement relative to its go-to-market strategy.

Having its own manufacturing capability under the MPI umbrella positions MPI to better control fulfillment of customer expectations and get them product faster.

Clark Engineering products are applicable to current MPI customers, and MPI products are suitable to current Clark Engineering customers. So, the decision was very easy to make the acquisition and focus on necessary improvements for Clark Engineering to evolve as a company and become a larger force in its space.

Under new leadership, Clark's culture has radically and favorably changed over the last year, and the company is poised for meaningful future growth.

Conclusion

MPI is a humble, self-aware company that always puts people and customers first. MPI takes pride in exceptional communication, meeting customer needs, and sustaining world-class performance levels in customer satisfaction.

MPI likes doing what it says it is going to do – for employees, customers, and supply partners. Continuous improvement mindsets are always present among

employees. MPI looks to continue its growth trajectory with that philosophy well into the future.

The world has seen unprecedented global supply chain challenges in recent history. MPI is proud to say it has emerged as a stronger company, having fought through those challenges for customers and itself. Please contact MPI today with your engineered component needs – we look forward to working with you!

More Information

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