

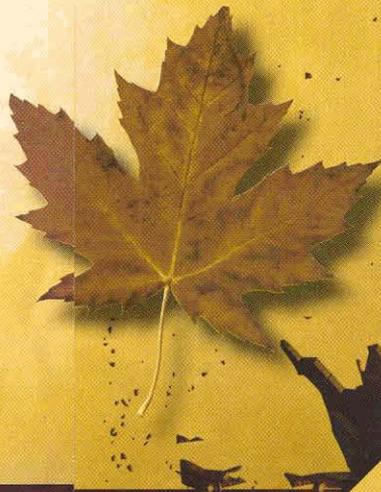
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Made in CANADA

A cross-country profile of Canadian job shops



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Quality Canada

Running in the Family



Jean Proteau, seen here and his brother Yves run APN.

Diversification is key to second generation chip shop's global success

It's no understatement to say that Quebec City chip shop Atelier de Précision Neufchâtel (APN) has come a long way from its start in 1974. Launched by Claude Proteau in the basement of his family home, the shop long ago emerged from the underground and now has spiffy new headquarters that are being recognized for their architectural merit.

Not only that, but the company is running three shifts daily. And, in the midst of a pounding recession, it's doing \$4 million in annual business and is still growing.

Named after Neufchâtel, a Swiss town known for its precision work, the machine shop is also making a name for itself in Europe. And 35 years after its debut, the business remains firmly in family hands with the second generation now in command and a third on its way.

APN is now run by brothers Jean and Yves Proteau. Jean has been with the company since 1974, while Yves joined the firm in 2004, after obtaining an MBA and running his own business. Jean is in charge of sales, technical support and methods, and applications, while Yves is in charge of management, R&D, financing, training and implementation of software systems like JobBOSS.

The company is doing solid business in a variety of fields including aerospace, automobile and military ballistics. "Despite the gloomy economy, our diversification is allowing us to pull our weight," says Jean Proteau.

Big-name clients include General Dynamics, Olympus and, by way of sub-contractors, Bombardier and Pratt & Whitney. Most clients are Canadian, but exports now

account for five to eight per cent of sales.

Proteau notes that the company is now selling to Switzerland—home of its Neufchâtel namesake and Sweden, home to acclaimed global toolmaker Sandvik. “We’re selling in the country of Sandvik,” he marvels. “That shows that our products are of high quality and high precision.”

A few months ago, he continues, the company received an email from a Belgian company complaining that a local supplier was having difficulty meeting its product demands. APN did the job and received applause.

A combination of the favourable exchange rate of the Canadian dollar vis-à-vis the Euro, and the company’s growing reputation are helping to boost European sales. Aside from Europe, APN is exporting to the Philippines and Dubai.

To boost exports, APN has regularly been attending trade shows in Orlando and Las Vegas, where the Proteaus have met military manufacturers. “The military world is pretty unique. There aren’t more than 50 manufacturers on the planet and we know most of them.” The potential for aviation sales are also high in Europe, because most of the world’s aging aviation fleet will need replacement in the coming years.

APN “is a very good company in the Quebec City region,” notes Alain Bernard, Montreal-based representative for Huron. Huron’s machinery has a strong presence in the APN plant. “They have very high quality equipment and specialize in high precision parts,” Bernard says. “They’re really well diversified, but their success is really in the way they work with clients. They’re definitely among the best in Quebec.”

