



# CHROME

A CORPORATE HISTORY OF KUNTZ ELECTROPLATING INC.

DR. ULRICH FRISSE, LL.M.



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A Story Of Innovation, Perseverance And Community

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# PREFACE

65 years ago, on October 16, 1948, our grandfather, Oscar Kuntz, turned his entrepreneurial dream into reality. His far-reaching decision to found his own company – *Kuntz Electroplating Inc.* – marked the beginning of over 6 decades of continuous successful family entrepreneurship, high quality manufacturing and community involvement. As the business has passed from the first to the second and now the third generation, the personal and entrepreneurial legacy of Oscar and his sons David, Bob, and Paul continues to define our mandate for the future.

Our company's ongoing history has been a story of entrepreneurial vision, exponential growth and great opportunities, and yet, challenges have been part of our experience as well. Both as a third generation family enterprise and as a Canadian manufacturing business that has stayed true to its roots in the local community, *Kuntz Electroplating Inc.* has beaten the odds. Where many other great manufacturing businesses closed up shop forever during the recession of the early 2000s, we persevered, although we came close to joining the seemingly ever-growing list of casualties of the greatest recession since the Great Depression of the 1930s.

We are grateful for the strong foundations Oscar, David, Bob and Paul, together with many other family members and outstanding employees, laid over the years. Without the strong corporate values they established and the entrepreneurial imperatives that guided them in founding and growing *Kuntz Electroplating Inc.* into a global market leader in the metal finishing industry, it would not have been possible for us to steer our company through the recession and successfully transition it into the third generation. With exceptional long-standing relationships in the automotive and motorcycle industries, employees that are second to none, a leadership model of joint family leadership, and exciting new opportunities on the horizon, we are looking to the future with great excitement.

In gratitude, this book is dedicated to all our loyal employees past and present and to the memory of Oscar, David, Bob and Paul Kuntz.

**Dave, Robert Jr., and Mike Kuntz on behalf of all members of the Kuntz Family**

When I first heard that a proposal had been made by author Dr. Ulrich Frisse to write the history of our company, the idea was interesting but not entirely new. A few years ago Elizabeth Kuntz (with technical expertise from Bill Kuntz) had gathered a great deal of *Kuntz* history through interviews and tapings of former and present employees, but the time did not seem right to go ahead with it.

When Ulrich approached us, we decided that perhaps now was the time, having recently lost both Bob and Paul Kuntz within weeks of each other's passing. The decision to go ahead with the history of *KEI* was not without misgivings however.

What a responsibility to attempt to chronicle accurately and fully, the story of Oscar and Martha Kuntz and family moving from Cleveland, Ohio in 1948, back to their home base - Kitchener-Waterloo, to begin a new business in electroplating.

How do you compile this history encompassing so many events, hundreds of people including family and valued employees (former and present), customers, suppliers and associates. How do you recall and record adequately and respectfully all the contributions of so many? Lengthy careers at *KEI* would have to be encapsulated into a paragraph, as well as the hard fact that many valued employees could not be mentioned individually due to book size and limits.

This book is the combined effort of many of the *KEI* family and employees (both current and retired), with the expert authorship of Dr. Ulrich Frisse and exceptional design of Lesley Warren - we sincerely hope that you will enjoy reading this history and realize that any omissions are not intentional.

**Mary Kuntz**





# FOUNDATIONS

## CHAPTER 1



# FAMILY BACKGROUND: DAVID KUNTZ AND THE KUNTZ FAMILY IN GERMANY

The story of *Kuntz Electroplating* and the Kuntz family's entrepreneurship goes back to the 1800s and to small-town Germany. Prior to the first family member immigrating to Canada in the 1840s, five generations of Kuntzes can be traced through church registers and other local documents as residents of Daisbach, a small village in the Grand Duchy of Baden less than 30 kilometers from Heidelberg, in Southwestern Germany. Located at the divide of the Elsenz and Schwarzbach rivers and 6 kilometers from the county seat of Sinsheim, Daisbach was first mentioned in a document of 1349. Economically, the village was originally established as a farming community. As was typical for farming villages, farmers were joined by tradespeople who established workshops in the community. As members of this trades-oriented community in a primarily agricultural setting, the Kuntzes operated a brick works for the production of bricks and clay roof tiles used in residential construction, on workshops and other buildings in the village and surrounding area. It was here that (Johann) David Kuntz, the grandfather of *Kuntz Electroplating* founder, Oscar Kuntz, was born in 1819.<sup>1</sup>

## LEAVING GERMANY AND NEW BEGINNINGS IN CANADA

As so many other immigrants of his generation, David Kuntz left Germany during the first half of the 19th century in pursuit of new opportunities in North America. He was part of a large wave of German immigrants from Southwestern Germany who, faced with

<sup>1</sup> For the history of Daisbach see Wolfgang Voegelé, *Daisbacher Chronik* (Stadt Waibstadt, 1993) and Heinrich Steidel, *Ortsgeschichte von Daisbach mit Ursenbacherhof* (Heidelberg, 1910).



wars, limited land resources and economic and political uncertainties following the end of the Napoleonic period were ready to start a new life in North America. After crossing the Atlantic from France, David arrived in Canada via the United States in 1848, a year of great unrest, as the National Revolution of 1848/9 for democratic reform and national unification of the German lands unfolded.

Most immigrants from Southwestern Germany at the time embarked in Le Havre, France and after crossing the Atlantic disembarked in New York. From there, they typically travelled up the Erie Canal to reach Buffalo before crossing through South Western Ontario en route to their final destination. It is very likely that David Kuntz reached his new home that way as well.

As was typical for most young immigrants from the lands, which in 1871 became unified as the country of Germany, David Kuntz was a trained craftsman. As a cooper (maker of casks) and brick maker by trade he was able to establish himself quickly in his new homeland. Based on the fact that he later also founded a successful brewery in his new hometown of Waterloo, it is possible that the young immigrant had been exposed to the beer brewing process back home in Germany as well.



Magdalena Brandt, wife of David Kuntz.



David Kuntz, the founder of the Kuntz Brewery.

Following a common pattern, David was not the first Kuntz family member to immigrate: upon arrival in Canada he joined an older brother, John (Johannes), who had come several years earlier and was working as a farmer in Waterloo County. He eventually purchased a farm near St. Clement's.

The Kuntz brothers' immigration to Canada within a few years of one another points to the existence of a multiple phase migration plan devised by the family: faced with lack of economic opportunity for their sons back home, it is very likely that the family decided together that the oldest son would leave and establish himself first before being joined by his younger brother. The fact that a younger brother, Jacob, joined them later as well further supports this theory. There are numerous examples of this particular migration pattern among newcomers from the German lands to Waterloo County throughout the 1800s.

Concerns about David getting conscripted into the military to help crush the 1848 revolutionary uprisings may have been a contributing factor for the timing of his leaving Germany as well. At 28 years of age, he would have been subject to mandatory military service, and the fact that his departure does not seem to have been authorized by the local authorities further points to the possibility that the evolving



Panoramic View of Daisbach, Germany.



revolutionary atmosphere of the day and potential conscription might have played a role in the timing of David's immigration to Canada.

**HISTORY AND EARLY GERMAN CHARACTER OF WATERLOO COUNTY**

The Kuntzes chose Waterloo County as their destination in North America mainly for its distinctly German character that provided many opportunities for prospering in a mainly German-speaking environment. German-speaking Mennonites, who arrived from Pennsylvania in the early 1800s, marked the beginning of the modern settlement history of Waterloo County with its growing centers – Waterloo and Berlin (now Kitchener). With limited links to the Anglophone outside environment, the defining parameters of the encapsulated Pennsylvania German group settlement were the pioneers' shared Anabaptist faith and the common use of the German language. Most often on their way to the American Midwest through Upper Canada, now Ontario, immigrants from the German lands, arriving in North America from the 1820s on, learned of the area's German character and decided to make Waterloo County their new home. Upon arrival, newcomers found first employment

on Mennonite farms or in their trades in one of the region's growing villages. David Kuntz and his older brother who had come before him were among thousands of German immigrants who settled in Ontario and Waterloo County in particular throughout the 1800s.<sup>2</sup>

**DAVID KUNTZ SETTLES IN WATERLOO VILLAGE**

David Kuntz worked as a cooper in the village of Doon at first before moving to the nearby village of Waterloo. Founded by Pennsylvania German immigrant Abraham Erb in 1806 as the location of his grist and saw mill, Waterloo developed into Waterloo County's agricultural center whereas neighbouring Berlin (now Kitchener), where KEI is located today, took on a more industrial character from early on. Craftsmen, laborers and artisans began arriving in Waterloo village in the 1820s. Building onto the community's Pennsylvania German foundations, they established a self-sufficient local economy encompassing breweries, mills, two foundries, as well as various artisan shops and businesses.

