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Profile

Stockwell finds its niche as quick-turn silicones specialist in tech sector

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PHILADELPHIA—Stockwell Elastomerics Inc.'s leaders never have been afraid to make changes to capitalize on new opportunities.

But sometimes even the guy in charge can go too far.

William B. Stockwell, the custom molder's fourth-generation president, decided in 2005 to change the company's longtime name—Stockwell Rubber Co. Inc.—to SRC Elastomerics Inc. He wanted less focus on the family name but a new emphasis on the term “elastomer” because of the company's overwhelming concentration on specialty materials.

Stockwell had done all the legal work to make the name change, but then he ran the idea past several key customers. “My balloon was popped,” he said. “They told me I was crazy—and some used stronger language—to tell me we were messing with the company identity.”

A customer-savvy executive like Stockwell didn't need to hear any more. He kept the family name, and decided to use the moniker Stockwell Elastomerics.

Most of the changes at Stockwell, how-

ever, have been accepted with open arms: the firm is continuing to grow in its niche business, making fabricated and molded components out of silicone and other high-performance elastomers.

A new commitment

Back in the 1990s, Stockwell Rubber began turning its eye to the technology sector. The company found its relatively small scale of business left it unable to compete in the large automotive, appliance and power tool equipment industries—mainly because of capacity constraints and high operating costs, Stockwell said.

In more technology-driven applications—such as information technology, industrial controls, analytical instrumentations, medical diagnostic equipment and telecommunications—development and initial production occurs in North America, he said. Stockwell was well-suited to supply customers building equipment for those types of sectors.

Communications and information technology applications call for high-performance materials for fabrication or molding into gaskets. The components also of-



Jim Pelzer (left) and Jay Hough show off one of Stockwell's product lines: fabricated silicone sponge gaskets for radomes—dome-like covers for radar units—which are water-jet cut and spliced together using ultraviolet-cured silicone adhesives.

ten need to be thermally conductive for electro-magnetic interference shielding or electro-static discharge protection, or thermally conductive for heat dissipation in electronic units, Stockwell said.

The gradual shift to the technical mar-

kets has resulted in Stockwell working with more specialty elastomers than in the past—one of the key reasons for the name change. Silicone rubber, foams and sponges now make up about 60 percent of the company's business, and silicone rub-

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ber technology provides the platform for the bulk of the solutions it provides to its customers, Stockwell said.

Urethanes, specialty sponges and adhesives make up another 30 percent of the company's business, he said, while traditional rubbers fill out the remaining 10 percent. "When you walk through our facility, you see far fewer rolls of neoprene, Buna-N and EPDM than you used to."

Poised to respond

What you will see at Stockwell's 49,000-sq.-ft. Philadelphia facility is a plethora of machines and services dedicated to the company's priority of fast response. The firm supports its molding operation with several pieces of equipment, including compression molding and liquid injection molding machines, and in 2005 it added a new cryogenic deflashing unit to those capabilities, Stockwell said.

The deflashing machine was brought in to reduce flash from molded fluorosilicone and conductive silicone parts for a critical defense-related application, and the com-



William B. Stockwell speaks at a recent meeting. He has overseen a number of changes at Stockwell Elastomerics in his 26 years as president, including a move to a new plant, a new name and a transition to commercial high-tech applications.

pany also uses it to support its silicone LIM business, Stockwell said.

The company also has sheet molds, which allows it to provide fast-turn 12-inch by 12-inch or 14-inch by 14-inch sheets of special elastomeric compounds in thicknesses of a half-inch down to 1/50 of an inch, he said. These sheets often are used for prototyping and initial production within the technology sector.

In its fabrication shop, Stockwell's services include adhesive lamination, die-cutting, slitting-to-width, specialty bonding, hand fabrication and water jet cutting. The company's water jet cutting systems—the first one came online in 2001—have "truly changed the game for us" in terms of turning prototype and products over quickly, Stockwell said.