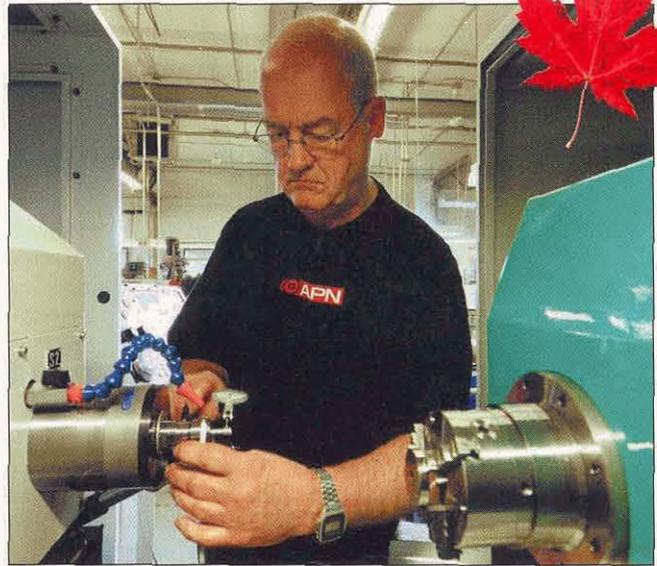
Jean Proteau, who began working for APN when he was a teen, took over when his father retired. “I wanted to leave the basement and make APN visible so that people could see our vision of doing things. It’s an industry I feel good being in and I had a good teacher in my father.”

By the late 1980s, the company emerged from the basement and into a 4,000 sq ft building in Loretteville. It was expanded by another 2,000 sq ft in the late 1990s. But eventually that space became too tight and the brothers decided to build a new 21,000 sq ft building in 2007, in the Parc technologique de Québec. It was built for \$5 million, including machinery investments.

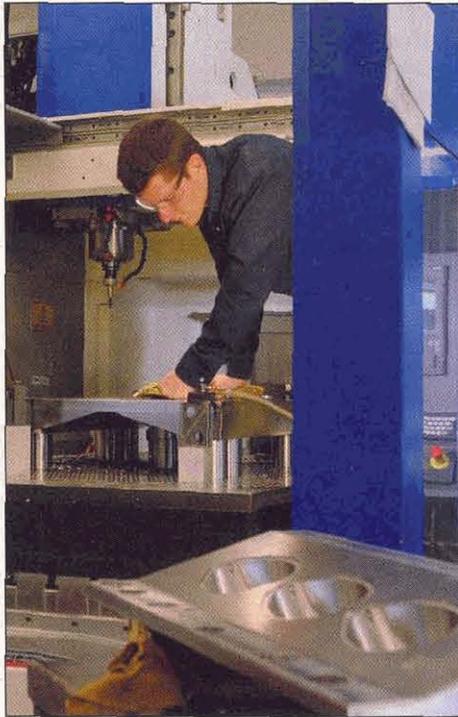
The high-tech building was recognized by Quebec City last year, in the form of an architectural merit award for a new commercial building. It has windows on three sides, meaning that wherever you are in the plant, you can see outdoors. There is air-conditioning throughout, as well as a cafeteria, and employee lounge with TV.

APN now has about 50 employees, who participate in a profit-sharing plan. They divide work in three shifts daily or about 20 hours daily.

The company has been growing by 20 per cent a year, and expects 15 to 20 per cent growth this year, despite the bleak economy. Although many clients are seeing slow-downs, Proteau is confident the orders will come from such places as Europe. “We’re touched less than certain compan-



Machinists above and below work on two of the Huron machine tools APN houses in its shop.



ies who are really tied in to sectors that have been most affected, like the automobile industry. Ontario is suffering more than us.”

APN is accredited for ISO 9001 2008 and will begin using the quality management system in June. The plant now has four Huron five axis CNC vertical milling machines, as well as four Huron three axis machines. Among its other machines is a Combitec cylindrical grinding machine from Switzerland, something rarely seen in North American job shops, Proteau says. Combitec specializes in the grinding of complex parts and “it allows us to make parts that our competition can’t. It’s the best machine in the world

right now. Adds Proteau: “If we want to be successful in competing against others it’s with machines like that that you can say you’re ahead of everybody else.”

Steel is supplied by Böhler Uddeholm, while Peckover’s supplies steel and plastics, and Magna Stainless supplies stainless steel. Lubricants and cutting fluids hail from Blaser Swisslube.

The Proteau brothers both have children who are now working for the company part-time or in the summer, indicating that the company may remain in family hands for a long time to come. But it’s the employees Jean Proteau credits for the company’s success. “We have an extraordinary employee team. APN is only as strong as its employees and they play an incredible role in the success of the APN. Alone I can’t do much.” **CM**

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