



FMH says it listens to the needs of its customers to determine what sort of control systems can solve their problems.

FMH MAKES THE BRAINS FOR CUSTOMERS' MACHINES

BY JAMES SCALZITTI

One doesn't often hear the president of a company speak proudly of a job that his firm didn't get, but for FMH Corp. President Richard Donovan, one such instance represents the growth and improvement his company has undergone in a very short time.

"We had a potential customer who came to us in early 2004," Donovan recalls, and said, 'we're not going to do business with you, and here's why.'" That company had scored FMH on a number of criteria, and while Donovan's company had rated adequately in the categories of the evaluation, the company's scores

were not as high as they could have been.

FMH took the results of that evaluation and used it "as part of a roadmap of some of our value-stream events," Donovan says.

"That same customer came back to us in March of this year," Donovan says. FMH did not get the job this time around, because the

company decided to go in-house in this instance. However, that company had once again extensively evaluated potential partners, and "in the end, we rated the highest of any of our competitors [in FMH's range]. I'm pretty gratified with the change in the eyes of a potential customer," Donovan says.

THE BRAINS BEHIND THE MACHINES

FMH provides control design, engineering, fabrication, field installation and start-up services to a variety of industries in the upper Midwest.

"A potential customer will come to us with a process or machine they think has some marketability, but they have no way to control it," Donovan says. That's where FMH comes in, to build the "brains" behind the machine.

Once a company has designed a machine, that customer can take it to FMH, and "we can take that concept at that point in time, and design a control system around it," he adds. FMH will also install the control system, "start it up, de-bug it and train the people who will run the machine." Donovan says that about 60 to 70 percent of FMH's work comes from companies that may

PROFILE

FMH Corp.
www.fmh-corp.com
 HQ: Minneapolis
 Employees: 100
 Products: Control solutions
 Rick Donovan, president:
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have already completed the designs of a machine "and all they want us to do is 'build' the control panel."

INDUSTRY EXPERIENCE

Although FMH is just over two years old, its key personnel have decades of experience in the industry.

In 2003, Donovan and his business partners bought the assets of the operating division of a company where many at FMH had worked. Donovan had worked at that company for 10 years, having spent the 10 years previous to that in finance and marketing. The company's vice president of engineering has about 20 years of experience in the industry, Donovan says, and its vice president of manufacturing "has countless years on the production floor."

The approximately 100 employees at FMH range from "technically educated engineers, designers, CAT operators, assemblers, wiremen and metal fabrication people," Donovan says.

Customer expectations for FMH are pretty high. "Quality has to be a given," Donovan says. Then comes on-time delivery and competitive prices. He adds that the company's customers come from two groups: OEMs who go to FMH "with a refined product, [and who] need to have a formidable supply chain partner," and

customers who may have "only about 70 percent of [a] machine [designed]," for whom FMH will help finish the rest.

The expectations of an OEM "who's looking for 300 to 400 [machines] annually," Donovan says, has "very different expectations" than the customer who has just one machine.

FMH "spent much of 2004 building a foundation," for the company, Donovan says. The company brought in "a new CFO, a new head of manufacturing, new salespeople and we implemented a new system for MRP-based processes. Along the way, we brought every single customer we had as a division at that old company. Now, in 2005 and beyond, [the objective] is just to go out and spread the word about how we do things and how we do things differently."

That way, Donovan says, is to bring business acumen to FMH's customers along with the company's technical expertise. The company also places a premium on its communication skills. "What we're doing is communicating [with customers]," Donovan says. "We're listening to your needs, your heartaches and [determining] what solves that. When we market ourselves, yes, we talk about our competencies, but what we really market is the relationship we try to build with [customers]. Within our industry, it certainly is a unique message." **MTI**

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