



# Powder Coating Commentary

David O'Ryan  
Advanced Technology & Marketing Group  
5550 Edgar Rd.  
Clarkston, MI 48346  
810/620-1340 • FAX: 810/620-5560

## Rules to Live By in the Powder World: Another Perspective

In the April issue, we took a look at "Rules to Live By in the Powder World" from the powder supplier's perspective. This month, let's look at it from the equipment supplier's perspective (again, with just a touch of vendor rhetoric).

### Rule #1

When in doubt, lower the price. (*Or, if Company A isn't going to get the XYZ business anyway, lower the price.*) Gee, isn't this the same point raised in April's column? Isn't it amazing how many times just lowering the price of the system gets you the order. Of course, the buyer doesn't realize that the bidders usually just reduced the scope or content, or cheapened the quality. Why? Because the equipment manufacturers who are in this business "for the long haul" need to make a profit. When the economic slowdown projected in early to late 1998 arrives, watch how many system integrators and equipment manufacturers go out of business. The customer also plays into this scenario because the emphasis is on capital of the system, not operating costs or after-sale support, as it should be.

### Rule #2

Hey Boss, look ... I saved 10%. (*Won't the "bean counters" be excited?*) Yep, and with the average price of the system or equipment lasting 8–10 years, if it isn't designed correctly or built with high quality, the bean counters are going to be excited each year when they add up the maintenance and repair costs, as well as each time they explain to management how the low-bidder's system is costing them a fortune. Now, two points here need to be

addressed. One: It is typical that the powder booth, applicators and related equipment consume a higher percentage of the system budget than expected. With fewer competitors, are we surprised? Two: Buyers keep emphasizing capital.

### Rule #3

You want more detail in your quote? (*Or, uh-oh, the company is really going to spend the time to see what we're quoting, and compare it with the other guys! Gulp.*) I thought we had the ear of management ... or of the buyer. Our literature is really nice—why do they need more detail? Unfortunately, XYZ management is more clever than anticipated. They understand that an equipment supplier is only as good as the commitment behind making its product, and servicing that account. Detail—such as operating costs, design information, photographs and even testimonials from satisfied users—should be part of the proposal. Yes, that means Rule #4 ... Get references.

### Rule #4

There's nothing like a good reference to justify a vendor. (*But wait, which reference ... or how many?*) I am a confused buyer—just what the equipment vendors wanted! I've got four powder system quotes, three facility improvement quotes, and nine equipment vendor quotes on the ovens, washers, tunnels and everything else. The oven guy says the booth guy is good; the powder guy says the other guy's better; the consultant says to stay away from anything new or unproven; and the boss says to get this job done right ... and under budget. **Help!** Who has time for references? You do. Why?

Because the industry is full of buyers who didn't pay the last 10 percent of the project because the equipment manufacturer didn't deliver what he quoted. And worse yet, other buyers keep buying from them.

### Rule #5

OK, so they asked us for references—they won't know the right questions to ask anyway. (*Or will they?*) If they read this, they

**Free Details:** Circle 135 on postpaid reader service card.

will. And they'll take a long look at buying from vendors who don't have the labs or technical facilities to back up the proposals. Why? Because no one vendor can do it all, right every time, without working through the problems. The real world lives with well-meaning engineers, and even PhDs, who answer every technical question with: *It should be based upon ....* What? The laws of physics, their math calculations, or the company equipment design manual? How about: Let's go out back and we'll show you (see Rule #6). Or, let's visit three of our installations—one a year old, another two years old, and another three or four years old. Nothing like a system or piece of equipment rusting or falling apart for a reference. Nothing like talking to the operators, the management and the engineer who bought the system... and getting the "bean counter's" input.

Rule #6

Test? What test?

*(Of course it's new—our marketing*

*department thought it up yesterday.)* Yeah, well, if it's new, let's go see it perform under my conditions. Good thing most management today gets turned off when sellers "tell" them about curing equipment or conveyor design, or about the finer details of washer construction vs. the "old way" or the "cheaper way." As I said in April, when the production requirements are all over the board, the heavy parts are racked with the lighter ones, the conveyor is running 20 percent faster than the original line design, the line personnel keep turning up the heat, and the washer can't clean the new product release ... how can anyone blame the performance problems on me? I saved 10 percent (see Rule #2).

Rule #7

Capital isn't everything.

*(It should be ranked third.)* Yep, that's right—third. As in: Before space requirements, but after flexibility and operating cost. If it isn't flexible, the useful life of 8–10 years is not there, and if the operating cost

isn't low, the cost-per-part is never optimized. Naturally, operating cost is also a function of the construction methods, the brand of components used, the use of energy, and waste, controls and training. Good thing the buyer ... and the seller ... emphasized all this in the big, heavy, thick, detailed proposal (see Rule #3).

Oh, one more thing. Sometimes we're talking \$100,000, \$500,000 or even a million dollars or more for a system. Why do buyers go cheap and spend so little money visiting the perspective vendors' facilities and installations? Even if the investment is \$5,000, \$15,000 or \$25,000, to haul a team of decision-makers to eight or 10 sites and labs ... so what? I haven't seen a product line yet that can ship in spite of a downed paint line. What's that worth?

Okay, so there are always more rules. Next time we'll look at the rules from still another perspective. Please e-mail me if you have a good one, at [oryan@compuserve.com](mailto:oryan@compuserve.com). P&SF