

Manufacturing Solutions for the Aerospace, Defense and Locomotive Industries



Roger J. Sustar- CEO

Fredon Corporation, celebrating 45 years in business in 2014, offers complete manufacturing solutions to customers in the aerospace, electronics, machinery and equipment, medical, nuclear and transportation industries. The company provides precision machining, grinding and component repair services. Precision parts are manufactured to customers' specifications – each unique in material, size and quantity. Fredon works with customers and their engineers to produce prototype parts. Difficult and challenging projects are seen as opportunities to show customers Fredon's expertise and quality. Fredon is certified to AS 9100C with ISO 9001:2008 and is an FAA 14 CFR Part 145 Repair Station.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Sustar, what is the focus at Fredon?

Mr. Sustar: I have recently become CEO and my daughter, Alyson Scott, has become president (January 2014) to take over for the next 45 years. Our focus is to continue offering the highest quality precision machine parts and assemblies for the aerospace, defense, and locomotive industries. Over all these years it is amazing that we are still here.

CEOCFO: What do you understand as a company and what have you learned over the years that perhaps other companies do not quite realize?

Mr. Sustar: Most of us that go into business think that the business is the most important thing in life. However, I've realized over the years that business is just business and that God is first, family second and then business. When you come to that realization, it changes the perspective on everything. You understand that God and family are much more important than all the things you could possibly do in the business. Life is about more than money and material success; it takes years and years for people to understand that. It took me until I was 55 years old - about fifteen years ago. We are all hooked on working, working, working. Even to this day I do the same thing so I have to be careful with myself.

CEOCFO: What changed in the business when you had a different understanding of life?

Mr. Sustar: To let others here do things, trust in everybody that is here. I have a ton of faith in all the people that are here - many of them have been with us for over 20 and 30 years. Somebody said one time that even if somebody takes four to five times longer to do something that you can do, it's ok. They get it done and it gives you time to do other things that you are supposed to be doing like thinking about the future and things like that. When I leave and spend time away from here, they pretty much hide and conceal things. They try not to tell me any bad news until I come back for a couple of days.

CEOCFO: One of the items on your site is the mention of continuous improvement. What are some of the newer technologies or methods that you are able to take advantage of and how do you keep up with changes?

Mr. Sustar: The changes we have done over the last few months involve continuous improvements with our employees, our staff and future leaders. My daughter is working to get everyone involved in Operational Excellence. We made the decision to have everyone in the company trained in Lean & Six Sigma so that it becomes part of our culture at Fredon and not just something 'management' wants to do. We know it will make us better for the future. If the employees on the floor can have input on what they are doing, they'll make things better for the next time.

CEOCFO: It is amazing how few companies understand that concept!

Mr. Sustar: Last week they had sent me video of our new packaging machine that the youngster in charge of our shipping and receiving recommended. This new machine was \$16 thousand dollars but it packs everything. You wiggle around a stream of foam in a flat 'pillow' and magically it inflates around the part. When you put it in the box, the part is sealed tight and it does not move. All that precision work that we put into machining the aluminum casting to make a housing for a helicopter will not move from here in Ohio all the way to California. This employee came up with that idea as a way to make improve on our shipping and packaging process. He researched the costs and presented the potential savings (costs and time) for our review. I just talked to the young lady that does the packaging this morning and she said it saves

her so much more time during the day instead of putting everything in bubble wrap; it is a fantastic improvement. It works because the people that are involved with the day-to-day operations make it work if they have an idea, but if I have an idea and just tell them to do it, it will never work.

CEOCFO: *Who are your customers and with whom are you competing for business?*

Mr. Sustar: Hundreds of people across the world. Our customers are Fortune 500 companies--huge conglomerates. They are the 800-lb gorillas and we are the small company. We are competing not just in America but across the globe. It is a huge competition and we are fortunate that some of the stuff that we do in the aerospace defense industry has to stay in America. Some of it has to be localized because it is easier than bringing parts from all over the world. We have a tremendous amount of competition and we are always forced to come up with how to decrease cost and make things better for the customers as well as store parts for them. We hold their inventory and we do all the job tracking and following.

CEOCFO: *Does it tend to be project by project or do you have some longer-term relationships?*

Mr. Sustar: We try to ask them for the life of the project whether it be three or five years so we can invest accordingly ourselves depending on how long the project is going to go. In return, we work to offer them price discounts on our machining costs. Some of them are just the one-time deal and we have to work with it. On one project, we have a seven-year commitment. We can work closely with the customer and assist them in coming up with ways to lower the costs and make things better.

“Instead of just doing the one thing [our customer] asked us, we tried to go one step beyond and helped them to get a better product.” - Roger J. Sustar

CEOCFO: *Your site indicates that Fredon always goes one step beyond, how is that so?*

Mr. Sustar: That is what we are doing. What we try to do with the customers is manage their projects and streamline their purchasing process. For example, we had a huge tube that we did for a medical customer. The customer asked us to come over and take a look at where the part goes into. We saw an opportunity where we could save them time and money by handling more of the project. Now we are making a five-part assembly, putting them together and shipping as an assembled product to the customer. We have picked up four more items along with that one part, which is a great thing for both of us. Instead of just doing the one thing they asked us, we tried to go one step beyond and helped them to get a better product.

