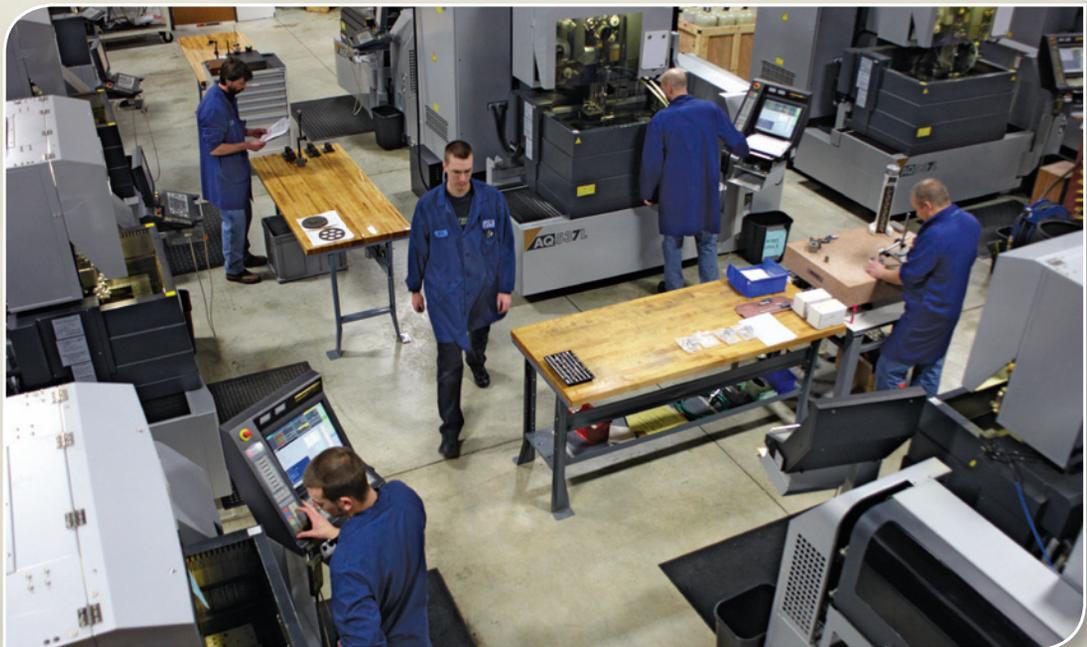




Xact Wire EDM

Their name says it all!

For our Winter issue, EDM Today travels to the Midwest to Waukesha, Wisconsin to visit one of the largest Wire EDM shops in the Midwest, Xact Wire EDM Corporation.



Just a few of the battery of 30 Wire EDM's at Xact's headquarters facility

History:

- ▷ Xact was founded in 1984 by Jeff Gubbins and John Dora who met while working together at an EDM shop. John got his initial exposure to Wire EDM vending out parts to be “Wired” while working in an engineering position at Perkins & Mundt. He was intrigued by the process and eventually went to work for the vendor. About six months later, Jeff went to work for the same vendor, working the night shift while he attended college for mechanical engineering. During the next five years, they worked together running and managing a bevy of Andrews wire machines for their employer. At the end of this time period, the two developed a common vision of opening their own contract Wire EDM shop; in large part because of the tremendous demand for more capacity in the market that they had observed first hand. They carefully crafted a business plan with monthly budgets and a long term goal staying focused on wire EDM and becoming a leader in the field. That is why “Wire EDM” is included in the name of the company. Having severed all ties with their previous employer, they boldly approached a bank recommended by their attorney and presented their business plan. The bank’s reaction: “We don’t do startups!” After much frantic scrambling, they found a bank that was itself a startup that agreed to give them a loan. In those days, at least to a few bankers, their character mattered as much as their business plan. With financing in hand in June of 1984, they rented 1,500 sq. ft., and purchased their first machine (a Japax LU3B) and an EZCAM programming system.
- ▷ Despite a lot of industry skepticism, they began 24 hour-a-day operations with John covering days and Jeff covering nights. Their first customer was Die Tech who, remarkably, is still a customer today. Now that’s earned loyalty!
- ▷ Within 5 months they acquired their 2nd machine, a Japax LS500, in order to service their customers requiring larger machine capacity, and within 1 year they added another 1,000 sq. ft. and a third machine. From that point forward, Xact acquired a new machine approximately every 6 months. In 1986, they acquired their first 4-axis machine with automatic threading and submersed cutting. By 1989, Xact had 8 machines and had outgrown its existing facility. The partners then took a quantum leap, acquiring land and designing and building a purpose built state-of-the-art 10,000 sq. ft. building with the help of an SBA loan. They also purchased additional new machines, and by the end of 1989 their machine count was 10 EDM’s. In 1994, Xact opened a plant in Cary, IL to better serve the Chicago area market. In 2005, they opened an extension to their Waukesha plant in rented space across the street.
- ▷ Over the past 27 years Jeff and John have seen their fair share of adversity, just since 2000: the collapse of business activity after 9-11, losing a major national customer who purchased a battery of machines and brought the work in house, the migration of work to low cost countries, and the 2008 financial crisis during which business precipitously declined 40%. However, both agree that they emerged stronger after facing the challenges of adversity.

