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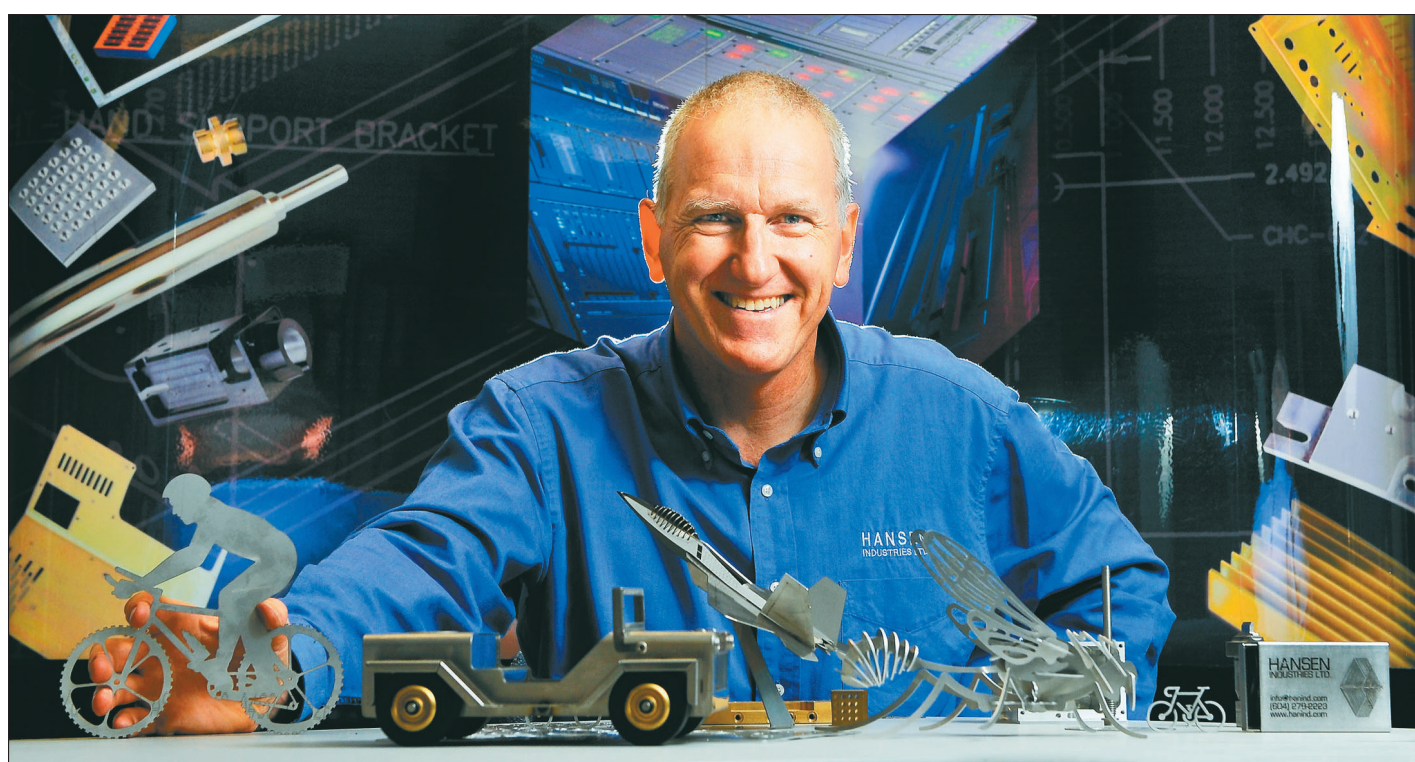


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Manufacturing wins with innovation

Light on horizon for B.C. manufacturers grappling with global recession and locked in mortal combat with China and other formidable off-shore competitors



Hansen Industries president Edwin Beange: "you have to believe in the future of manufacturing and you have to invest"

KRISENDRA BISETTY

Edwin Beange grew up in Sudbury – home of the big nickel.

"A nice place to live and a nicer place to leave," he quipped. "The only toy I had was a rock and a stick."

Having set up shop in B.C., the entrepreneurial engineer now has bigger things to play with, not least of which is a million-dollar piece of equipment he sees as the ultimate weapon to fend off low-cost Chinese competitors. The past few years have not been kind to manufacturing in Canada, but there's a bright spot here in B.C., said Beange, president of **Hansen Industries Ltd.**, a Richmond-based metal and sheet metal shop that supplies components and assemblies to electronic companies.

With a constant flow of high-volume metal jobs being lost to China because

of lower labour and infrastructure costs, it's time for Canadian companies to fight back.

"Often the Chinese can deliver a part to Vancouver cheaper than it costs us to ship the part from Vancouver to Kelowna," he said.

With the "dramatic change" in the electronic manufacturing landscape in B.C., where major companies like **Xantrex Technology Inc.** and **Kodak**, which used to source some of their manufacturing work locally before outsourcing to California, Mexico or China, it's also a time to innovate to lure those customers back.

"Our sales dropped 30% overnight," Beange said of the impact of customer outsourcing and the global recession that has also pushed manufacturers into an "abyss," from which they're scrambling to recover. "The phones just stopped ringing."

Local manufacturers can compete amongst themselves, he said, but when they have China to contend with, it used to be an almost insurmountable hurdle.

But that's changing.

China, he said, is not all that it's cracked up to be, with order disruptions, delivery delays and increased wages prompting some Canadian manufacturers to again look locally.

To be competitive, however, means changing business strategies – and prices.

"If you're 10 times the price, there's no way you're going to get the work anyway," he said, "no matter how nice you are."

And the only way for local contract manufacturers like Hansen to get prices down is through automation, which will enable companies to increase their sales, but not their staff.

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