<sup>2</sup> For German migration to Waterloo County see Ulrich Frisse, "Waterloo County" in Encyclopedia, page 1115/16).



Drawing of the Village of Waterloo in the early 1800s (Courtesy, Waterloo Public Library).



King Street in Waterloo decorated for a Saengerfest celebration, 1880s (Courtesy, Waterloo Public Library).



Staff of the Kuntz Brewery in 1894 (Courtesy, Waterloo Public Library).





Convention at the Kuntz Brewery in 1924.



Kuntz Brewery delivery truck.



Kuntz beer delivery to the St. Boniface Hotel in Maryhill.



Wooden beer cases.



Kuntz collectibles.

By 1868, the village of Waterloo had a population of close to 1,800 residents, who were mostly German immigrants, and eight years later the community was incorporated as a town.<sup>3</sup>

## THE KUNTZ BREWERY

An entrepreneur and pioneer at heart, David Kuntz started a brickmaking business after settling in Waterloo. In his spare time, he made beer for family and friends and quickly realized the potential of beer brewing as another business opportunity. As many other pioneer entrepreneurs, he went from door to door selling his products. David selling his beer kegs out of a wheelbarrow to hotels and taverns in the area quickly became a common sight. He eventually gave up brickmaking altogether and began operating a brewery on King Street North in Waterloo at the site of the present *Huether Hotel*. By the mid-1860s demand had grown so much that David decided to build a new, larger brewery at the corner of King and William Streets in Waterloo. He called the new

brewery the *Spring Brewery* because of the clean, fresh, spring water which was found on the site. From that new location, David continued to deliver his beer to customers on a wagon with a team of horses. He is said to have made the bricks for the brewery as well as the beer kegs in which he stored and delivered the beer himself.

David, who was married to Magdalena Brandt, a native of Darmstadt, Germany, was listed in the 1861 census as “married with four children.” Living in a brick house on 2/5 of an acre of land, the Kuntz family owned four horses, twelve cows and twelve pigs valued at \$560. Their means of travel were two carriages valued at \$50. David had \$10,000 invested in the brewery which at the time employed two men at \$36 a month and one woman at \$11.50 a month, producing 12,000 gallons of beer a year valued at \$2,400. According to the enumerator, it was “[t]he best beer in the country as far as the judgment of the Enumerator extends. The Brewery, Cellars and House are first quality.”<sup>4</sup>

The brewery stayed in the Kuntz family for three generations: from David the business was passed down to his eldest son Louis who took

<sup>3</sup> For the history of Waterloo see Kenneth McLaughlin and Sharon Jaeger, *Waterloo: An Illustrated History* (City of Waterloo, 2007), and Ulrich Frisse, “Waterloo,” in Thomas Adam, ed., *Germany and the Americas, Volume III* (ABC Clio: Santa Barbara, 2005), pp. 1119-1122.

<sup>4</sup> 1861 Census of the village of Waterloo, Waterloo Public Library. Also see “Kuntz’ Brewery – What’s our connection?”, *Reflections*, Volume 2, Number 10, October 1989, page 2.





The Kuntz family in the late 1890s: David C. and William Kuntz in the back together with their siblings and mother Theresa Bauer.

over around 1870 and renamed it the *L. Kuntz Park Brewery*. The park reference was inserted into the name because of the park in front of and across the street from the brewery. Under Louis' leadership, the brewery was expanded several times. When Louis unexpectedly passed away on October 8, 1891 after an appendectomy operation, (his father would pass on less than a year later, in 1892), his three sons David, William and Herbert (called "Pat") were still children and too young to take over the business. To fill the void, his wife Theresa's brother Frank Bauer, who was also a brewer by trade, took charge of the business. When he passed away in 1895, his brother Aloyes Bauer, who was not a brewer took on the leadership role and hired a brew master to look after the beer making. Under Aloyes' leadership, the brewery continued to grow rapidly and the original building was expanded.

An important milestone in the history of the *Kuntz Brewery* was reached when, in April of 1910, the brewery was incorporated as a Limited Company with all shares held by Kuntz family members. At the time of incorporation David C. Kuntz Jr., the grandson of brewery founder David Kuntz and father of *Kuntz Electroplating's* founder, Oscar, was named president. He was joined by his younger brothers William and Pat who served as Vice Presidents in the running of the family business. Through incorporation, the business had formally been transformed into a third-generation family enterprise.

In 1914, the year the First World War erupted, the brewery was selling 90,000 barrels a year, making it the second largest brewery in Ontario. What had started as a side business by a young immigrant from Germany over half a century earlier had become a significant economic enterprise and the *Kuntz* brand was known across the province of Ontario. When David Kuntz Jr. passed away on October 25, 1915, the business entered a challenging time period. War-time legislation and the prohibition which started in 1916 and lasted until 1927, created an environment that made it increasingly difficult for breweries to thrive in Canada. However, the *Kuntz Brewery* continued to do relatively well, selling 70,000 barrels of 2 ½ percent beer across Ontario in 1920. Under prohibition, the company switched its sales focus for beer to export sales and began manufacturing soft drinks for the local market. The brewery weathered the storm and came out of prohibition as one of only 15 Ontario breweries still under the same management. When Aloyes Bauer died in 1925, Pat and William Kuntz



Promotional drawing of the Kuntz Brewery at William and Caroline Streets in Waterloo (Courtesy, Waterloo Public Library).





Winners of the Ruhlman Five-Pin Bowling Competition in 1910. David C. Kuntz is seated on the left.

took over the management of the brewery. By the time prohibition ended in 1927, it looked as if the brewery would be able to resume its position as a leader in the Ontario beer brewing market.

It was the Great Depression of the 1930s that eventually dealt the family business a fatal blow. The Kuntz family's long-standing involvement in the beer brewing business came to an end when the fallout of prohibition and a Sales and Gallonage tax suit prompted the family to sell the company in October 1929 to E.P. Taylor and the *Canadian Breweries Limited Group*. The new owner continued to operate the brewery in conjunction with *O'Keefe Brewery* in Toronto at first, brewing Kuntz beer under their own *Carlings* brand name. Next, the *Kuntz* and *Carling Breweries* amalgamated in 1936, and the brewery was renamed the *Carling-Kuntz Brewery*. In 1940, the Kuntz name was discontinued and from then on the brewery operated under its new name *Carling Brewery*. Pat Kuntz rejoined the business in 1935 and became Vice-President in 1940, a position he held until his death in 1945. In 1977 the brewery was purchased by *Labatt Brewery*. It continued operating until 1992, when operations were closed down and the building was demolished.<sup>5</sup>

## OSCAR KUNTZ

Oscar - the future founder of *Kuntz Electroplating* - was born on October 10, 1904 as the third child of David Kuntz Jr. (1877-1915) and Frances C. Kuntz, née Dietrich (1874-1948). He and his siblings, Florence, Louis, Edward (Honey) and Carlo, had a privileged upbringing while growing up in a successful entrepreneurial family. The Kuntzes lived in a large Victorian home next to the brewery with a maid, a cook, a nanny and a pony. Their lifestyle was a reflection of the success of the family business. Lines from the brewery ran into the kitchen of the Kuntz house, where beer and pop from the brewery were on tap at any time.

