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# GRAND RAPIDS BUSINESS JOURNAL EXPRESS

BECAUSE BUSINESS CAN'T WAIT

## Stiles Invests In Facilities

Pete Daly  
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KENTWOOD — Stiles Machinery almost doubled its sales over the first five years of this millennium. Now the company is trying to do it again over the next five years, and an investment of approximately \$1.7 million in its Kentwood facility is part of a strategy to achieve that goal.

Founded here in 1965, Stiles Machinery Inc. is the nation's largest supplier of advanced CNC equipment for panel processing, solid wood and related industries. Manufacturers of wood furniture, flooring, wall panels, cabinets, solid wood products and many others use the largely European-made factory equipment supplied and serviced by Stiles, which has regional offices in North Carolina, Connecticut, Texas and California.



BUSINESS JOURNAL PHOTO/MICHAEL BUCK  
Dave Troeter, Stiles Machinery's national parts manager, and Jeff Harig, shipping and receiving supervisor, review materials at the expanded Kentwood facility.

Officials of the privately held company will not divulge actual sales figures, although one published report in 2003 put the number then at \$145 million. Stiles has more than 400 employees, 250 of them in the Kentwood facility near the intersection of 44th Street and the East Beltline.

"Our growth has been phenomenal. We almost doubled our sales over the last five years," said Dave Troeter, the company's national parts manager. "We do more sales than our four closest competitors combined," he added.

Last year the executive management team challenged all Stiles employees to suggest ways to help duplicate that growth again, over the next five years, said Troeter. One of the ideas recently implemented was to completely automate the parts retrieval process, which in turn freed up much more plant space for a new call center staffed by 30 people. Call center construction will start in June and be complete by October.

Parts are a big element of what Stiles is all about.

"The trick isn't in selling machinery. It's in supporting them," said Troeter — by providing parts and technical information.

These expensive, computer-run production machines are often made-to-order and must be kept in operation as much as possible for the owners to recover the investment. If a part fails, it's an urgent problem, one that a quick trip to the local Ace Hardware isn't going to solve. That's why Stiles has almost \$30 million worth of parts on hand — 23,000 different parts — for express shipping to companies throughout the U.S. (and a few in Canada), for machines made by 35 manufacturers. Someone is at work in the parts department every minute of every day of the year in order to ship parts ASAP.

Until a few weeks ago, the parts storage and retrieval process was manual, time-consuming and took up a lot of space. Rows of large metal shelves containing bins were stacked almost to the ceiling. The highest shelves were 20 feet up and could only be reached using a forklift. For lower shelves that couldn't be reached from the floor, employees needed to use ladders.

"The new system is much safer, for this reason alone," said Troeter.

About 1,500 individual parts, or 300 orders, are shipped each day, and Troeter said each worker in the parts department was estimated to walk as much as three miles a day, coming and going with parts.

Stiles got rid of the old shelves and bins and installed a bank of six Hanel Lean-Lifts, German equipment supplied by AME Vertical in Troy. The lifts are computer operated, with sensors that allow each shelf to be "squeezed down" to the minimum space required when put back in storage. Conveyors bring the right storage pan to the employee at the packing/shipping workstation — no more three-mile hikes, and every part is bar coded and scanned when "picked," so the computer knows the status of each order as well as the quantity of parts remaining in storage.

The parts department also has photographed the parts and downloaded several thousand digital images, so if customers aren't sure how to identify the part they need, they can look at photos online to be sure. The new system has allowed Stiles to increase the accuracy of filling parts orders on the first pass, and faster.

Industry uses a "first-pass fill ratio" to measure how effective a parts department is at filling orders. Troeter said filling an order correctly, on the first attempt, happens about 85 percent of the time at the average company. Stiles used to have an 89 percent average, and now is close to 92 percent with the new equipment.

Troeter said the \$750,000 investment in the new automated storage-and-retrieval system will also enable the company to double its parts fulfillment capability without doubling the labor required.

So now, all that space that was once occupied by parts storage is going to be an expanded, two-story call center — inside the plant — occupied by 30 employees. Stiles is putting almost \$1 million into the call center, which, like the parts department, will be staffed around the clock. A major part of Stiles' business is providing consulting services on a range of business issues revolving around the types of machinery it sells. About 100,000 calls are received by Stiles each year for parts orders and technical support information.

One of the big factors affecting productivity in any call center is "noise" — the sound of other people close by who also are taking calls. Troeder said Stiles is going to use the latest electronic technology to mask the noise emanating from each workstation "without the need for walls." White noise generators and amplifiers will be installed above each desk.

DVK Construction of Caledonia is building the 5,000-square-foot call center, slated for an October opening.

According to the company's online information, Web Stiles founded the company in 1965. "Back then, the parts inventory and showroom were in the rear of his station wagon," states the company history page.

Today Peter Kleinschmidt is the CEO and chairman of Stiles Machinery Inc., the world's largest independently owned supplier of panel processing equipment to the wood manufacturing industry. Kleinschmidt is a graduate of the School of Economics in Bremen, Germany. From 1965 to 1975, he was a director of Lohmann & Co. Ltd. in London. He became involved with Stiles in 1975, and in 1985 purchased the company, becoming the majority owner. Kleinschmidt helped found the Woodworking Machinery Industry Association (WMIA) and served as president of it from 1986 to 1988. From 1991 to 1992, he was chairman of the International Woodworking Machinery and Furniture Supply Fair (IWF) board of directors. Kleinschmidt is also active in the Combois Global Organization for woodworking technology exchange. **BJX**

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