

Q&A with Neil MacRaid, DEK Americas General Manager, Process Support Products

Circuits Assembly: Give us a brief history of DEK stencils, tooling and consumables and the motivation behind adding these product offerings.

Neil MacRaid: It was really more of an expansion of our product offerings rather than a totally new endeavor for DEK. We have been manufacturing stencils in Europe for over 10 years, and that operation was well proven. So, we had the experience; it was just a function of growing that on a global scale.

The motivation behind growing the stencil business and adding in the tooling, fixtures and consumables component was twofold. First, we wanted to uphold our brand promise to deliver a complete pre-placement process. To us, that meant not only offering hardware solutions, but also providing customers with process expertise and the products that go along with that process.

Second, from a sound business perspective, we were looking for a form of recurring revenue that would ensure consistent financial performance – even through the inevitable downturns in the electronics market – while aligning with our business model. What we didn't want to do was add something foreign to our area of expertise.

This was revolutionary – not just for us, but for the electronics marketplace. We had the vision to go through that transition and to expand our business in a completely different and nonconventional way. And this has definitely paid off – in the last two years, we've seen revenues in this area of our business grow by 75%.

CA: In terms of your group's product delivery, ordering and other logistics, how difficult was the learning curve to enter the consumables business?

NM: DEK understood the process, so logistics was arguably the steepest part of the learning curve. The stencils, tooling and consumables business is very different from the equipment business, and we put tremendous resources into developing a system that would allow us to deliver a high-volume product at low cost worldwide.

Internally, we had to adopt new tools to support our business – from finance to sales order processing. It was a definite paradigm shift for us. It has forced us to become far more efficient with our sales ordering process, customer tracking process and CRM [customer relationship management], which has ultimately been a benefit to our customers.

CA: What are the differences and synergies you see between the hardware business and consumables business?

NM: In terms of synergies, we have seen tremendous results from the tools we put in place that give us the ability to share data worldwide. For example, product data from the machine that could be useful with regard to other aspects of the process that impact tooling and fixtures can now be easily shared, which allows us to optimize the process for our customers.



Just as the company has seen benefits from this internally, our customers are also enjoying advantages on several levels. Because we are a single point access to their pre-placement process needs, customers are managing fewer vendors. This reduction can have a positive impact on quality, cost control, resource utilization and yield.

CA: How has the integration of Acumen progressed, and what contributions has that acquisition brought?

NM: Acumen was already a well-established company that was operating successfully when DEK acquired the business. What we have brought are the resources and the process expertise to grow the business on a worldwide scale. We've been able to take the

historical strengths of Acumen – dedicated manufacturing sites, high quality lasers, a local customer focus – and integrate them into all the benefits that DEK has.

The systems we put in place as part of this acquisition have been incredible. For example, we can build stencils worldwide of exactly the same quality because of our standardized production practices. As an example, an NPI center in California defined a process through working with us on the stencil design and has been running the process with us here locally. Now, that product has to transfer into production in China. Rather than having stencils cut in the U.S. and shipped to China or working with a local Chinese vendor and starting all over, our China facility has access to the U.S. process data from that customer and can manufacture to the same controls that we have here in the U.S. It is seamless for the customer.

CA: Finally, what are your plans for growth globally?

NM: We are seeing tremendous growth in China. Our volume there is increasing month-on-month, so we have plans to grow and expand our stencil manufacturing facility there. We are also researching options in South America so that we can support those customers locally. Further, we plan to expand our tooling and fixtures business throughout the U.S. and Europe. This is an area where we are well recognized – especially in Mexico – and are looking to increase that level of support and quality on a global scale.

Beyond that, DEK is constantly looking for ways to strategically grow our business – either organically or through acquisition. If we find an opportunity that aligns with our global growth strategy, we are well positioned to be able to take advantage of that opportunity. The resources and the dedication are there.

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