

# Have Rotational Molders Joined the Paper Chase?

Developing new markets for rotomolding expands the pie and creates more opportunities for everyone.

While some people may contend there is an excess of attorneys, you might be surprised to learn that on my first day of law school, the professor urged each of us to take a good look at the people sitting next to us because one in three would not be there to start year two. Students weren't expected to drop out due to financial hardship or an inability to learn the law. Rather, they were expected to drop out due to an intentional process of weeding people out, a well-honed system built on competition pitting each student against the other. This hyper-competitive environment was revealed superbly in

the movie *Paper Chase*, which followed the day to day lives of a group of students struggling to survive their time in Harvard Law School.

With grades, clerkships, law review positions and other achievements based on a comparison against other students, the pressure to succeed at the expense of one's own roommate often drove otherwise honest, trustworthy young adults into some shady territory. One example shown in the movie depicted a group of students breaking into the library in the dead of night to tear critical pages out of research books.



They would know the required case law to pass the next day's exam or homework assignment. but everyone else would be left in the dark.

Now that the majority of required case law and other class materials are available online, you might think these tactics would be obsolete and the playing field leveled, but not so. Some of today's students seem to intentionally post fraudulent class notes and false information on blogs and legal websites to throw students who miss class off the case, among other tactics. Regardless of the school, industry or century, wherever people compete for limited resources or opportunities, whether it's a prized internship, a promotion or a customer, some people will sublimate their virtuous values to the desire to win against rivals at any cost.

There may be similarities in rotational molding. Rotomolders enjoy being part of a small, relatively close-knit community. We discuss issues at association meetings and at specialized SPE conferences, but once back in the office, some of us seem to inadvertently conduct business in ways that may harm our industry without even being aware of the impact on other businesses.

### Bid Process Issues

Consider the process of a competitive bid, for example. Typically, a customer would prefer to make an apples to apples comparison of one rotational molder to another. Yet in the course of trying to be perceived as the "lower cost molder," many molders may exclude key items from their bids. Costs for product design and engineering, quality control and testing (including ISO documentation), research and development, traffic and freight and design analysis for continuous product improvement and other services are often hidden from the customer. In some cases, molders may not account for these costs as actual costs on their books and therefore do not address them in their bids. In other cases, molders do actually incur these costs but decide not to address them in their bids, sometimes with the intent of buying the job and raising the price shortly thereafter to reach profitability. No matter how these services are labeled internally, they still represent costs.

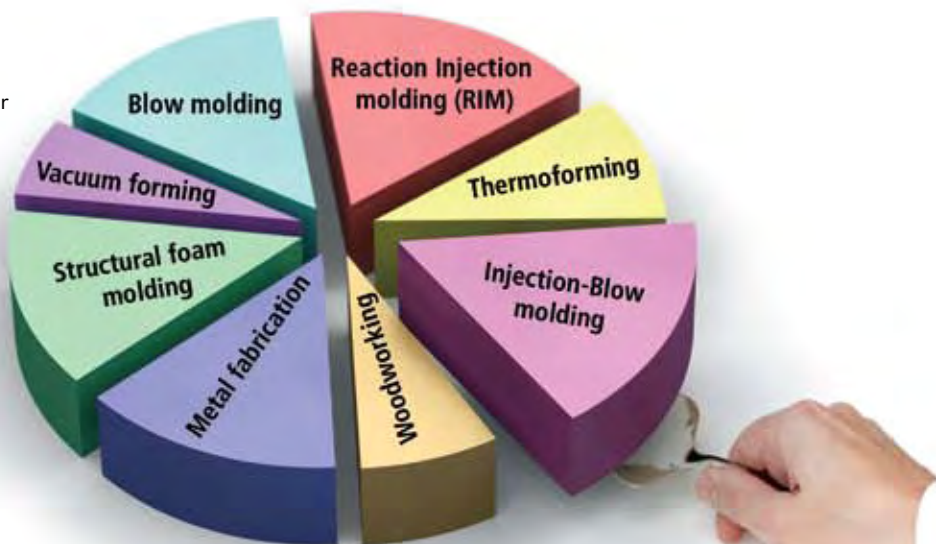
Confining the purchase decision to a litmus test based solely on the price per piece of rotomolded product in this manner effectively devalues and commoditizes every facet of a rotomolder's operation. From the excellence of our customer service to the creativity of our design engineers, to the tenacity of our own purchasing teams, constantly contending that these costs do not exist or are unnecessary and then failing to itemize and recognize them as costs, implies their corresponding value is zero. This adversely affects the perception of rotomolders and makes an accurate apples to apples comparison of bids virtually impossible for even the most experienced purchaser.