CEOCFO: *Giving back is important at Fredon; what is your focus in that area?*

Mr. Sustar: We give back a lot. Today we are being honored as a Distinguished Citizen for Willoughby Rotary. We have done a ton in our community in Mentor, Ohio. We have been Business of the Year. We spend a great deal of time with the organization. We were the co-founders of the AWT Foundation (Alliance for Working Together). The sole purpose of the AWT Foundation is to work together to promote careers in manufacturing. We are trying to bring up the future generation by teaching kids in the high schools, using robotics as a way to introduce them to the field. They work under our guidance at our facility to design, build and test a 15-lb (max weight) combat robot. We have done a lot of that with the local schools and this will be our fourth year. We should have up to thirty high schools and thirty companies competing this year. We started out with ten so that is quite an accomplishment. We are trying to get the students to see that there are careers in manufacturing. It is not a dead-end job and you can progress through engineering, manufacturing up to corporate or whatever you want to do. We have done a lot of that over the last few years.

CEOCFO: *Do other organizations come to you to replicate what you are doing?*

Mr. Sustar: Our sister city is Akron which is close to us and there are a few fellas there that I know that are involved in promoting manufacturing. They have watched what we have done with the RoboBots and the high schools and they are going to do the same thing in the Akron area. We always try to work together with others in other areas of the country to promote programs like ours. We have a competition cage that we built and have our own trailer to ship it. We have loaned it to programs in Pittsburgh, Dayton and Meadville Pennsylvania so that they can use it. All we ask in return is to send us a donation to our foundation to support the work we are doing to promote rewarding careers in manufacturing.

CEOCFO: *How is business these days?*

Mr. Sustar: The economy is still not zinging; it is just limping along. I think a lot of the big Fortune 500 companies are a little bit afraid to take chances for the future because they are not quite sure of where the country is headed. Our government is just wandering around what they want to do which is unfortunate and we need to focus more. The president will come up tonight and talk about the manufacturing centers and all that mumbo jumbo but if you notice where most of the manufacturing centers are like Youngstown, we have a young congressman there that is big on that and that is how they got that to come there. If the government would just get out of our way, we would do real well in this country. The one thing that is against us is we have so many government regulations. Some are good in theory but are carried to

extremes which end up causing an unfair advantage to our non-regulated foreign competitors. Plus high taxes! It makes it a little bit difficult to compete in the global marketplace and I think that is why some of the Fortune 500 are holding back on doing future development of a product.

CEOCFO: *Why pay attention to Fredon?*

Mr. Sustar: I never look at promoting ourselves. I look at trying to improve our industry. I work to get youngsters involved in our industry so there is a future for me and I can continue to collect my Social Security check. If we do not have a skilled workforce coming up behind us there is no future. You need that bright light in the future to look at. There are some youngsters out there whose lights are just flashlights now but they are starting to shine brighter each day. We do what we can to help them get started. It can be discouraging when our customers look only at the price of a part and don't consider the kind of company we are the good things we do in the community and in the schools. Most of the big Fortune 500 companies only care about their cost and delivery and that kind of thing. Certainly, that is important to the bottom line but will the low-price suppliers survive? They need suppliers that are not only strong companies but that have roots and a sense of obligation to their community and the industry. They used to be involved doing that kind of stuff themselves. But because of the way the corporate world is going, they forgot the importance of such things. They lost their focus, but that is their problem - mine is survival for the future.

BIO: Roger J. Sustar is the owner of Fredon Corporation – a manufacturer of precision machined parts and assemblies located in Mentor, Ohio. He became involved in the Machine Trades Industry with his first job - at Non Ferrous Metals Fabricating - in 1965 and became a partner of Fredon in 1969.

Fredon Corporation has been considered a pioneer in youth training programs. The company became the area's first Boy Scout's of America Explorer Post 2600 to offer an opportunity in the Machine Trades Industry. This award winning exploring program, called "The Cannons of Fredon," has inspired many companies throughout the United States to start similar youth programs. Over 350 students have gone through the Cannons of Fredon program since its formation in 1992.

Several years ago Roger Sustar co-founded a group called the AWT – Alliance for Working Together – to serve as a forum for manufacturers in Northeast Ohio to discuss common business issues. One particular issue kept emerging as one of the biggest challenges of our manufacturers – the lack of skilled workers. In 2011, the mission of the AWT became the promotion of rewarding careers in manufacturing. In order to attract young people to the manufacturing industry and show them the many career opportunities available, the group came up with several initiatives. The first initiative was to partner with Lakeland Community College to create an Associates Degree program in Advanced Manufacturing. The group also began hosting company tours for groups of 7th and 8th grade students to show them what a manufacturing facility looks like and what kinds of products are made right here in Northeast Ohio. In the Fall of 2010, the group launched a unique hands-on program for high school students – the AWT RoboBots competition. In this inaugural year, 11 high school RoboBot teams were formed - each sponsored by an AWT member company. The program has grown in popularity with both the schools and the manufacturers over the last several years. This year, close to 30 teams will compete on Saturday, April 26, 2014 at Lakeland Community College.

Roger Sustar was named one of the 150 'names to know in Northeast Ohio' by Crain's Cleveland Business (2014) and has been referred to as a "manufacturing maven" by the publication.



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