

## Extrusion Industry News &amp; Technology

# Alexandria Industries Achieves 50 Year Milestone

In October 2016, Alexandria Industries, headquartered in Alexandria, MN, celebrated its 50<sup>th</sup> year of business as a leading aluminum extruder. In addition to aluminum extrusion, the company provides a number of value-added services, ranging from machining to injection molding. Over the years, the company has served a range of industries and maintained its success through transformation and growth.

“I joined the company 29 years ago. With great fortune, we were able to build on a solid foundation created by excellent people who continue to serve our customers, communities, and each other with their best,” said Tom Schabel (Figure 1), ceo of Alexandria Industries. “It is because of their efforts that we are able to create mutually successful and meaningful relationships, while staying true to our values throughout this journey we are on together.”



Figure 1. Tom Schabel.

## History

Alexandria Industries was originally founded as Alexandria Extrusion Company by Don Pennertz. In 1964, Pennertz was looking for a new business challenge when he met Howard Lund, who was in the process of establishing Lund America and needed someone to supply the extruded aluminum components required to manufacture his boats. Pennertz, along with a few associates, purchased a used aluminum extrusion press from auction and started Fleetcraft, a new company that soon failed. However, by 1966, Pennertz and his associates reorganized and formed Alexandria Extrusion Company in Alexandria, MN. Lund Boats (today, a Brunswick Company), was Alexandria’s first customer and remains a customer, more than 50 years later.

From the beginning, Alexandria Industries supplied aluminum extrusions to industry giants like IBM, Lennox, and Honeywell—all customers that needed value-added services. Although, Pennertz and his employees had learned everything they could about aluminum extrusion early on, they soon discovered that their customers needed more than just raw extrusions. This led Pennertz to add general machining processes to the company’s offerings, enabling him to save customers time and money on freight charges.

Over the years, Alexandria Industries has continued to add multiple value-added services, including precision machining of ferrous and non-ferrous metals, fabrication, stretch forming and bending, heat sinks, finishing, plastic-injection and foam molding, as well as welding and assembly services—all aimed at helping OEMs simplify their supply chain. The company also implemented quick response manufacturing (QRM), which enables the extruder to achieve flexibility and efficiency in its manufacturing in order to attain short lead times.

Following a number of expansions and company acquisitions, Alexandria has a total of five manufacturing facilities with locations in Alexandria and Wheaton, both in Minnesota; Indianapolis, IN; and Carrollton, TX. At its Alexandria facility (Figure 2), the company operates two 7 inch presses and one 3.5 inch press, as well as CNC machining, punching, and other value-added operations. At its Indianapolis facility, it produces precision extrusions on a 10 inch press, while its Carrollton facility produces heat transfer products in addition to CNC machining and mechanical finishing. Alexandria serves companies in the automotive, marine, high-way transportation, solar, LED lighting and electronics, recreation, and medical markets, among others.

Not all of Alexandria’s attempts to establish operations have been a success. In 2009, following requests from customers to set up manufacturing in China, Alexandria opened a precision machining shop in Suzhou, China. “The volumes needed to sustain the effort never really materialized,” explained Schabel. “We also struggled with sourcing good raw material and conducting our business within our corporate values.” Realizing that having a facility in China did not fit with its long-range plan and vision, Alexandria closed the facility after two years and moved the equipment to the U.S. to meet the increased demands from U.S. customers.

“Another challenge for us has been the influence of China’s government subsidizing its manufacturers’ production of aluminum extrusions,” said Schabel, who noted that between 2005 and 2010, the U.S. aluminum extrusion industry saw a significant rise in aluminum extrusion imports from Chinese manufacturers who were able to sell product well-below market value. Imports were surpassing 20% of the market share, he explained. “The growing amount of Chinese extrusions entering the U.S. would have eventually reduced U.S. extrusion production by nearly 800 million lbs of aluminum, shut down 100 extrusion presses, and cost thousands of U.S. employees their jobs,” he noted. In response to this, Alexandria along with several other U.S. aluminum extruders worked with the Aluminum



Figure 2. The Alexandria, MN, facility in July 2016. The site has been expanded multiple times over the years and is currently at 138,000 sq ft.

Extruders Council (AEC) and the U.S. Department of Commerce to enact the Fair Tract Act in 2010.

Despite these challenges, Alexandria Industries has maintained its strength by reducing supply chain complexity; implementing cost reduction initiatives; providing education to its customers about industry trends, engineering tips, and manufacturing knowledge; and focusing on its corporate values. As an example of a cost reduction strategy, Schabel noted that the company works to understand a product's design intent in the early development stage in order to improve part functionality, reduce the cost of the product, and speed the time to market. "This includes choosing the right alloy and incorporating features into an extrusion design, such as a snap-fit hinge, internal screw chase, or dovetail slot, that can eliminate machining steps and minimize assembly time," he explained. "We also work with our customers to determine which tolerances in their design are critical-to-function and which are not, saving additional costs."

#### *Company Culture*

Alexandria has formed a company culture focused on sustainability and safety, which is implemented through proactive energy efficiency assessments, health and safety training sessions and drills, establishing first responder teams in case of emergency, and providing access to an on-site health and wellness clinic for employees and their families. "We are people making a difference by providing innovative manufacturing solutions to create a safer, healthier, happier, and more productive world for our families, custom-

ers, and communities," said Schabel. "We have developed a servant leadership culture that we use to create a positive impact on others and on our organization's success."

The company offers education and training opportunities for anyone who is a part of the Alexandria team, from the office staff to those on the manufacturing floor. This training is provided by in-house experts and through partnerships with educators, industry professionals, peers, and business partners.

Schabel also described "listening" as a key aspect of the company's culture that enables it to thrive. "Listening is something we have always found valuable at Alexandria Industries," he said. "In fact, we have turned listening into a formal process to make sure that we hear what our customers say and use the information gathered to determine our business strategies. This includes Listening Tours, where we visit with select customers in person to hear about the markets they serve, what pressures they may be experiencing, and any needs they may have." Among other things, the company uses this information to determine if there are value-added services (e.g., machining or plastic injection molding) that Alexandria should acquire in order to help further simplify the customer's supply chain.

#### *Conclusion*

"Every decision we make is done by ensuring that it will align with our core values," said Schabel. "Our commitment to excellence and focus on employee well-being is evident in the services we provide for our customers and the benefits we provide for our employees."