Customers with little experience in hiring a rotational molder may be confounded by the disparity of one bid to another from seemingly comparable companies. This is the purchaser who suddenly stops returning calls and emails after six months of work in product design and preparation for tooling development only to eventually reveal the hiring of a "lower cost molder". The fact that this molder does not offer design services doesn't even enter into the equation. Neither do the impressive improvements your team has made to the design nor the slick 3-D model you developed overnight when the customer needed it for the board meeting presentation.

Customers with more experience may study their bids with a far more watchful - and skeptical eye. Especially when working with a complex part, skilled purchasers analyze the cost of the entire project life cycle and read between the line items of bids to assess every facet of the project including initial design, lead time, quality, freight, track record and other areas, both qualitative and quantitative, to better differentiate one bid from another and more precisely determine the true costs of the project and of conducting a business relationship.

Expert purchasers understand the difference between the "low bidder" and the low cost provider. When the low bidder delivers an inferior or unattractive part or product, it carries a cost that did not appear on the bid, but will surely impact whether the product sells as anticipated or withstands the punishment that is required. Such failures affect the brand of the customer's company and leave the rotational molding process left to bear the blame. The molder in question will likely exit the industry in a short time leaving untold numbers of purchasers believing it wasn't the vendor personally, but rotomolding itself that caused the project to come up short, and leaving the rest of us to suffer the consequences. Over time, many purchasers will simply cease to consider rotomolding

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as a viable process and fewer and fewer projects will become available for bid no matter how seemingly low the cost.

### The Rotomolding Community Worldwide

Actually, it isn't necessary for rotational molders around the world to hold hands and sing by the campfire as one big, happy family. We are rivals often competing for the same business. But for our industry to thrive, we need to pay careful attention to how we present ourselves in the marketplace and how we praise or criticize each other when among customers and suppliers. Fairly representing our capabilities, the capabilities of other rotomolders and the strengths of rotomolding versus other processes helps ensure the project is awarded to the rotomolding company that can deliver most efficiently, effectively and truly at the lowest cost. Rather than highlight the shortcomings of a rival rotomolder to capture a slice of the pie at any cost, we need to take a more expansive, forward-thinking look at the market and recognize that our true competitors are not only other rotomolders. Our primary competitors are the blow molding, injection molding, metal fabrication and other processes that are more entrenched in the minds of purchasers. Despite the fine efforts by several trade associations to promote rotational molding, many product designers still lack a true understanding of the process or when it makes sense to specify it instead of another process. We think of elegant point of sale displays. They think of underground tanks hidden from view. Similarly, our true secondary competitors are wood, metal and other materials. At

a time when environmental groups are working to brand plastic as a hazard to the world, it may be more important than ever that we accurately promote the benefits of plastic as a material and remind both consumers and product designers of its history as an important and influential material. Making it easy for product designers to specify plastics creates more projects that may suit the strengths of rotational molding and effectively enlarges the pool of potential customers. Everyone then enjoys more opportunities to bid on more projects.

I am not judging whether our current state of competition is good or bad, or whether some of the practices in play are fair or unfair. But they are not always very useful in helping the customer select the ideal vendor or effective in yielding the finest part or product in an efficient manner. If we continue on the current path without considering the bigger picture, we will only have ourselves to blame when long term customers leave for another process.

Then at the next annual meeting, just as in my law school, we'll be taking a good look around at each other knowing that one in three in attendance will likely not be back for the next meeting.

If you have comments or questions, I would love to hear from you. Send comments to Bob Dunne at [rdunne1@usa.net](mailto:rdunne1@usa.net) or see [www.Rotomolding.com/bobdunne.shtml](http://www.Rotomolding.com/bobdunne.shtml). Meese Orbitron Dunne Co. is the first rotomolder in North America to invest in the Leonardo system. Its parent company, Tingle, Brown & Co., Saddle Brook, New Jersey, has a history of bold moves since 1902 that include pioneering the use of plastics for rotomolding laundry handling products.



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