Life changed dramatically for the family when Oscar's father, David, died at the young age of 36 in 1915 after contracting typhoid at a cottage on Eagle Lake during a fishing expedition in Northern Ontario. The well at the cottage had been contaminated and David had picked up the deadly disease from the water. Oscar was only 11 years old

<sup>5</sup> Donna Diebel, "The 'Kuntz' Brewery - What's our connection?", *Reflections*, Volume 2, Number 10, October 1989, pages 2-3.



The Kuntz children in the early 1900s. L to R: Florence, Louie (in the front), Oscar (in the back), Edward (Honey).



Kuntz children (cousins) in the early 1900s.



when his father died. All of a sudden, Frances found herself living in a big beautiful home with five children and no means to maintain it. Eventually, the widow and her children moved from their Victorian home adjacent to the brewery to a house on Allen Street in Waterloo.

**BECOMING A CHEMIST AND GETTING MARRIED**

For Oscar, the passing of the brewery into the hands of his uncles and the eventual sale of the company in 1929 meant that, in contrast to his late father, he would not be given the opportunity to carry on the tradition of leading the family business. He studied chemistry at *St. Michael's College* in Toronto and, upon graduation in 1926, married his childhood sweetheart, Martha Ann Scherrer. Martha was born in 1905 in Maryhill, near Waterloo, where her parents, Francis Scherrer (1869-1943) and Mary Scherrer, née Hummel (1870-1966), owned



Artist rendering of the Maryhill Hotel by Mary Karn, née Kuntz.



The Scherrer Family. Martha Kuntz, née Scherrer, is seated in the middle in-between her parents.



Back row L to R: Louie, Florence, Oscar, and Carlo Kuntz. Front row L to R: Edward (Honey) and Frances (Dietrich) Kuntz.



Martha Kuntz, née Scherrer.



Oscar and Martha Kuntz in the 1920s.



L to R: Louie, Oscar, Edward (Honey) and Carlo Kuntz in front of the fountain at the Kuntz Brewery.



Oscar Kuntz in Maryhill with the Commercial Hotel in the background.



and operated the local hotel. In 1905 the Scherrers had gotten into the hotel business through Mary's sister Sarah who was married to Joseph A. Zuber, the owner of the *Walper Hotel* in Berlin (now Kitchener). When the Maryhill hotel had come up for sale that year, he had helped them purchase it and establish themselves in the hotel industry.

**MOVE TO DETROIT**

In 1926, the same year that Martha and Oscar got married, he accepted a position as a chemist in a laboratory at the *Graham Paige Motor Company* in Detroit, marking his first exposure to the automotive industry – the very same industry that would later become so instrumental in the evolution and long-term success of *Kuntz Electroplating*. While working at Graham Paige, Oscar attended night classes at *Fordham University* where he studied electroplating. Equipped with new knowledge and skills, he transferred into his employer's plating department.

Seven of Martha and Oscar's eight children - Mary, David, Robert, Doris, Anne, Paul and Sandra (Sandy) – were born in Detroit whereas the youngest – Louis – was born after the family had moved to Cleveland.



Oscar Kuntz with daughter Mary.



Martha Kuntz with daughter Mary.



Grandma Frances Dietrich Kuntz with her granddaughter Mary.



The Kuntz family in Detroit. Front Row L to R: Anne, Bob, and Doris. Back row L to R: Mary, Martha and David.



At Grandma's house in Waterloo: L to R: Mary, Grandma Frances (Dietrich) Kuntz, Janet Kuntz, the daughter of Edward (Honey) Kuntz.



Oscar Kuntz with his children David and Mary at River Rouge Park in Detroit.



L to R: Paul, Sandy and Louie Kuntz.



Oscar and Paul Kuntz.



LIFE DURING THE GREAT DEPRESSION

On October 29, 1929, the New York stock market crashed, marking the official beginning of the Great Depression. Lasting from 1929 until the early 1940s, the Great Depression shattered lives as entire economies collapsed and once successful companies had to lay off their workers on an unprecedented scale.

As for so many other people of that generation, the Great Depression left a deep impact on Oscar, Martha and their family: when the Graham Paige Company was forced to shut down, Oscar found himself out of work for about two years. After years of making good money and affording the family a good lifestyle, the Kuntzes were no longer able to afford their house on Mansfield Street and put it up for sale. Their new house on Quincy Avenue was significantly smaller and in an area of Detroit that Oscar and Martha's children later remembered as a "bad neighbourhood." Their daughter Mary remembers her father hunting rats in the backyard with a BB gun and her mother getting scared at another time when a rat was running through the house.

As the family transitioned into a smaller home and Oscar and Martha kept dealing with the economic challenges of the Great Depression, the

three oldest children – Mary, Dave and Bob - were sent off to Canada to live with Grandma Kuntz and Martha's parents in Waterloo and Maryhill respectively. There was simply not enough room in the new house for everyone and the older children were chosen because they were able to be separated more easily. Besides, Grandma Kuntz and the Scherrers provided a loving temporary home for their three oldest grandchildren. It was for Mary Kuntz's grade 4 year that she and her two brothers moved to Maryhill and began attending school there. During Grade 5 she lived with Grandma Kuntz in Waterloo while the two boys stayed in Maryhill. Mary was brought back home when her mother was pregnant with Oscar and Martha's youngest daughter Sandra, and Paul and Bob rejoined their parents later on as well.

MOVE TO CLEVELAND

Willing to move anywhere in the US where there was work, Oscar eventually found a new job at Metal Finishers in Cleveland. He ended up working for the company as Superintendent of the Plating Department for nine years until returning with his family to his home town Waterloo in 1948. After moving to Cleveland, the younger children attended St. Peter and Paul's, a parochial school with an attached parish where



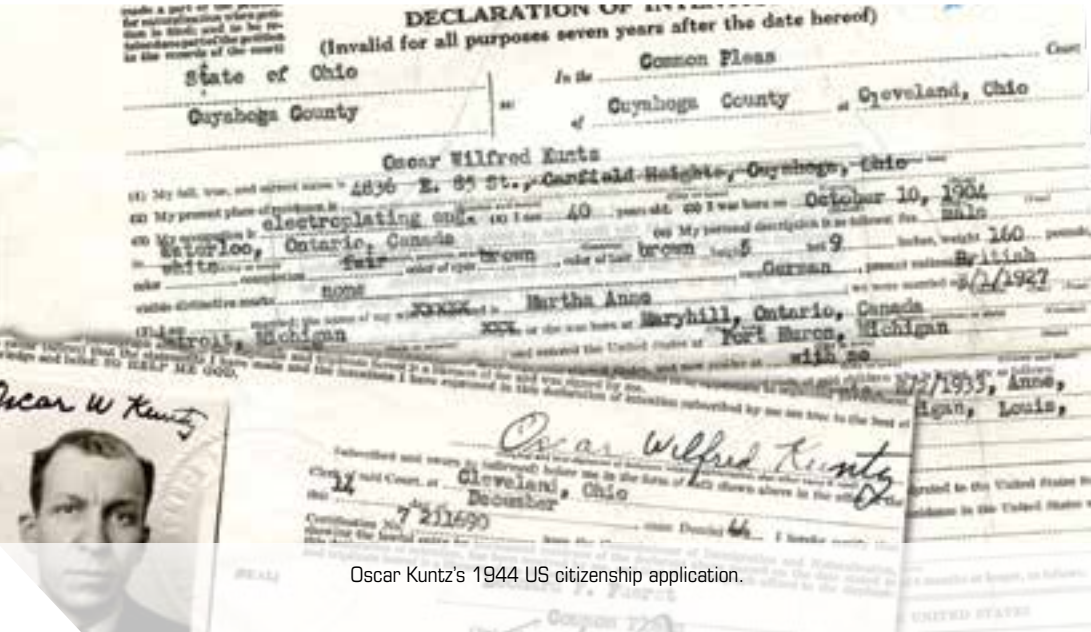
The Kuntz children in Cleveland. Back row L to R: Bob, Doris, David and Anne. Front row L to R: Paul, Sandra, Mary and Louie.



Bob, Paul, Louie and David Kuntz.



