

ESAPCO—A Company on the Move

Fast growth has been business as usual for the Engineering Services and Products Company (ESAPCO) practically from the beginning. Founded in Connecticut in 1979, the company's purpose was to market and sell high-quality products to the agricultural community at competitive prices.

ESAPCO opened a distribution center in Iowa in 1990. It was a humble beginning, according to Dave Buchheit, vice president of operations. "We worked out of an old chicken house in Hopkinton, about 15 miles southwest of Dyersville," he says.

That modest start did not hinder the company's growth. By 1994 ESAPCO was listed as one of the top 500 privately held growth companies by *Inc Magazine*. Buchheit credits the success to a willingness to adjust to changing customer needs and the ability to adapt to new technologies and tougher competition. The company expanded its agricultural product line to include horticulture and building supplies.

ESAPCO constructed and moved into a new manufacturing and distribution facility in Dyersville in 1997. While purchasing products from outside sources and selling them under the FarmTek, TekSupply, Growers Supply, and Clear Span brand names was the primary function of the business, the company started designing and manufacturing some products in-house.

By 2010 design and manufacturing had overtaken distribution sales. "Most of us didn't have any experience or understanding of basic manufacturing infrastructure," Buchheit explains. "We were at this point where marketing was way ahead of us and we couldn't catch up." Subsequently, ESAPCO turned to CIRAS for assistance.

Mike Willett, CIRAS project manager, met with ESAPCO representatives. Based on their discussions, ESAPCO and CIRAS initiated a Theory of Constraints Business Improvement Generation (BIG) project. The goal is to



provide tools, education, and facilitation so the company can design and implement a process for generating ongoing business improvement and ultimately greater profitability.

"ESAPCO is a fast growing company and were having issues with inventory flow and excessive handling of materials," says Willett. "As a result, on-time delivery performance suffered. The BIG project helped them develop productivity improvement plans that included TWI (Training within Industry, a program for rapidly training new employees), supply chain management, inventory management, quality control, standard design for engineered products, customer service, and scheduling."

"Mike taught us, directed us, shoved us toward the way it was supposed to work," Buchheit says, "but he did it in such a manner it was like we were doing it ourselves, and then we were doing it ourselves. That's the really neat thing about this project."

ESAPCO reported a \$26 million increase in sales, \$6.5 million in retention of sales, and \$3.9 million in cost savings as a result of the BIG project.

Sean Galleger, CIRAS account manager, says he's very impressed with the company's vision. "They know they want to keep growing and improving," he says. "They are constantly learning and use CIRAS as a resource to help them. They are aggressive but are being very strategic about their growth."

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