

# The Wichita Eagle

Kansas.com

Business

November 4, 2009

## TECT on path of growth

BY MOLLY MCMILLIN

*mcmillin@wichitaeagle.com*

Inside TECT Aerospace's new Park City manufacturing facility, something is noticeably missing — an inventory of parts.

There, three massive high-speed, five-axis milling machines turn out large, monolithic parts and structures for the aerospace industry.

Each machine replaces three smaller, traditional ones, TECT spokesman David Nolletti said.

"They're able to go so fast; you can turn those parts very quickly," he said. "You get raw material in, you turn it into a part and it goes out."

That avoids a build-up of inventory.

So far, TECT has filled about 15,000 square feet of space inside the 200,000-square-foot building. About a dozen people work at the facility.

But TECT is working to win additional work that, if successful, would "largely sell the place out," said TECT Aerospace president Timothy Hassenger. "A couple of shoes drop, and those machines are fully occupied."

The goal is to fill the facility with machines and work in the next five years, he said.

Getting parts and assemblies to customers quickly takes more than the right equipment, Hassenger said. It also takes the correct processes.

On a wall inside a conference room, large charts map the steps of the production flow.

And computer models track the time each step is taking.

### **\$18.8 million investment**

The Park City facility is TECT Aerospace's newest in the Wichita area. The company is investing \$18.8 million

in the project. Machines have been in operation since April.

TECT Aerospace is a division of TECT, a privately held company based in Asheville, N.C. The aerospace division was formed in 2004 when the company bought the assets of financially troubled Tru-Circle Aerospace in Wichita and Neuvant Aerospace in Everett, Wash.

In 2005, it bought BAE Precision AeroStructures in Wellington.

One of the biggest management challenges was to meld the companies into one, Hassenger said.

They were diverse in their involvement in the industry, in their cultures and in their systems, Hassenger said.

"You take three businesses together and you're not three times more complicated," he said. The number is much higher.

For example, each was using different planning systems and vocabulary that had to be standardized.

The term "due date," for example, meant something different at each facility, Hassenger said.

"We worked our way through issues like that," he said.

Hassenger came to Wichita from San Francisco to run the TECT Aerospace division, which is based here.

The move was an easy decision, he said.

"Wichita has a lot to offer," he said. Its quality of life, cost of living and traffic levels are attractive.

It's also a good place to do business.

"Wichita has such a... modest, fabulous engineering and technical base," Hassenger said. "I don't think it's something the outside world realizes."

The division has been hit by the current downturn.

TECT employment in Kansas and Washington fell from a peak of 1,039 employees in mid-2008 to 635. About half of the employees are in Wichita and Wellington.

Of the Wichita-area facilities, Wellington has been hurt the worst by the economy. The site supplies the general aviation industry, which has felt the most pain from the recession.

Employment there has fallen from 450 people to 225. The facility is one of the largest employers in Sumner County.

"It's painful to watch," Nolletti said.

TECT's biggest customers are Boeing, Airbus, Spirit AeroSystems and Vought Aircraft Industries. It also does work for Cessna Aircraft, Hawker Beechcraft and others.

About 50 to 60 percent of its work is in aerospace; 10 to 15 percent is general aviation and 10 to 15 percent is military.

TECT officials declined to give sales figures for the aerospace division. TECT's sales totaled more than \$400 million last year, Nolletti said. That's quadrupled since 2003.

As it grows, TECT Aerospace's goal is to add size and complexity to the work it performs.

Instead of building and assembling parts, "we're looking for entire sections of the airplane," Hassenger said.

"If we build parts for the spar, why don't we assemble the spar? If we assemble the spar, why don't we make the center wing box, and so on," Hassenger said.

Despite the downturn, the company is taking a long-term view and plans to grow the business.

"We're here for a long haul," Hassenger said.