Reference Letter for Oscar Kuntz by the Graham-Paige Motors Corporation and Oscar and Martha's US residency cards.



Oscar Kuntz's 1944 US citizenship application.



The Kuntz family in Cleveland. Back row L to R: Mary, Oscar and Martha Kuntz. Front row L to R: Anne, David, Bob and Doris Kuntz. In the front L to R: Paul and Sandy Kuntz.



Oscar is the second person on the left, Martha is on the far right. Next to Martha is her sister Emma Reinhardt. To Oscar's left is Emma's daughter Mary and to Oscar's right her son William.



they were taught by nuns. Always striving to be the best, Oscar did well at Metal Finishers. Following some years of hardship during the Depression, he made very good money. The Kuntzes had a car and for Easter Sunday the children would always have new outfits of tailored dresses and matching hats for the girls and suits for the boys.

Living as the only German-descended family in a Polish neighbourhood in Cleveland during the war came with its unique challenges. Oscar and Frances’ oldest daughter Mary remembered coming home after being called a “Nazi” at school. When interviewed in 2002, Paul Kuntz remembered saving the rubber bands from packages of meat because rubber was extremely scarce during the war years. Rubber bands, same as old tires, were taken to the service station for recycling for the war effort. Paul also remembered the Victory Day Celebrations that marked the end of the war. On that day, bombers took off from the Cleveland airport and flew over the city in formation, making a tremendous amount of noise as they flew over the neighbourhood where the Kuntzes lived. Paul also remembered searching for war paraphernalia. One of his finds was a big life raft that had once belonged to a B 17 bomber plane and seated 8 people. The Kuntzes brought it with them and continued to use it for swimming when they moved back to Canada in 1948.



Oscar and Martha Kuntz in Cleveland.

**FAMILY LIFE**

Oscar was a family man who was committed to his wife and children. The older children remember their father teaching them how to play cards and playing Monopoly with them. Oscar had a very funny side to him.

One Christmas he and his sons Bob and Dave made it their game to shoot ornaments off the Christmas tree. On another occasion, Oscar would throw a bar of soap whose smell he could not tolerate out the door and across the street. Martha just laughed at these expressions of her husband’s unique character. Being a very sociable person, Oscar liked to go to the tavern. One payday, when instead of coming home with the paycheck he had gone to the tavern after work, Martha cooked a pot of potatoes and nothing else and placed it in front of the children for dinner. Oscar was quite surprised when he found nothing but a pot of potatoes when he came home that night.

There were many family outings, including drives in the countryside around Cleveland, watching the Mercury high speed train drive by or attending air shows with air plane races around pylons that were highly popular after the war. One of the fondest memories of Oscar shared by his children is watching their father play the piano. Oscar was an accomplished piano player, having gone all the way up to grade 10 in music at a conservatory, and he often played the piano at home, to the joy of his family.

**MOVING BACK TO CANADA**

In 1948, after nine years of Oscar being employed with Metal Finishers, the Kuntzes moved back to Waterloo. Walking away from Oscar’s well-paying job in Cleveland, uprooting the family and starting all over again with eight children in Canada took a lot of courage. Being a very strong woman, Martha was the driving force behind the decision. “We either do it now or we’ll never do it,” she said to her husband.

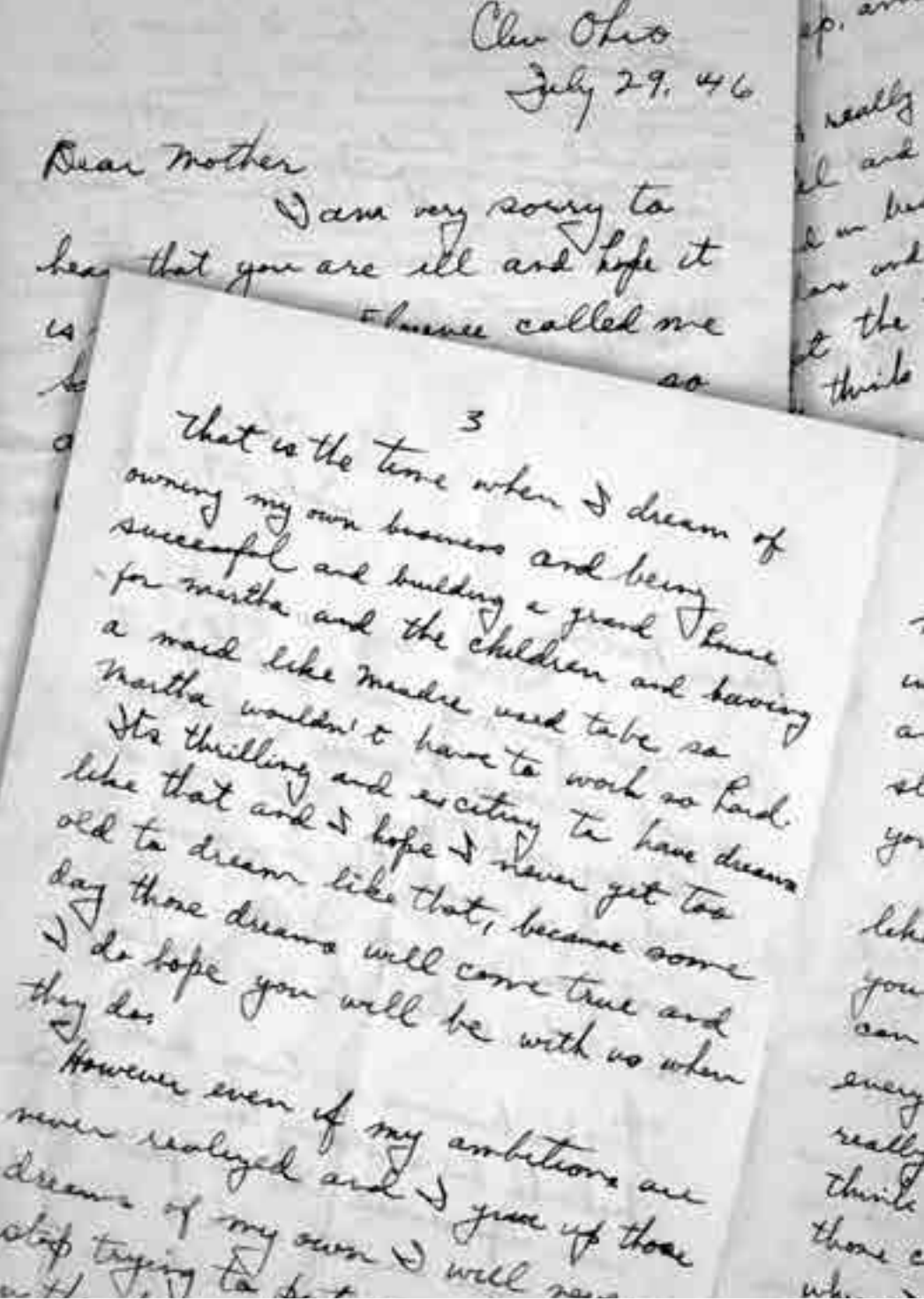
Going back to Canada made sense to Martha and Oscar for a number of reasons. First of all, Waterloo had remained home for the Kuntzes during their years in the US. Close family connections had resulted in many trips back and forth to Waterloo and Maryhill. One of the reasons why Oscar had chosen to move to Cleveland in the first place was that Cleveland was closer to Waterloo than other cities that he had received job offers from as well. Second, although Oscar’s career at Metal Finishers was going extraordinarily well, it appeared to be headed

towards a crossroads sooner or later. Being a very conscientious plant manager, he had an arrangement with Metal Finishers that if the company passed a certain profit threshold he would get an annual bonus based on that profit. In 1947, Metal Finishers arbitrarily cut his bonus after he had made the company a lot of money that year.

Even at that reduced rate the 1947 bonus still amounted to \$12,000, a staggering amount of money at the time. At Christmas 1947, that bonus cheque was placed on top of the Christmas tree instead of the star. In spite of their happiness about Oscar’s success, the couple felt that he might eventually become too expensive for his employer and the arbitrary bonus cut suggested to them that Metal Finishers might try to get rid of him at some point in the future. Another motivating factor that played into the decision was Oscar’s concern that his older boys might get drafted into the US military. These were the days of the Cold War, and the Korean War (1950 – 1953) started only 2 years after the family moved back to Canada.