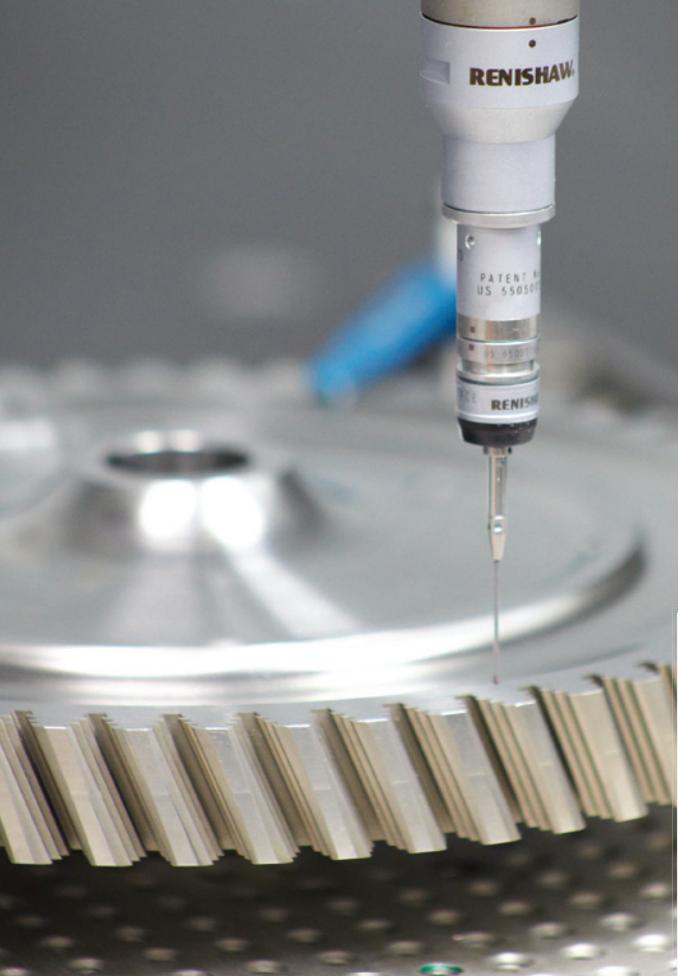
The Present:

Waukesha, WI

- 18,000 sq. ft.
- 54 employees
- 30 Wire EDM’s
- 4 High Speed Small Hole EDM’s

Cary, IL

- 9,000 sq. ft.
- 18 employees
- 8 Wire EDM’s
- 2 High Speed Small Hole EDM’s

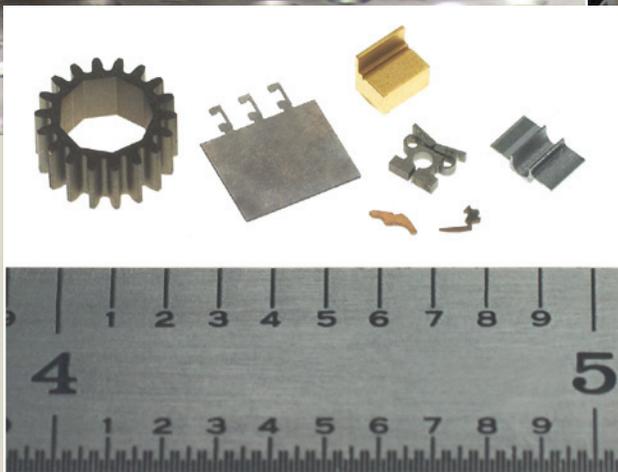


◁ Turbine hub root forms are inspected on the CMM

Xact has an extremely diverse customer base in excess of 500 customers, including (as mentioned earlier) their first customer. Their only activities are contract Wire and Small Hole EDM. Jobs range from 30,000 piece per month production work to one off tool, die, and mold jobs. They have produced parts for Mars rovers, orthopedic surgical instruments, turbines, thermoform packaging trim dies, and automated machines to name just a few. They work with plain brass and coated wires from .003" to .012" diameter. Over a third of their work is done with wire under .010" diameter. The Xact estimating team of four people processes more than 200 estimates per month.



