

Champ

INDUSTRIES



Eliminating Risk by **DIVERSIFYING:**

Champ *Reinvents Itself* INDUSTRIES

In life, 'familiar' can be both soothing and tempting. In business, however, 'familiar' can be limiting and even dangerous. A metal fabricator and assembler, Champ Industries prizes decades-long relationships with major customers in Canada and America. Now, it's time to add a bold new strategy.

Written by David H. Caldwell

Founded in 1967 as a part assembler for the hospitality industry, Champ has evolved to become a full-service fabricator and assembler, specializing in a wide variety of metals to include but not limited to stainless steel, aluminum and carbon steel, both flat sheet and tube varieties.

Alongside the aforementioned capabilities, the company also certifies its welders to Canadian Welding Bureau (CWB) standards for TIG and MIG welding. From large plate steel to the most delicate parts, Champ's experienced employees are more than able to meet their customers' needs.

"Many shops are either custom shops or high volume/single part," says Tom Albig, Champ's newly hired President and General Manager. "We specialize in supporting OEMs [Original Equipment Manufacturers] and Tier Ones that have solid volumes but a lot of variety in the types of parts they need made."

The company is able to process nearly 50,000 orders annually, reaching customers not only in Western Canada but nationwide and also in the continental United States. Expanding out of its first Winnipeg office, Champ now operates facilities on both sides of the border, including the Manitoba headquarters and a newer North Dakota plant. This gives Champ greater market reach as well as enormous reserve resources.

"For all its success, nothing stands still at Champ."

In fact, as far back as the early 2000s several of Champ's customers, sensing change in the air, had told the company that in their assessment the 'Made in America' movement would become a significant force. With that in mind, "it was in our best interest to possibly open a facility in the U.S., to support that," remarks Brandy Friesen, Department Head of Operations. ►►





Exceptional expertise

Champ today is able to fabricate OEM steel parts entirely in-house, with minimal reliance on outside subcontractors. With huge experience behind it, the company brings exceptional and relevant expertise to each product, ensuring both quality and quantity.

“Most companies our size in this industry are focused on getting product out the door, and don’t always think beyond that,” Albig remarks. “We have brought in many of the operating methodologies that OEMs utilize including Key Performance Indicators, Hoshin Goal Deployment, a Continuous Improvement program and an Employee Engagement Program in order to stay at the forefront of a competitive industry.” Champ has to work constantly on improving its products and processes. But its ISO 9001:2015 certification also doesn’t come easy, and demonstrates Champ’s desire for accountability as the company builds its processes entirely around this certification to ensure products of the highest quality for its customers.

► Prioritizing customers

This close communication exemplifies one of Champ’s greatest strengths – its strong and long relationships with its customers, nurtured over decades. Repeat customers such as New Flyer Industries, Motor Coach Industries, Bobcat-Doosan, and Geringhoff attest to Champ’s professionalism and consistently high product quality, particularly its flexibility and willingness to accommodate its customers’ changing needs.

Champ also takes great pride in its professional flexibility, which evidences itself in the ability to seamlessly adapt production processes to changing customer requirements.

For example, the company was tasked to build a new design of fuel tank in late December 2018. With the tank’s tester having relocated out of Canada and the supplier now in the UK, Champ anticipated six to eight weeks to build the tank to spec. However, the company and its suppliers managed the entire project, from start to finish, in only two weeks – just in time for Christmas.

Nevertheless, for all its success, nothing stands still at Champ. To maintain its growth trends in a changing market, the company is launching a radical new business development strategy. To facilitate this envisioned change over the coming years Champ has just brought in a new department head of sales/business development. The hiring follows on naturally from Champ’s appointment of Albig – himself a veteran of over thirty years in Winnipeg’s aerospace industry – as president to help drive the company’s bold new strategy.

Changes already in process include a new Enterprise Resource Planning (ERP) system, intended to help Champ better anticipate changing customer needs. In addition, Champ’s intermediate business strategy includes broadening its client base to include the automotive, medical and aerospace sectors, seeing strong future growth in those industries. These new expansions, combined with Champ’s curtailing of its custom jobs, will help create a leaner, more flexible business model.





Epiphany

Albig relates how the strategy was the result of a recent epiphany. “We came to the realization that our success had been dependent on the relationships we had with our existing customers,” he remarks. But these relationships, even though cultivated as they were over decades, couldn’t last forever. “If we really wanted the next-step change of growth, we had to develop a strategy and follow it. Otherwise, our growth would most likely have been the same growth as in the past, or perhaps plateaued.”

