

FEATURE

'Bean to bar' chocolate makers driving resurgence in the panning industry

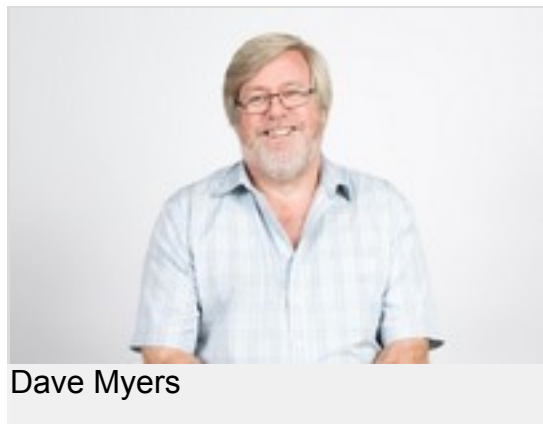
By Jenny Eagle+, 22-May-2016

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York Metal Products is experiencing a growth in coating pan demand from customers that make smaller run, geographically customized chocolate and yogurt coated products, and health food including Taste of Nature, Riverside, Dare Foods, Georgia Nut, and Sconza Candy Company.

The firm, (formerly York Metal Spinning), specializes in metal spinning and fabrications for the confectionery and food industries, manufacturing pans, bowls and machines for coating, mixing and candy making.

Candies, chocolate coated nuts & raisins



Dave Myers

Dave Myers, president, York Metal Products, told ConfectioneryNews, in the last five years, it has manufactured and sold more coating pans than ever before.

Currently its customer base consists of small, medium and large businesses that manufacture soft and hard candies, chocolate coated nuts and raisins.

"Locally made/micro industries such as 'bean to bar' chocolate makers (independent chocolate makers that start with the cocoa bean and make their own chocolate) are starting to drive a resurgence in the panning industry," he said.

"While belt coating automation has displaced pans at the larger confectionery manufacturers, coating pans are still ideal for manufacturers that run multiple small batches."

Myers added, in terms of its North American sales over the past few months, it has seen a resurgence of sales as he claims companies realize its products are superior to mass produced ones from overseas. At the same time, the firm is seeing a growth in overseas sales.

"We have made it easier for our customers to buy exactly what they need, including a range of coating pan options which allow for the shape, size and angle of the pan and drive system package to accommodate tight spaces and different work cell configurations," he said.

"Within the last six months we have been customizing coating pan shapes, drive styles, RPM and frame designs, and implementing lean manufacturing techniques for coating pan ribs and frames."

"We also rebranded the company to York Metal Products, improved our coating pan design with heavy duty construction; we saw record North American coating pan sales over the last three months; we opened new sales divisions to focus on Australia, South America and Europe; and opened a sales channel with distributors in the US and Canada."

Metal spinning, CAD design & engineering

According to Myers, it rebranded the company from York Metal Spinning to York Metal Products because it offers a wide selection of processes, from metal spinning to CAD design to engineering and it wanted its branding and messaging to encompass everything it does.



York Metal Products coating pans.

“We are committed to growing the York Metal Products brand for coating pans and have recently expanded the area in our plant dedicated to coating pan production,” he said.

“We will continue to develop and offer component and assembly options to our customers as we move forward in expanding our sales channels in North America and overseas.”

Myers said the main challenges are order management and short lead times because the pan market is a short run/low volume build for customers who want customized products and options in short lead times.

“Our teams are always exploring new methods to produce superior products faster and more efficiently. However, lead times are becoming ever shorter, and in some cases, we face as little as a two-week turnaround,” he added.

“It is difficult to build and maintain an active order book when short-term demands keep the business focused on current orders.

“While the company has done a superb job of reducing lead times and eliminating back orders, there is pressure to source new work on a continual basis and to achieve a steady work flow. Planning ahead for future manufacturing orders and managing impending staff requirements are difficult when business is focused primarily on the present.

“To generate a steadier flow of business and increase the number of orders, our strategy is to grow our customer base within the industries we serve, as well as to increase the range of industries we supply. To this end, we are rebranding and intensifying our marketing efforts to increase our presence in the marketplace.”

Three industry game changers

Myers said he has seen three game changers to the standard coating pan business over the past few years:

1. ‘The requirement for customization and options is growing. Coating pans are starting to be used for health and pharmaceutical uses that have their own unique requirements. We are receiving requests for different pan sizes and shapes, as well as custom internal rib designs and configurations. Many customers also want to buy custom products to work alongside their existing ones or to fit into an existing space where expansion space is limited. At YMP, we manufacture products to any specifications and we are able to help customers utilize the existing real estate they have available. For example, we have had requests for ganged pan assemblies and vertical motor mounts to maximize

space and efficiency.

1. We are experiencing reduced lead times in manufacturing. Many CAPEX purchases are being made at the last minute accompanied by short lead times, and so YMP's Continuous Improvement team is constantly developing new methods to produce superior products faster and more efficiently.
1. Online purchasing of inferior quality, lower cost overseas products can present a challenge. These products are positioned for lower initial capital investment, but carry long term higher production costs due to equipment failure and product damage. At YMP, we are known for producing only quality products designed with quality and integrity and we are seeing a reshoring of purchasing back to North America as customers are realizing that overseas products will cost them more in the long run.'

With expansions plans in place, York Metal Products is starting to work with grocery chains to produce an assortment of products, including food trays, label holders, napkin dispensers and toothpick holders.

Reshoring coating pan sales back to N. America

"As a participant in the global marketplace, York Metal Products is both affected by emerging markets and reaching out to them. Not every manufacturer is producing the same quality products at the same price, and that presents a competitive challenge as the playing field is not level," added Myers.

"When a customer orders low cost products from an emerging market, they must pay upfront, which affects cash flow and produces longer wait times for shipping. Custom products are generally not an option, which leaves the customer with the challenge of making standard sizes work in their business. Accountability is also a concern, as it is next to impossible to obtain resolution on a quality issue when the supplier is on the other side of the globe.



York Metal Products coating pan stand.

"If, for example, a customer purchases a product for \$2,000 from an emerging market versus purchasing the same product from North America for \$4,000, there is more than just the initial cost to consider. Cash flow is affected by tying up the full \$2,000 on a product that will take longer to ship; lead times can also be much longer and customers may face a six-month window versus six weeks when ordering from North America; quality is an issue and the ability to return products is often hampered by geographical and language barriers; and finally, customization is an issue as overseas suppliers often do not offer custom options.

"For these reasons, and more, there is a definite trend in the reshoring of coating pan sales back to North America.

"In addition to factors such as poor overseas quality and design and higher shipping costs, the lower Canadian dollar is proving advantageous to our customers outside of Canada. We recently supplied bowls to customers in Australia, South America and Europe. We are realizing an increase in export inquiries and are actively pursuing these and other

opportunities.”

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