△ Xact team members take a break for a group photo



△ Really small parts made with fine wires are an Xact specialty

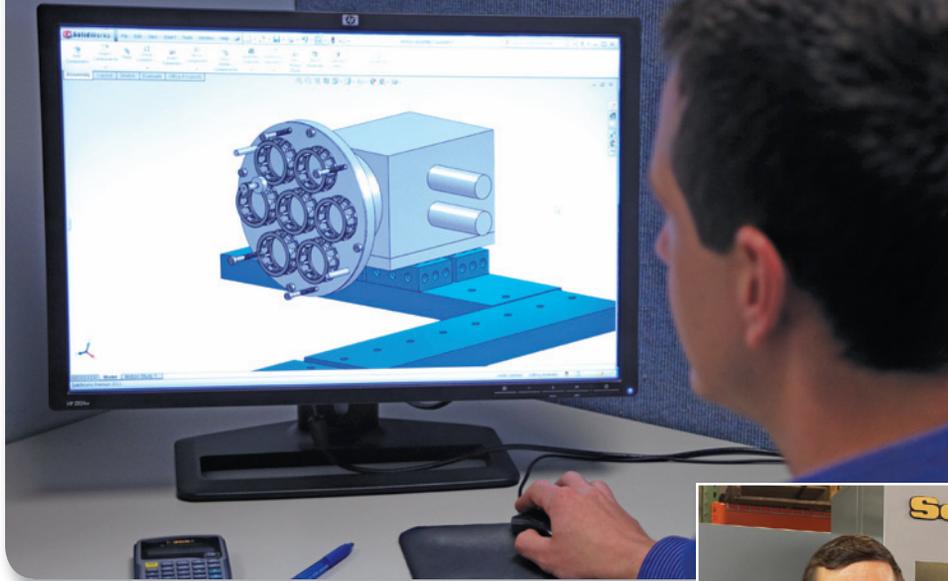
Superior Customer Service Mantra

Since the inception of the company, job one has been to provide superior customer service. For example, when they designed their purpose built headquarters building in 1989, the building included a dedicated customer service entrance with a covered portico and automatic sliding doors leading to an incoming jobs area so that customers could unload their work sheltered from the weather and not have to struggle with a hand full of blocks and still have to deal with a locked door. Once inside, customers dropping off work are met by a customer service person who summons the appropriate staff member to discuss the job. Xact has also been very active in presenting seminars and plant tours for both industry and student groups.

Quality

Xact EDM has had a quality system in place since day one. They are currently ISO9001:2008 certified and are pursuing their AS certification which should be in place in 2012. Their QA manager, Troy McGroarty, has been with the company for 25 years and has a passion for quality. He started by running wire machines





◁ CAD/CAM workstations allow for programming directly from 3-D models

Xact partners Jeff Gubbins and John Dora



at night while attending college, and worked for twelve years as an operator prior to moving into Quality Assurance. Xact backs up its commitment to quality with an array of state-of-the-art metrology equipment:

- 4 – Computerized video inspection systems
- 3 – CMM's
- 1 – Laser Doppler Displacement Meter (utilized for regular laser calibration of all machines)

All programs are independently checked by a second programmer to assure that they are 100% accurate before reaching the machine.

Virtually every part of every job is subjected to 100% inspection before it leaves the Xact facility.

Treating Employees Right

From the outset, John and Jeff have made taking care of and listening to their employees: a key component of the company philosophy. In this industry, it is very common that an industry leader regularly loses its key employees. This is not the case at Xact. Many of their employees are proud of their 25, 20 and 15 year service records, and new employees often come to Xact by means of networking with employees and their families.

This longevity has enabled employees to develop a high level of expertise in their areas and has contributed to a strong company culture of teamwork. Employees bring their unique insight and experiences to solve difficult challenges as a team. Experienced employees are always striving to develop new skills and they share their knowledge with newer employees. Xact's success is the result of their employees being driven to always learn and improve.

A Remarkable Partnership Success

The odds of a start-up business surviving its first five years are about one in five. The odds of a partnership



surviving are similarly low. The odds of a start-up business and partnership achieving substantial success and the partners still working together amicably are miniscule. The fact that Xact has grown exponentially and prospered over the past 27 years is quite remarkable. Throughout their partnership, Jeff and John have played to each other's strengths and have "agreed to disagree" when faced with inevitable disagreements in managing their company. Once they agree to disagree, the issue is put aside for a period of time until they revisit the decision. They are gentlemen and treat everyone from customers to employees to visitors with courtesy and respect. While they both deal with operations and don't set strict boundaries, John concentrates on pricing, sales and HR while Jeff concentrates on accounting, marketing, and Quality Assurance.

I'd like to thank Jeff and John for the gracious hospitality afforded to me during my visit. These gentlemen have created something quite special, and Xact is unquestionably deserving of the EDM Today Winter issue's Top Shop accolades.

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