



Mark Engel (left) and John Peterson, co-presidents of Atlas Manufacturing.

No dark days here

Friendship is serious business at Atlas Manufacturing.

Atlas keeps a rigorous schedule, even during tough economic times. The company has been running three shifts, seven days a week since January 2009.

“It was a bold move. But it worked.”

It’s been said that business partnerships, even under the best of circumstances, can be difficult. And the general rule is to never go into business with your friends.

Still, if you’re going to go on a wild ride, it’s kind of nice to have a good friend along. Just ask Mark Engel and John Peterson, co-presidents of Minneapolis-based Atlas Manufacturing.

The two men have a friendship that dates back more than 30 years. They met when both worked for a \$2 billion publicly-traded company and used to joke about the day they would run their own business.

Finally, after two decades of corporate boot camp, it was no longer a joke. Mark was ready for a change and accepted an offer to head the privately-held Atlas Manufacturing.

“Four-and-a-half years into it,” said Mark, “I approached the owner to see if he wanted to sell, and they actually made me an offer.”

And Mark immediately thought of his good friend, John Peterson.

The skills that each man brings to the job complement the skill set of the other partner. John, a civil engineer with an MBA, brings great insight to the financial end of the business, and Mark, a mechanical engineer, understands how machine tools work.

“As co-presidents,” said Mark, “each one of us can run the company.” There have, he said, even been periods where one co-president or the other has been away from Atlas for an extended length of time. They have been able to leave without thinking about the company during their absence, and upon their return found business operating smoothly as usual.

The duo has been business partners since 2002. “Eight years into it, and we’re still friends,” Mark said. “We still laugh every day.”

During the time they spent working for the large international company, both men

managed a sales function and traveled the globe—experiences that Mark believes groomed them well to run Atlas Manufacturing.

“We’re not sheet metal people,” said Mark. “Some of our competitors running similar organizations are second or third generation sheet metal fabricators. We’re business people.”

Something else that sets Atlas apart is that during the economic downturn, the company never changed its production schedule. On Fridays last summer and fall, when other companies would shut down or operate with a skeleton crew, Atlas kept its pace. It was business as usual. And since January 2009 they have been running three shifts, seven days a week.

“We run when everyone else is dark,” said Mark.

It was a bold move. But it worked. There is something about a company that keeps moving forward, even during challenging economic times, that lures new business.

However, it hasn’t been easy. As was the case with most companies, the numbers at Atlas dramatically plunged during the fourth quarter of 2009 due to the economic crisis. But things began to pick up in January, and according to Mark February bookings were the highest in company history. The uptick, he explained, was due to the procurement of some key contracts.

Still, as good as that news sounds, a challenge for Atlas is to successfully meet the new business demands without driving up the cost of doing business.

One of the recent contracts is from a company that provides store fixtures—something that Mark believes is an auspicious sign that the retail industry is beginning to bounce back.

In addition to retail, Atlas serves OEMs in telecommunications, technology, industrial, >





medical and commercial industries. Lot sizes at Atlas range from 10 pieces to 5000, keeping in mind that in some cases that's 5000 pieces every week.

At one point, in 2006, Atlas was running five turret machines and two lasers to produce flat blanks.

But that's all changed.

The turrets have been sold, as have the company's old lasers. Today, Atlas Manufacturing produces flat blanks exclusively with their TRUMPF TruLaser 2030. The company also has some interesting combination parts that are produced with intensive punch features on the TruPunch 5000, which are then laser cut using Atlas's precision locating pins on the TruLaser 2030. The company has installed a Stopa tower to integrate the TruLaser with the TruPunch to achieve even greater efficiency.

One element that has played an integral part in the \$10 million company's business success is the "Twenty-Two Point Evaluation" for purchasing the right laser cutter for the business. The point system was developed by Mark and John, who are willing to share it with other fabricators who may find it useful.

Mark explained that sheet metal fabricators are often enamored at trade shows by the razzle and dazzle of the machines on exhibit—and then wooed even more over expensive dinners. But at the end of the day, as he pointed out, the

only thing that matters is that the equipment you purchase is right for your operation. Achieving that kind of objectivity was the catalyst for Mark and John to create their own checklist to help them evaluate prospective equipment purchases (see sidebar).

22-Point evaluation For purchasing a laser cutter

Developed by Mark Engel and John Peterson,
Co-presidents of Atlas Mfg.

- | | |
|---|---|
| <input type="checkbox"/> Laser Evaluation | <input type="checkbox"/> Part sorting |
| <input type="checkbox"/> Quality of the organization | <input type="checkbox"/> Load/Unload |
| <input type="checkbox"/> Service | <input type="checkbox"/> Terms |
| <input type="checkbox"/> Responsiveness | <input type="checkbox"/> Installation cost |
| <input type="checkbox"/> Knowledge | <input type="checkbox"/> Trade-in |
| <input type="checkbox"/> Reliability "green light time" | <input type="checkbox"/> Interface load table with TRUMPF punch |
| <input type="checkbox"/> Cost to operate | <input type="checkbox"/> Machine access |
| <input type="checkbox"/> Footprint | <input type="checkbox"/> Speed of cut |
| <input type="checkbox"/> Ease of use | <input type="checkbox"/> Cut quality using compressed air |
| <input type="checkbox"/> Dynamic nesting software | <input type="checkbox"/> Warranty |
| <input type="checkbox"/> Operator interface | <input type="checkbox"/> Drive maintenance |
| <input type="checkbox"/> Application versatility | <input type="checkbox"/> Price |

TRUMPF, according to Mark, scored "way above everyone else on knowledge," which was the deciding factor when it came to choosing TRUMPF over other brands.

There's no doubt that Mark and John are extremely pragmatic businessmen who pay close attention to the details of their business.

"I get up at 4 o'clock every morning," said Mark, the father of 4-year-old twin girls and another set of twins who are 24-years-old, a boy and a girl.

In addition to checking his e-mail and working out during the early morning hours, Mark checks his web cam from home to confirm that the TruPunch is doing its job on the shop floor.

And who could blame him?

"If I put in a million dollar system, I want to see it run," he said. □

Atlas Manufacturing

Who: Atlas Manufacturing, Minneapolis, MN
www.atlasmfg.com

What: Complete contract manufacturer, specializing in precision, cosmetically finished sheet metal fabrication.

How: TruLaser 2030 and TruPunch 5000 with Stopa tower