Most importantly though, Oscar had been toying with the idea of starting his own electroplating company for a while. In a letter to his mother written from Cleveland on July 29, 1946, he laid out his vision for the future: “This is the time when I dream of owning my own business and being successful and building a grand house for Martha and the children and having a maid like Maudre used to be so Martha wouldn’t have to work so hard. It’s thrilling and exciting to have dreams like that and I hope I never get too old to dream like that, because some day those dreams will come true and I do hope you will be with us when they do.”

Oscar’s vision would come true almost exactly two years after communicating his hopes for the future to his mother. Unfortunately, his mother was not there to see her son turn his dream into reality. Frances Kuntz passed away in 1948. The bonus money Oscar had received from Metal Finishers in 1947, together with his inheritance put him into a position to pursue his entrepreneurial dream - the founding of his own metalfinishing operation in Waterloo, Ontario. The family’s move to Canada meant that after twenty-two years of living in the US, Oscar Kuntz was returning to his family’s entrepreneurial roots in his hometown community.



Letter written by Oscar Kuntz to his mother in which he lays out his dream of becoming a successful entrepreneur.





## **FOUNDING AND EARLY YEARS OF KUNTZ ELECTROPLATING**

(1948-1960)

**CHAPTER 2**



# THE FOUNDING AND EARLY YEARS OF KUNTZ ELECTROPLATING - 1948-1960

*Kuntz Electroplating* started out in an abandoned auto body repair shop at 9 Princess Street East in Waterloo that Oscar had purchased from the Carr brothers. October 16, 1948 was the first day of production. Following the installation of tanks, boilers and a generator, *Kuntz Electroplating* assumed operations, specializing in plating right from the beginning. The first orders came from *Onward Manufacturing*, a local hinge manufacturer that gave the newly established plating company the business to chrome-plate hundreds of hardware pieces a day.

Oscar originally named his company *Metal Finishers*, the same name as the Cleveland Company he had worked for. When he started calling local companies for business and told them his name, he was frequently asked whether he was connected with the *Kuntz Brewery*. On one occasion, after Oscar had revealed that the brewery had been his father's business, it was suggested to him by Ralph Tailby to call his electroplating company *Kuntz* as well. The proposal made a lot of sense to Oscar, because everyone in the local business community seemed to know who his father and grandfather were. Furthermore, the family name fit better into a local business community that from its earliest days had been shaped by successful family enterprises. Thus, *Metal Finishers* became *Kuntz Electroplating*. As Oscar became aware of the significance of his company's links with the brewery and with the legacy of Kuntz family entrepreneurship, he began using the unique script of the *Kuntz* name from the brewery's letterhead and logo in the logo of *Kuntz Electroplating* as well. With this move, the corporate legacy of the brewery and Kuntz family entrepreneurship during the 19th and early 20th century became part of the corporate identity of *Kuntz Electroplating*.



## FAMILY BUSINESS

*Kuntz Electroplating* was a family business right from the beginning. From the first day of operations, Oscar was joined by his oldest son Dave, who played an instrumental role on the operations side. Dave's younger brother Bob worked on weekends and became more active in the business during his last three years of high school, working in maintenance, on the plating solutions, etc. Their sister Doris was working in the office doing bookkeeping and writing paycheques by the time the company had grown to 30 employees. Their other sister Mary took over from Doris when the latter had her first baby. Mary went to night school and took bookkeeping courses and worked in the office for several years until Madeline Scheifele was hired as the first non-family bookkeeper. At age 14, Sandy, Oscar and Martha's youngest daughter, began working summers in the racking and packing department. One of her jobs was to place door hinges for *Onward Manufacturing* on the rack before being plated.

Although Martha and Dave's wife Dolores did not hold any official position in the company, their role in building the business was pivotal. Oscar had eight children and his son Dave had six. Without Martha and Dolore's unconditional commitment to raising their families, neither Oscar nor Dave would have been able to focus on building *Kuntz Electroplating* the way they did.

The company grew slowly at the beginning. A first employee – 17-year-old Larry Boppre – was hired as production assistant at 50 cents an hour in October 1948 to work alongside Oscar and Dave. He ended up staying with the company until retiring from the position of Purchasing Manager in June of 1992 after 44 years of service. In the beginning, production was relatively small. *Kuntz Electroplating* could run a maximum of 12 racks an hour. Larry Boppre remembers “We’d run those 12 racks and then have a half an hour break to do other jobs or to take a break.”

Hiring employees in those early days was very informal. In July 1949, John Zettel, a friend of Dave's became the company's second employee, working in maintenance and helping to form *Kuntz's* first maintenance department. John remembers how he got the job: “Dave and I were sitting at the Maryhill Hotel owned by his grandmother. We used to go into the back kitchen and drink beer, even though we weren't 21 yet. The old man [Oscar] was there as well and he said to me: ‘Are you looking for work?’ and I said ‘yeah’ to which he replied: ‘come in Monday morning and you’ve got a job.’ That was the extent of my job interview with *Kuntz Electroplating*.” John stayed with the company for the long run, retiring after 46 years of service from the position of Maintenance Manager in 1995.

Oscar, Dave and their few employees often worked through the night and over the weekends to keep the business going, as Oscar



Oscar Kuntz at the time he founded  
*Kuntz Electroplating*.



Oscar and David Kuntz.



Oscar Kuntz's business cards.



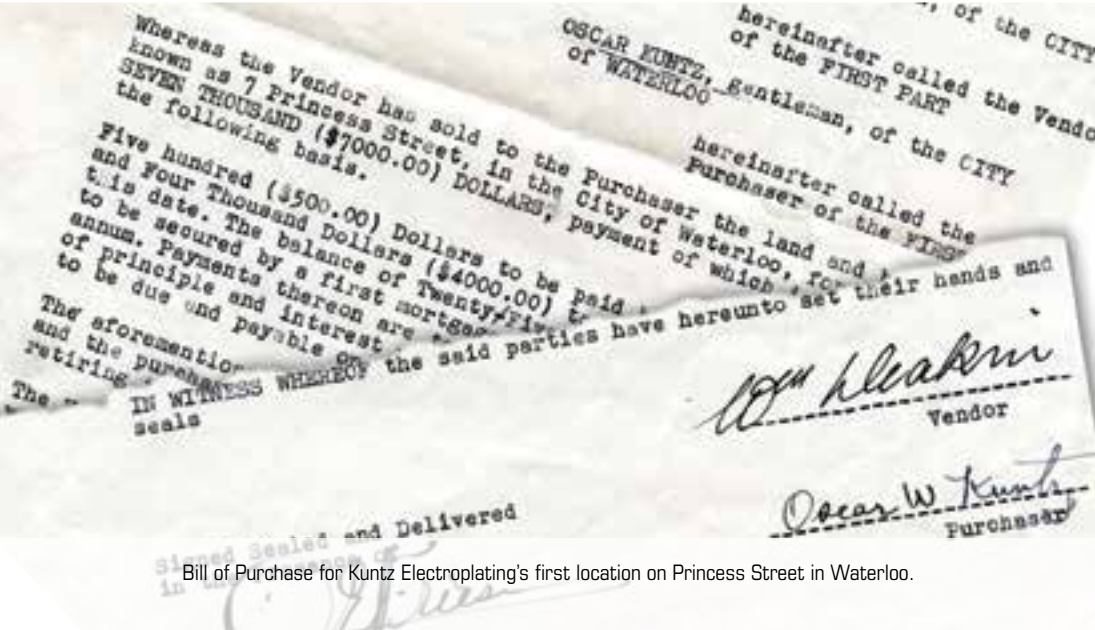


David Kuntz.

