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Moore County, NC

Southeastern Tool & Die Undergoes Significant Expansion

Another vacant industrial building in Aberdeen is coming back to life with the expansion of a local company. The former Intek building on Taylor Street has been purchased by Southeastern Tool & Die, Inc. who is relocating its headquarters and operations from a smaller facility just over the county line in Hoke County.

Jimmy Thompson, owner and President of Southeastern Tool & Die, explained that purchasing and moving into the 105,600 square-foot Intek building will enable his company to accommodate rapid growth, both now and in the future, as well as serve its customers better as a "one-stop shop". "Customers will be able to bring us an idea or need for a product, and we will have the materials and capability to develop a prototype and do all of the laser-cutting, molding, machining, packaging, storing and shipping from start to finish, all in-house", he said.

Thompson moved to Moore County from Tennessee when he was in the eighth grade. After graduating from Pinecrest High School and from Central Carolina Community College's tool and die program, he started the company in 1984 with only 2 employees serving the tool and die needs of local customers. Eaton Corporation's Golf Grips Division in Laurinburg was the largest customer. "We made all of the molds and dies for Eaton's 'Golf Pride' brand of grips", he said.

In the mid-1990s, Thompson saw that much of the tool and die business, even from Eaton Corporation, was going to China. He realized that if his company was going to survive and grow, he needed to diversify and expand the customer base.

After shifting the company's focus from tool and die to primarily steel fabrication, now accounting for about 90% of the company's operations, Thompson was able to attract new customers including the Caterpillar plants in Sanford; Clayton; Peoria, Illinois; and Lester, England, as well as Minuteman Powerboss in Aberdeen right next door to the Intek building. The client list has further expanded to include John Deere and the U.S. Army. "We've focused on identifying solid customers who are based in the U.S.", he said.

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Today, Thompson's vision has evolved the company into a high-volume production facility serving customers throughout North Carolina, the United States and abroad. Thompson has invested millions of dollars in sophisticated computer-controlled equipment and machinery for highly technical development and production.

"'Tool and Die' in the company's name is really a misnomer now", he said. "Our capabilities have expanded far beyond just tool and die."

In 2005, Thompson purchased a 60,000 square-foot warehouse at 225 Taylor Street in Aberdeen to accommodate the first expansion of the company, and since then, has already added on to the building. The company has invested \$1.5 million for this expansion, including purchasing a \$500,000 powder coat painting system to bring in services previously handled by an outside contractor. An additional 25 employees were also hired.

With the expectation of acquiring two new large, multi-year contracts this year, Southeastern Tool & Die purchased an \$800,000 laser, and over the next two years, anticipates purchasing another \$2 million to \$3 million in additional equipment, including robotic welders and CNC (computerized numerical controlled) machine centers. The company also expects to add 30 or more new employees, which would bring the company's total employment to approximately 120.

The Intek building will provide the additional space needed for the new equipment, as well as offices and warehousing to position the company for continued growth and new business. "We've already shown our major customers the new building so they could see that we'll have more capacity to better serve them", Thompson said. "This has resulted in about \$2 million in new business." Another advantage of the new building is its proximity so near the 225 Taylor Street facility which helps logistically, he said.

The Intek facility has been empty for four years, since the Intek division of Interface Fabrics Group moved to Elkin, NC. An inspection of the facility revealed that aside from general cleaning and repairs, the roof needed replacing and extensive electrical rewiring was needed to accommodate the machines and equipment. The total cost to renovate the building is estimated at almost \$430,000.

In an effort to help Southeastern Tool & Die offset these costs, the Town of Aberdeen has applied for grant funds through the North Carolina Rural Center's Building Reuse and Restoration Grants Program. The program provides grants to local governments for renovating buildings that have been vacant for 6 months or longer. The Town will find out later this month if it will receive any or all of the \$200,000 applied for. As a requirement of the grant program, the Town has already set aside an allocation as an investment in the project.

The company expects renovations to be completed and operations to begin in the building by October.

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The additional space in the Intek facility will also enable the company to establish about 10,000 square feet as a “prototype shop” for research and development. “Engineers will have access to lasers, brake welders, etc. to develop prototypes of the products needed”, Thompson said. “We also want and will be able to do more research and development for the military.”

The company has already worked with the military on improving an existing design for the HEAT, or "Humvee Egress Assistance Trainer," a modified Humvee vehicle design used to teach soldiers how to escape from a crashed or rolled-over Humvee under any circumstances. Southeastern Tool & Die created a revolutionary design being used by the Army currently. Most recently, the Army awarded the company a contract to manufacture a specialized flat-bed trailer that uses hydraulics so it can be raised and lowered for unloading cargo from C17 and C130 aircraft. Thompson is applying for a patent on the trailer’s design.

“Going forward, I think one of the keys to growing our company will be R&D and contracting with the military”, he said. “The ability to do prototype development in-house furthers our goal of being a ‘one-stop shop’ for our customers.”

Customers will also benefit from the company’s plans to implement lean manufacturing practices at its new location and Six Sigma through NC State University and Caterpillar. “We will be hiring a Six Sigma black belt to help us through the process.” Thompson added.

“Southeastern Tool & Die continues to grow because of Jimmy Thompson’s entrepreneurial spirit and his willingness to take risks”, said Ray Ogden, Executive Director of Moore County Partners in Progress, the economic development organization serving all of Moore County.

“He has adapted his company from a one-dimensional tool and die shop to a multi-faceted, proactive business. I think Jimmy’s foresight will ensure that Southeastern Tool and Die is in Moore County for a long time to come.”

For more information about Southeastern Tool and Die, visit www.southeasterntoolanddie.com. Moore County Partners in Progress is the economic development organization for the County. For more information, visit www.moorebusiness.org.

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