

Manufacturers Find Way to Stay Competitive

Rolco uses federal program to turn import competition into spark of recovery

The effect of increasing imports of cheap plastic products from China was being deeply felt in 2005 when Minnesota Enterprise referred Helen Olson, of Rolco Inc. to a federal program that could help. Although not failing, Rolco had seen decreasing sales for their proprietary board game products, and a flat sales pattern for the injection molded plastic parts they provide to other manufacturers. She called the Trade Adjustment Assistance (TAA) program, and the results have been better than she hoped.

“Our sales for 2008 are up by 20%, even in this economy. The program helped us direct our energy towards a more targeted goal,” she says. The program splits the cost of projects such as research and development and marketing, and provides guidance to help American manufacturers better compete in a global market.

The company worked with Applied Strategies International (ASI), the firm that runs the program for the Department of Commerce in the Midwest. “It was great to work with a regional office that handled the correspondence with the Department of Commerce on our behalf,” Helen says. Before outlining any plan for change, ASI worked with Rolco to review their current situation and capabilities. Rolco management already knew that they needed to differentiate themselves from their competition, and had recently increased their investment in equipment used for multishot injection molding. This process combines two different plastics into one part. The marketing of this capability became one of three target strategies in the plan developed by Rolco and ASI.

Rolco’s first project was to update their marketing literature and website to communicate their specialized capabilities. Rolco chose the vendor that they would use for their marketing projects and the language of the contract still allowed the project to be dynamic and change as needed. For development of the brochure, they needed a vendor who could also spend some time studying their sales process and identify any gaps. Through this review, it became clear that an eNewsletter template would offer better connection to new and existing customers than the more expensive DVD and new trade show booth that had been planned.

During the course of the marketing project, Rolco became increasingly aware of how its expertise in multishot technology was a capability that it was offering to customers as much as the actual injection molding. This became a key piece of the message of the new brochure and the website and it is now clearly a part of the Rolco overall marketing strategy, sales process and corporate culture. As Rolco’s message for contract manufacturing became more focused, it became evident that the board game business needed its own identity. Staying within the budget that was initially determined, maintaining the focus of overcoming offshore competition, but allowing for appropriate changes in the Adjustment Plan, Rolco underwent a second website project for RolcoGames.com.

Rolco has been a supplier to the board game industry since 1980, but that industry has changed dramatically. Not only do they compete with cheap imports from China, but many game companies have relocated their entire manufacturing activities to Asia. Although Rolco still has several wholesale customers who manufacture and assemble games in the US, that number has declined. At the same time, Rolco has been fielding more and more requests to make their products available in smaller quantities.

The new RolcoGames.com website extends Rolco's abilities to meet the needs of more customers by offering their products on both a retail and wholesale basis. The website has an online store to streamline the processes necessary to fulfill small orders and Rolco products are displayed to all potential customers in a more clear and professional way.

It is too soon to determine what the effect of RolcoGames.com will have on sales in 2009, but the website is already growing a new customer base. As for Rolco's main contract manufacturing business, it is evident that the focus on multishot injection molding is shooting them above their competition. Sales in 2008 increased by about 20%.

"It's nice to be a success story in these challenging economic times," says Helen Olson as she reflects back upon the year.

You might hear an ASI professional say that "If you can kick it, we can't fund it," as they describe the kinds of services that can be included in a Trade Adjustment plan. You can't kick a new strategic focus, or the design of marketing materials that communicate that focus. You can't kick a refined corporate culture that guides the way that you seek new business and interact with current customers. But for Rolco, these intangibles have a tangible result and that is something that they can take to the bank.

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