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The danger of plateauing, Albig says, was largely what prompted Champ to initiate these changes. While Champ enjoyed its small number of primary clients in the past, this small number presented a vulnerability. “You need diversification in everything.” Champ’s strong client base in the transportation sector – and especially in buses – he says, gave the company financial flexibility, but also presented a sizeable risk: “If the bus industry were to have a decline, then we would not have been prepared to cope with it.”

Champ is also looking to future growth in its North Dakota facility to help diversification. Although this facility currently employs only one-third as many staff members as Champ’s Winnipeg headquarters, this newer location is poised for growth as American protectionism makes made-in-the-USA products more appealing. ▶▶



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Tom Albig
President

▸ Dealing with tariffs

Already, the company has been impacted by rising steel tariffs, though not as badly as anticipated. “We had to get smarter and more strategic in how we bought inventory and who we bought it from,” is Albig’s comment.

While Champ is expanding its American location’s customer base, it is also scaling back on its custom manufacturing and focusing instead on larger production lines. Although the company does have experience in small, custom jobs, it has never seen itself as a made-to-order fabrication shop. And as it concentrates on diversifying its client base, Champ passes smaller jobs onto smaller, more specialized shops and concentrates on the larger orders.

As Albig says, “We made the conscious decision to back off on the custom work, give that to the local people that actually do custom work, and concentrate on our niche.”

In addition to this, Champ is investing in new employee retention programs. Chief among these is an Employee Satisfaction plan, enabling leadership to grasp and ameliorate issues that may trouble the staff. This additional layer of communication adds to Champ’s already considerable employee incentives, including RRSP matching, an employee review program, and one-on-one “Talkin’ with Tom” sessions, which will enable employees to discuss their concerns with Champ’s president in a private setting.

Building the workforce

But while these programs do help stabilize Champ’s workforce, even the most skilled employees must someday retire. To entice new talent, Champ senior employees serve in advisory roles with several area trade schools. These skilled and experienced workers tutor the next generation in vital skills such as stainless steel welding, a program with which Champ has assisted since 2005.

“At that time, it was too expensive for schools to spend money on materials,” remarks Joe Habtemicael, Production Manager at Champ’s Winnipeg headquarters. “We were supplying them, so the students could learn how to weld stainless steel.”

These measures should help recruit and retain Champ’s employees, many of whom are proud New Canadians. Habtemicael, an immigrant himself with 35 years of service with Champ, remarks that, while these employees are newcomers to Canada, many, if not all, are experienced metalworkers in their own right. “They contribute those talents and skills to the Canadian experience,” he explains, using his own immigration experience as an example. “By blending with the Canadian experience, it makes it more rich.”

While these developments are taking Champ in a new direction, Champ remains committed to its overarching objective: building personal relationships with its clients and manufacturing superior metal parts, both in quality and quantity.





Marketing by reputation

Thanks to the momentum of its achievements and renown in the industry, Champ's reputation has become self-sustaining, bringing in new clients with little marketing required. The marketing will now receive some additional focus with the addition of the Department Head of Sales/Business Development, but the value of 'sales through reputation' reduces the requirement for a traditional marketing budget, allowing for investment in the company's processes, technology and, most importantly, its workforce.

Champ also stays at the forefront of technological innovation, using state-of-the-art laser cutters, plus new brakes and punches. This new equipment, a not insignificant financial investment, puts Champ on the cutting edge of new technology. Champ's technological leadership extends to caring for the environment as well, as the company probes for more responsible and efficient ways to collect and dispose of the metal dust created by laser cutting. It currently recycles 100 percent of its metal cutoffs.

Looking to the future, Champ's leadership is excited about the possibilities offered by the new business development strategy. The company is poised for controlled but strong expansion, with many equally enthusiastic employees seeing the strategy as a reboot of the company.

"I could see Champ growing nationally or internationally, with the leadership Tom is bringing," Habtemicael says. "In a few years, we're going to see a big change." Friesen agrees: "He's taking us to the next level, and the team's excited all throughout the company, in both locations."

For his own part, Albig is happy to be along for the ride. "We've got a bunch of great people, we're working hard and we're having fun," he says, with some easily forgiven pride. "The results are going to be fantastic." ■

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