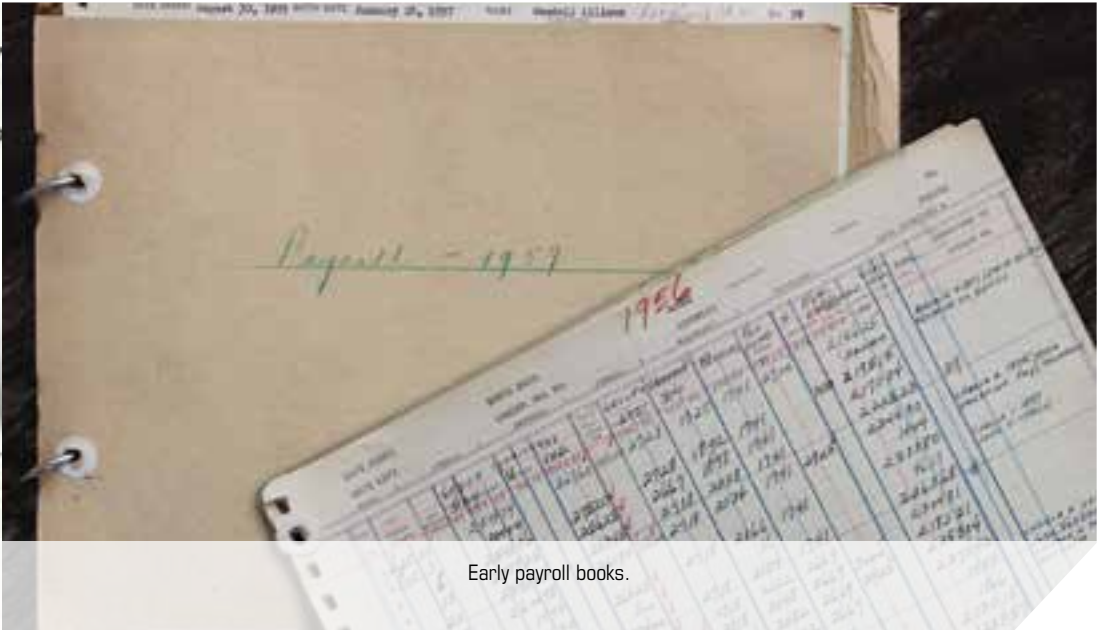
was trying to establish his company in the manufacturing landscape of Southwestern Ontario.

### OFF TO A BUMPY START

Business fluctuated in the early days and there was not always enough work for Oscar to keep his men employed all year round. John Zettel remembers Oscar telling him at one point in the early 1950s that he had to lay him off because he had no work for him. John, who had just recently gotten married and needed work, began looking for another job and immediately had two offers. With that, he went back to Oscar and told him that he was leaving. “What do you mean you are leaving?” Oscar asked. “Well, I’ve got to work, I just got married. If you’ve got no work, I need to go work somewhere else,” John replied. “Get the hell out the back and find something to do,” Oscar said and finished the conversation. Bob Speaker, who was hired in 1951 on Princess Street, also remembers being laid off after a couple of months before being hired back and staying with Kuntz *Electroplating* for 42 years until retirement in 1993 from the position of Polishing Plant Supervisor.



Bill of Purchase for Kuntz Electroplating's first location on Princess Street in Waterloo.



Early payroll books.

### PRINCESS STREET OPERATIONS

The Princess Street facility had a small office in the front and a plating and a polishing section on the main floor. In the basement there was a boiler for heating up the tanks. When material came in to be plated the employees had to haul it to the upstairs where material was stored. Whether it was large boxes with drain boards for washing machines from *Beatty Bros* in Fergus or hinges in small aluminum ammunition cans – everything needed to be carried up onto the second floor before being plated.

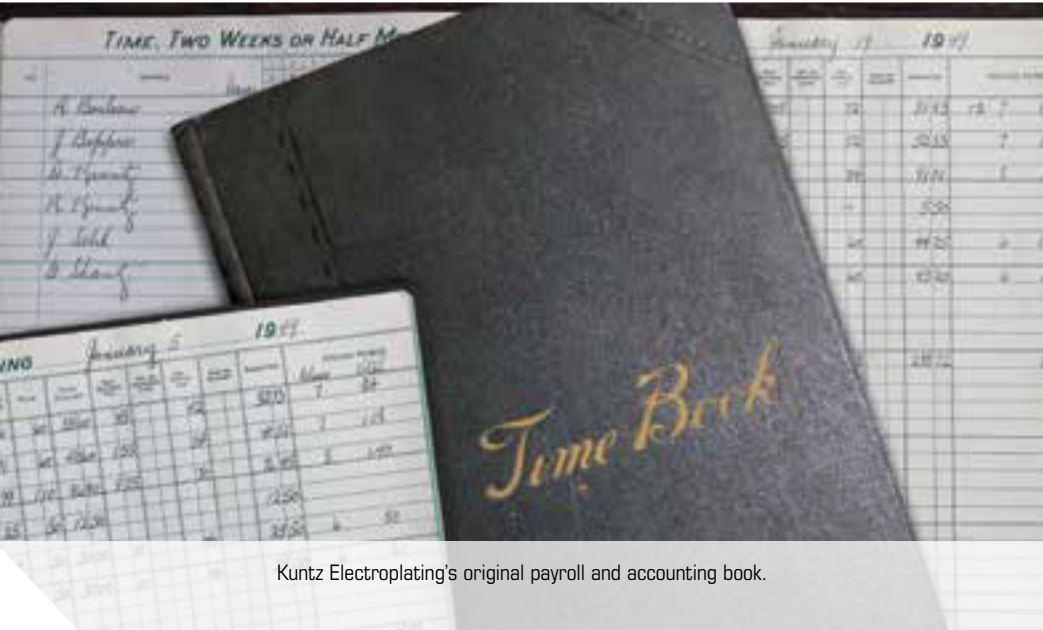
With no loading facilities other than a hoist, and limited space, the Princess Street facility was quite primitive by modern standards. It got so cold in the plant in the wintertime that, as Bob Speaker remembers, employees wore coats inside while working. As many of the early workers came off the farm, they were used to working with no heat. In the absence of a company truck, Oscar used his station wagon for transporting anything related to the business. For fire prevention and fire response in case of an emergency, there were hose cabinets in various locations around the plant.

Early jobs at the Princess Street facility included plating and polishing door poles, chrome buttons and hinges for cupboards. From that they

went into ringer washing machine trays and cold trays and ringer heads that go across the top of the washing machine. The first custom bumpers were plated in 1956 on Princess Street.

John Zettel remembers: “I will never forget one day. We used to hose off the plated parts with a hose. That time Larry Boppre and I were holding the hose and another guy turned on the tap and Oscar ended up getting a shower. He said, “God damn you Dave, you hired that guy!” In addition to Onward Manufacturing and Beatty Bros, early customers included *Simplicity* in Hespeler, *Haeger Hinge* and other local manufacturing businesses.

Oscar, Dave and their employees developed a lot of creativity in the old days when things needed to be fixed at the plant. John Zettel remembers one morning when checking the coal boiler at the Princess Street plant he realized that is was out and the place was filled with water. There were holes in the tubes on the top of the boiler. Dave told John to go to the store and get him a couple of baseball bats the size of those tubes in diameter. Black from cleaning the boiler, John went to the store and asked the clerk for baseball bats. When the man inquired what he intended to use them for, John answered: “I am putting them into a boiler.” Together Dave and John plugged the holes by putting the



Kuntz Electroplating's original payroll and accounting book.



baseball bats down the inside of the tubes on top of the boiler. The baseball bats served their new purpose for about six months until the company moved to its new location on Nyberg Street in Kitchener.

In the early days on Princess Street, Dave and Larry Boppre would often come back to the plant after dinner to clean racks and do little odd jobs they didn't have time for during the day. "That's the way it was. We did whatever it took and worked until the job was done." Cleaning out the tanks/boilers was a particularly dirty job. Rolly Boileau and Larry regularly went into work on a Saturday to clean out the boiler. "When we got out, we were just black as coal," Larry remembers. To clean the boilers, Larry and his co-workers wore coveralls and put rags over their heads.

