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# Local Manufacturers Emerge from Recession



*Two companies report sales increases in 2010*

Nicholas Backus

QUAD AREA — Dale Andersen already has his roster set for this year's company Christmas party, and it's full of glad tidings.

Andersen, owner and president of Delkor Systems Inc. in Circle Pines, said there are 24 more names on the list than last year. It's one signifier that Delkor is seeing big payoffs from aggressive, if not unorthodox, business strategies last year.

Instead of deep job cuts, Delkor poured \$500,000 into new product development in 2009. Andersen said the company has since tripled that investment, a move that was made in the depths of recession.

“For a while, there wasn't enough work to keep all our engineers gainfully employed,” Andersen said. “We decided to accelerate new development to secure jobs. The best way to stimulate job growth is innovation.”

Now Delkor is on pace for \$41 million in projected 2010 sales, an increase of 25 percent from last year. New equipment sales by itself is projected at a 50 percent increase from the year prior.

At one of Delkor's two Circle Pines factories, the production floor produces a bustling whirring sound as blue-shirted workers monitor conveyor belts and control cabinets

full of microchips. The scene is an embodiment of economic recovery running smoothly rather than sputtering. The 24-employee increase represents about 30 percent of Delkor's entire team, and it includes positions across the board. Andersen said there are still job openings, from assembly and service to office positions.



**Delkor ships about \$1.5 million worth of customized food packaging application machines off its production floor every month.**

About 90 percent of Andersen's crew hail from regional technical schools. Delkor especially likes to pluck robotics and automation program graduates from Anoka Hennepin Technical College, Dunwoody College of Technology and Alexandria Technical College.

Delkor essentially builds machines that manufacture food packaging. According to Andersen, 50 percent of cottage cheese, yogurt and sour cream containers in a typical U.S. refrigerator were made by Delkor. After development, Delkor ships the machines to clients, many who are Fortune 500 food companies. Some local names include Kemps, Schwans, Cargill and Land O' Lakes.

Some machines are top secret. Some are patented. Depending on size and how many applications it performs, one of Delkor's machines can run as high as \$500,000. The company's latest innovation is a state-of-the-art machine that places collars onto bottles of

Bolthouse Farm Juice.

“It's never been done before,” Andersen said. “And (Bolthouse Farms) makes some pretty good juice.”



**Delkor's latest technology is retail ready packaging made for Bolthouse Farms brand juices.**

About \$1.5 million worth of machines are shipped off the factory floor every month. A good one-third of machine parts are made internally, while the majority

come from other manufacturers.

“Our growth produces a ripple effect on companies we do business with as well,” Andersen said.

Just because many Delkor machines have produced proven results for customers as far away as Ecuador doesn't mean the company wants to stop with innovation. It's goal is to produce one new machine per quarter, Andersen said.

But not every attempt at a new machine or machine application succeeds.

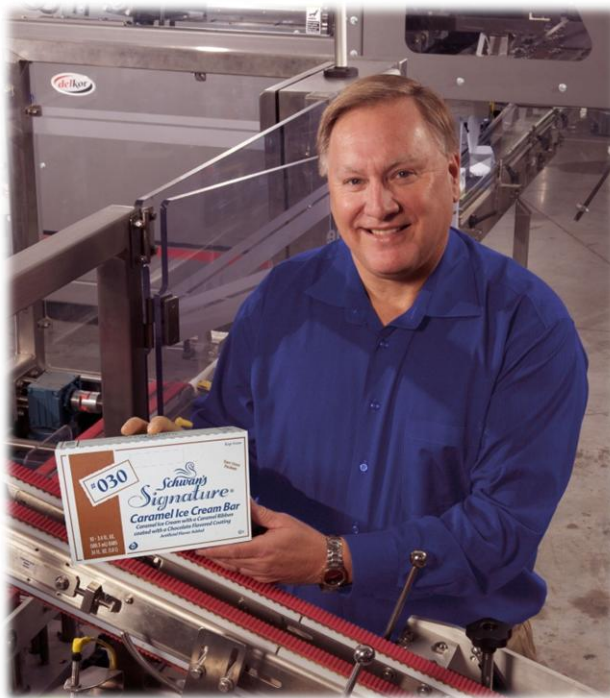
“We know we're going to find errors,” Andersen said, “but it's the speed we address the correction that separates us from the competition.”

A new home for Delkor is

on the horizon. It wants to consolidate its two Circle Pines locations for one larger building by 2012. For 2011, new markets in Australia and New Zealand are targeted. All this while continuing to introduce new technology. “We don't want to just keep on top of technology, we want to develop it,” Andersen said. “As long as it has value to our customers, experimentation and innovation is a great way to bring growth.”

“It's still possible in the United States to begin with an idea and build it into a business that employs people and creates value,” he said.

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**Dale Andersen became Delkor owner and president in 1999.**

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