



AIME Success Story:

Hy-Grade Precast Concrete, St. Catharine's, ON

Company Profile

Manufacturer of concrete products for multi-story buildings, MTO/DTO approved safety and security barriers, retaining walls, underground utility vaults and custom components.

- **Country of Ownership:** Canada
- **Year Established:** 1948
- **Exporting:** Yes
- **Quality Certification:** CSA Certified Facility to A.23.4.94
- **Primary Industry (NAICS):** 327390 - Other Concrete Product Manufacturing
- **Primary Business Activity:** Manufacturer / Processor / Producer
- **Products:** Stairs and Landings, Modular Buildings, Utility Vaults, Highway and Security Barriers, Custom Components, Burial vaults
- **Total Sales (\$CDN):** \$12m
- **Export Sales (\$CDN):** \$600,000
- **Number of Employees:** 80
- **Clients:** Toronto International Airport, 407 Highway, Trump International Hotel; Toronto, MTO/DOT
- **Geographic Markets:**
Export Experience: United States, New York
Actively Pursuing: Michigan, New Jersey, Pennsylvania

Background

Hy-Grade Precast Concrete has been a family owned business since its founding in 1948. The company is located between Toronto and the U.S. border and serves the Southern region of Ontario and the Northeast region of the United States.

The company's product lines include precast concrete stairs and landings for multi-story buildings, precast modular buildings, retaining wall systems, underground vaults and MTO approved highway safety barriers.

Over its 60 years Hy-Grade has built a reputation of manufacturing and supplying quality, precast commodity and custom concrete products at a competitive price. The company's customer base consists of general contractors, municipalities, educational boards, hydro, electric and gas companies, and other entities involved in the construction industry.

Hy-Grade is committed to expanding its business by increasing its sales in Ontario and the U.S. and improving its profitability. These are challenging goals for a commoditized business in a competitive market in the midst of a recession.

Hy-Grade competes for the majority of its business on price and delivery in the regional markets it serves. The company's success is based on the efficiencies of its concrete batch processing. It produces as many as 100 batches of concrete a day. In order to maintain this level of output, Hy-Grade frequently buys third-party ready mix concrete to enable it to meet customer demand. This is a practice that Hy-Grade has followed for many years, but it is one that takes both product cost and quality control out of the company's hands.

In August 2008 Hy-Grade made the commitment to purchase a \$1 million piece of manufacturing equipment from Europe. The new equipment was designed to support a new batch processing system that would reduce the need for third-party product and lower the company's production costs, as well as speed up concrete manufacturing time while producing a better quality product.

Hy-Grade's president, Dominic Girotti commented, "When we made the commitment to purchase the equipment from Europe we had no idea how we would be able to finance the training for our employees. We just knew that if we didn't continue to move forward we would not remain competitive in this business."

Yves Landry Foundation Introduces AIME

Manufacturers across Ontario were facing serious challenges in 2008. Commodity pricing became increasingly competitive, as customers demanded more for less. As a result companies such as Hy-Grade trimmed expense budgets to the bone and every outlay was tightly scrutinized. The money to implement a training program to support the new batch processing equipment was simply not available, even if that training could provide the solution to a significant problem.

In response to the dramatically deteriorating conditions for manufacturers in Ontario, the Yves Landry Foundation (YLF) launched the AIME initiative (Achieving Innovation and Manufacturing Excellence) in the fall of 2008. AIME was developed by YLF and funded by the Ontario Ministry of Economic Development to support all manufacturers in Ontario who were facing the kinds of challenges for employee training that Hy-Grade was facing.

The Right Place at the Right Time

Dominic was introduced to YLF through a St Catharine's firm called Absolute Change Management. Once the decision had been made to purchase the equipment, ACM was able to recommend the AIME program from YLF as a means of funding the necessary employee training to support the equipment purchase and installation. Once Dominic had completed the initial application process, it was only a matter of days before Hy-Grade was informed that it qualified for a \$50,000 grant for employee training to support their innovation project. In fact the company later discovered that it was the very first company in Ontario to be approved for AIME funding.

"We used the funds for training in root cause analysis and implementing Lean technologies that enabled us to maximize the efficiencies of the new equipment we had purchased," said Dominic. "We undertook the training in the December to February timeframe and when we implemented the new process in August, saw a dramatic improvement in our concrete batching, producing three times the amount of concrete in half the time with better consistency throughout.

We have already increased our capacity and are getting improved volume per hour, per shift. In addition we have substantially reduced our reliance on third parties for concrete."

Moving Forward

Dominic describes the results of the AIME initiative beyond the immediate savings of dollars and jobs. In his words, "While the training provided through the AIME initiative has certainly made us a more viable company, this program has been instrumental in improving the attitude of our employees at a very difficult time. While our competitors are struggling, our people feel very good about what they are doing and where Hy-Grade is going. That is in large part due to the support we have given them through the training made possible by the AIME program."

For more information about the YLF or AIME, contact:

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