One time Dave and John Zettel made a hot acid bath over the noon hour by mixing muriatic and sulphuric acids in a regular rubber lined tank. They did not have a lead lined tank that would have been proper for use as a hot acid tank. "When we dumped those two acids together, the tank just went crazy and everything in the plant rusted up from the fumes," John remembers. "Then the old man [Oscar] came back from lunch and boy was he ever upset." "God damn dummies," he said: "Don't mix acids!" Following that experience it did not take Oscar long to purchase a proper hot acid tank for the business.

The early years of the company were characterized by very close relations between Oscar, Dave and their few employees. Bob Speaker remembers Dave coming out to the Speaker family's farm in Maryhill and hunting groundhogs on the property. At one point, one of Oscar's dogs lived on the farm for a while. The connection between the Kuntz family, the business and the small town of Maryhill remained strong over the years. Several early *Kuntz* employees were from that town and the Maryhill connection would eventually include the Zettels, the Kennedy's, the Speakers, Lloyd Stemmler, Judy Lauber who recently retired, and others.

**MOVE TO NYBERG STREET AND GROWTH DURING THE 1950S**

In spite of some temporary fluctuations, the 1950s were a decade of consistent growth for the young company. In 1951, Kuntz hired over 40 new employees and the plant was relocated to Nyberg Street in Kitchener. Elmer Zettel and Bob Speaker were two of those early hires who stayed with the company throughout their entire careers. Rolly Boileau was the polishing foreman at the time and new employees who joined *Kuntz* in the 1950s learned their job from him.



Kuntz Electroplating's Nyberg Street plant in Kitchener.



David Kuntz (in the middle).



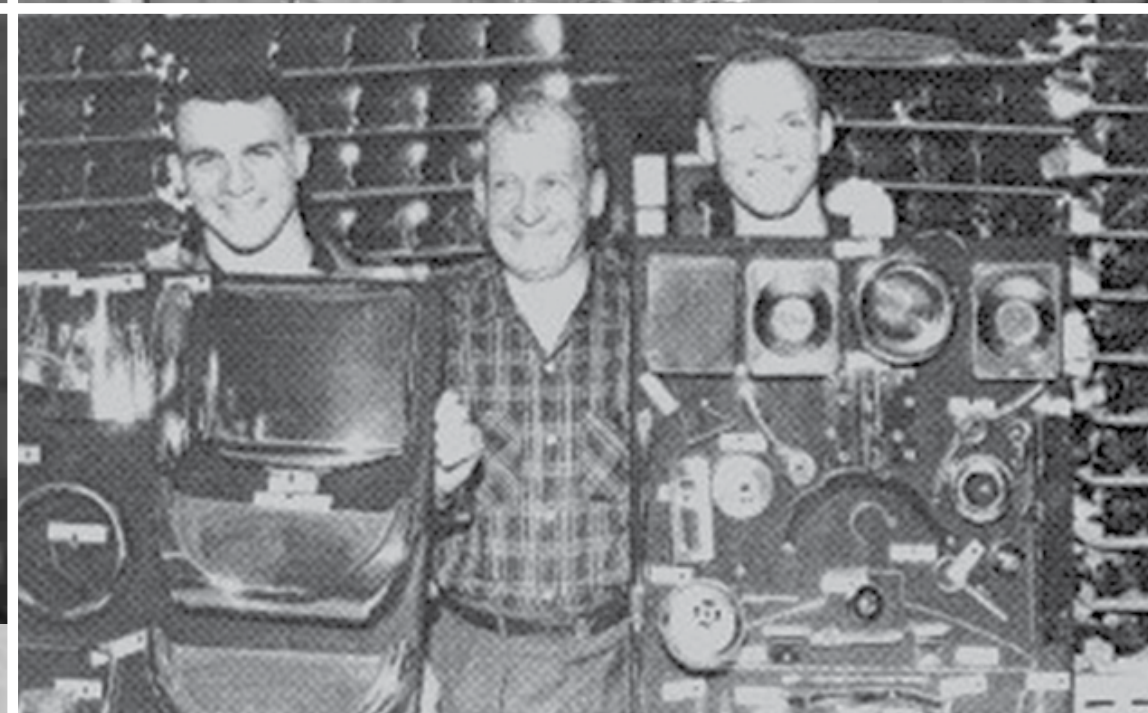
Nyberg Street plant under construction.







Production on Nyberg Street.







Humble Beginnings – Painting by Peter Etril Snyder (Courtesy Peter Etril Snyder).

The original plant at Nyberg Street was a very small plating shop with six grease wheels for polishing and a shipper room. It was a typical small industrial establishment that consisted of a hand-plating line on a three foot high deck and a barrel line in the back room. Plating was done manually with the help of an air hoist. One employee did the plating while several others were in charge of racking and unracking the parts. On the night shift the hand plating line was operated by one person. “There wasn’t anything fancy there,” Doug Dietrich, who joined *Kuntz Electroplating* in 1965 and continues today as VP Special Projects, remembers.

As *Kuntz Electroplating* became an integral part of Kitchener’s industrial landscape and new orders kept coming in, more production space was needed. As a result, the Nyberg Street location was expanded twice – in 1952 and 1956. Expansion to the plant added a larger polishing shop and a barrel plating room. The two additions to the plant more than doubled the manufacturing space from its original size of 6,000 square feet.

### OSCAR’S ROLE AND RELATIONSHIP WITH HIS EMPLOYEES

As a trained lab technician, Oscar was a very hands-on entrepreneur. He was involved in developing processes and solutions, particularly during the Princess Street and early Nyberg Street days. Later on, as the company kept growing, he spent more time in the office.

On the occasion of *Kuntz Electroplating’s* 50th Anniversary in 1998, Larry Boppre remembered his former boss during the early years of the company as being a soft-spoken man who knew how to get the most out of his employees: “It would drive him crazy that there would be finished hinges scattered all over the floor. So he would call a meeting and, beforehand, throw quarters on the floor to see if we would pick them up. When we did, he would quietly remind us that we should be paying as much attention to our customer’s hinges on the floor as we did to the stray coins. We got the message loud and clear.”

John Zettel adds: “He would walk through the plant and see something that I should have seen and he would stop and look at it until I noticed. I don’t think I got an order from him as long as I worked for him. Around the plant, he never bossed anyone around.” Oscar’s son Paul remembered his father both for the long hours he put into building

the business and his quiet nature: “He was a man of few words, but if something was wrong, he would let you know about it. No matter what was going on, he would always listen patiently to every side of the story, then quietly express his own opinion.”<sup>6</sup>

Oscar was very jovial and personal with his employees. “Stories from the good old days” include Oscar “raiding” John Zettel’s garden for potatoes before going to the cottage, the employees singing Christmas carols together at Oscar’s house with him playing the piano, employees helping their “boss” fix things at the cottage or rescuing him from situations. John Zettel remembers: “He and I got along pretty good. He had a golf cart that he used for going from the Rockway Golf Course to his house. One day he called me and he was stuck in the mud. I went out and rescued him.”

Employee Christmas parties at the Kuntz house are particularly well remembered by the older retired employees. John Zettel reflects: “In those days when there were only half a dozen of us, we would take our wives and go to Oscar’s house. We all had a few drinks together and he would get on the piano and entertain us with German songs. He could understand German. Great times!” Larry Boppre remembers playing cards at Oscar’s house and Oscar taking the employees bowling and for drinks to the *Waterloo Club* afterwards: “I felt like I was almost part of the family, and I think most of the Kuntzes thought that way as well. We really had good times. It was a good company to work for.”

Oscar Kuntz built the success of his company on his knowledge of the plating process, his entrepreneurial drive and his ability to build solid relationships. He instinctively knew how to choose the right supplier and how to relate to his customers and employees. By the late 1950s, *Kuntz Electroplating* had gained a solid reputation for its polishing and plating mainly of household appliances.

<sup>6</sup> Ibid, page 3.