In fact, Stockwell Elastomerics has organized itself around being as responsive as possible to engineer customers who are seeking material samples, he said. Following the purchase of its first water jet system, the firm developed the capability to ship samples on the same day they are requested if it gets the order before 2 p.m.

The only services the company outsources are mold manufacturing and selected custom extrusions where the customer asks to buy all necessary parts through Stockwell to consolidate a commodity. The firm doesn't encourage resale "because the fast-turn response model is difficult to support using an outside vendor," Stockwell said.

Despite its growing reputation in response and service, the firm still needs to go out and get new business, Stockwell said. This is because technology platforms change rapidly, and thus the company's business levels—even with good customers—will decline as soon as that technology

loses market share, he said.

Future growth

Like many companies in the rubber industry, the early part of the decade was difficult for Stockwell, as the recession took a bite of its business from 2001 to 2003. In late 2003, the telecommunications sector showed recovery and that transitioned into strong growth years from 2004 to 2006, with some annual increases exceeding 20 percent, Stockwell said.

That type of growth can put stresses on the culture and systems of the business, he said, although the company has embraced the challenges.

Stockwell's expansion in that time period was organic, with no outside acquisitions.

"We intend to grow the business at moderate levels in the future, and an 8-percent growth year is planned for 2007," Stockwell said, though he added that "our exuberance has been impacted by recent softness in the economy over the past month."

The firm has increased its employee base as well in the past three years, building to about 65 employees from 48 in the second quarter of 2003. Stockwell said with the emphasis on technology markets and quick response he looks for people with the capacity to learn and change priorities on the fly, a solid work ethic and literacy in information technology.

None of what Stockwell has accomplished as a business would be possible "without the dedication of our people," he said. "Despite all of the new technology and processes, success still boils down to people and nurturing a collaborative culture."

"The needs of the market are so demanding. Many very bright people in this

company's past might not be able to participate in the company of 2006 due to the pace of the business."

Despite the firm's growing expertise in silicones, getting into sectors such as the medical field is not yet a priority, Stockwell said. "We've thought about it, but there are many good companies out there providing medical-grade parts and assemblies that have clean room capacity. The barriers are high, and we also don't want to let go of what we've done on the industrial side."

Stockwell believes the company can survive changes—including developing new products in evolving markets—in the future,

just as it did under his great-grandfather Frederick Stockwell, the firm's founder; his grandfather Elbridge Stockwell; and his father, Elbridge Jr. "There's nothing like having 80 percent of your net worth in a company to spur a special adrenaline rush, a special type of creativity," Bill Stockwell joked.

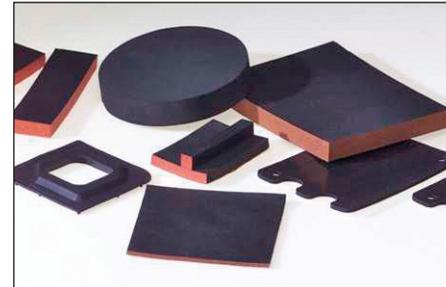
But he also expects Stockwell Elastomerics to be serving the technology sector five years from now or beyond as long as customers require

fast-turn solutions to solve their design issues, and that there will be a robust engineering environment in North America to drive this demand.

"So many new devices will be created for communications, medical diagnostics, sensing and monitoring," Stockwell said. "The future looks bright as long as our company has the wisdom to avoid the commodity sector. We don't think there are a lot of fourth-generation businesses of our size out there with our breadth of capabilities."

Whatever direction Stockwell Elastomerics takes in the short- or long-term, it won't be changing its family name. And unlike many companies looking to produce less expensively, it's staying put in Philadelphia as well, Stockwell said.

"Despite the relative cost disadvantages of operating in a northeast U.S. city," he said, "we intend to remain right here."



Stockwell Elastomerics' ESD molded and die-cut materials are among the specialized products the firm makes.