## TRANSITIONS

Kuntz Electroplating in the 1960s

CHAPTER 3



## EXPANSION AND PERSONAL TRAGEDY

The 1960s were marked by gradual expansion into new markets. Although household items and hardware remained the main product plated by *Kuntz Electroplating* during the early 1960s, the company began receiving orders from the defense industry for aircraft and radar components and for other defense-related projects. As new opportunities kept presenting themselves, *Kuntz Electroplating* kept growing with new demands from their manufacturing customers.

1965 proved to be a watershed year, as it marked the company's first real venturing into the automotive market when *Kuntz Electroplating* began receiving large orders for plating seat belt buckles. That same year the company moved to its current location on Wilson Street. By the end of the decade the company had become more diversified, as it was serving manufacturers in the appliance, aerospace and automotive industries.

### TRAGEDY STRIKES - LOSING DAVE KUNTZ

Dave Kuntz tragically died at the plant on April 18, 1961. After undergoing surgery and taking some time off to recover, he came into the plant on that fateful day and told John Zettel at the maintenance bench that he would be back for work the next Monday. The two friends talked for about half an hour until Dave left. As he walked through the door, an employee was coming around the bend with a lift truck carrying a load of bedsteads Kuntz was plating for beds at the *Kitchener-Waterloo Hospital*. The beds started to slide and when Dave stretched out his arm to stop the load from falling, his wound ripped open. Although he was rushed to the hospital, Dave succumbed to the pulmonary embolism he had suffered as a result of the sudden move.

Dave's entirely unexpected death at age 31 was a great shock to the entire family and to his wife Dolores, in particular, as she was left to care for her and Dave's six children without her husband.



Inside of the Kuntz Nyberg Street plant.



Bob reflected on his brother's passing when interviewed in 2002: "It was so sudden; it was hard to understand what happened and whether it could have been prevented." Paul remembered his older brother as "extremely generous; he was wonderful to work with because he helped everyone in the business. Everyone on the floor loved him." Larry Boppre concurs that Dave was "a terrific guy to work for" and as someone who was "very knowledgeable about the plating business and always willing to share information."

### BOB KUNTZ STEPS UP TO THE PLATE

To fill the void left by Dave's tragic passing, his younger brother Bob, who had worked alongside his father, Dave and the employees on and off from the earliest days of the family business, stepped up to the plate and took on leadership responsibilities in the company. Oscar never got over the loss of his oldest son and increasingly relied on Bob on the management side of the business. Bob looked after operations, got involved in sales, then became Vice President and eventually took over the role of President in the second half of the 1960s while Oscar continued to stay involved in the background.

Bob, born in Detroit in 1932, was the third of Oscar and Martha Kuntz's eight children. A professional football player and a CFL all-star with the *Toronto Argonauts* and the *Hamilton Tiger-Cats*, he took on management duties during the off-season in addition to maintaining his football career. Early employees remember Bob running the plating line at *Kuntz Electroplating* during the football off-season. In his role as Manager, he built relationships with customers including *Canada Cycle and Motor Company (CCM)*, which created new volume in the plating of bicycle components.

When he decided to help his father in the business by taking over the management of the company, Bob retired briefly from professional football; however, he quickly realized that he was not ready to let his dream of a professional football career die. Driven to continue in football while managing the family business, he requested a transfer from the Argonauts to the Hamilton Tiger-Cats, which were closer to home. By the end of the off-season, he had returned to the field as a Hamilton Tiger-Cat. He would work a full day at the plant and then drive to practice in Hamilton every night. On weekends, he travelled with his team across the country for games. Balancing the demands





**BOB KUNTZ'S  
CFL CAREER:**

In the late 1950s and early 1960s, Bob (Bobby) Kuntz brought fame to both the company and to himself, as he was a star CFL running back and linebacker for both the Toronto Argonauts and Hamilton Tiger Cats. After being rejected by his Cleveland high school team for being too small to join the team, he played at St. Jerome's High School in Kitchener for three

years. During his stint at McMaster University, he played both football and basketball. When he was needed in the family business, he left university but kept playing football. He signed with the Toronto Argonauts at age 23 for the 1955 season, following four years of great performances as a senior league player for the Kitchener Dutchmen. While playing for the Argonauts, Bob was named a divisional all-star at three different positions: defensive back in 1957, running back in 1962 and linebacker in 1964. He often played both offence and defence in the same game. "Bobby Kuntz Day" brought 23,316 cheering Toronto fans to CNE Stadium on October 29, 1961, when Bob announced his retirement from the Argonauts. In 1962, Bob rejoined the CFL and helped the Tiger-Cats win the Grey Cup in both 1963 and 1965. He retired from professional football in 1967. In 1998, on the occasion of the 50th anniversary of the family business, he reflected on his CFL career and the two Grey Cups he had won with the Hamilton Tiger-Cats: "To me, it was a dream come true. I always loved football. It was a thrill for me to play in the big leagues."<sup>7</sup>

<sup>7</sup> Quoted after "Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record" to mark 50 years of Kuntz Electroplating; Saturday, October 17, 1998, page 6.



of a professional football career and his growing leadership role in the family business made for a busy life. In 1998 Bob reflected on those days of managing the family business and pursuing his professional football career at the same time: "Every year, I would tell myself it would be the last year, but I just couldn't give it up."<sup>8</sup>

**NYBERG STREET OPERATIONS  
(1960-1965)**

While the company kept growing throughout the 1960s, Oscar maintained close personal relationships with the employees. Larry Boppre remembers: "Oscar loved to be one of the boys. He would walk through the plant, stopping to talk to everyone." Wayne Beilstein, who joined the company in 1956 and retired in 2003 after 47 years of service from the maintenance department, remembers Oscar walking through the shop with his dog: "The dog, a collie, was given to him by George Michalik who worked on the plating line and he used to go all over with him." According to Don Bitschy, who was only 17 years old when he started working at *Kuntz Electroplating* in 1960, and retired from the company after 40 years of service from the position of plant manager, Oscar could come across as somewhat intimidating at times: "He was a little coarse. Everybody listened when Oscar spoke. To us young guys, he was obviously the owner."

The personal connection that characterized the relationship between the original employees and Oscar continued under Bob's developing leadership. Larry Boppre remembers Bob getting tickets and taking managers and customers to football games. After the game, he would bring up some of the players to meet the customers.

*Kuntz Electroplating* was still a small plant and there was a lot of camaraderie among the employees. On Saturday mornings employees would sweep the floor and afterwards share a keg of beer together. Everyone had their own glass at the plant for that purpose. This was a tradition that continued for years. On occasion, employees put the beer into the water tank during a 12 hour shift on the weekend to keep it cool for the following night shift. Things were quite different back then.

Most of the products plated at the time were washing machine parts and poles for doors and hinges, school furniture, and bedsteads made

<sup>8</sup> Quoted after "Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record" to mark 50 years of Kuntz Electroplating; Saturday, October 17, 1998, page 6.



Outside of the Kuntz Nyberg Street plant.





out of heavy iron for the Kitchener-Waterloo Hospital. Bicycle parts became another significant revenue stream for the company as *Kuntz Electroplating* built close relationships with CCM and other manufacturers.

When 30 year old Wayne Beilstein started at *Kuntz Electroplating* in around 1960, he was paid 75 cents an hour, a substantial increase from his previous pay as a pipe fitter apprentice of 50 cents an hour. In 1960, seventeen-year-old Don Bitschy began working 12 hour night shifts on Nyberg Street. The hourly wage on the night shift was \$1.10 and a 60 hour work week was quite normal. There was no overtime pay in those days and training was provided on the job: “There was no special person there to train you. You were trained by the guy who was there 2 or 3 years longer than you.”

Working hours continued to be loosely defined as workers put in a lot of time and did not go home until the job was done. Larry Boppre remembers: “One week I worked 100 hours. I would go in and sleep in Oscar’s office for half an hour and go back out. There was a big push on those seal belt buckles at the time, and there were trucks coming in and out all the time and we had to have the shipments ready.”

Everything at the Nyberg plant – both the plating and the polishing – was done manually at first. The rackers placed the hinges and other

pieces about to be plated on racks. Next the plater picked up the racks and dipped them into the different tanks by hand. “It was a crude process compared to how things are being done today,” remembers Don Bitschy.

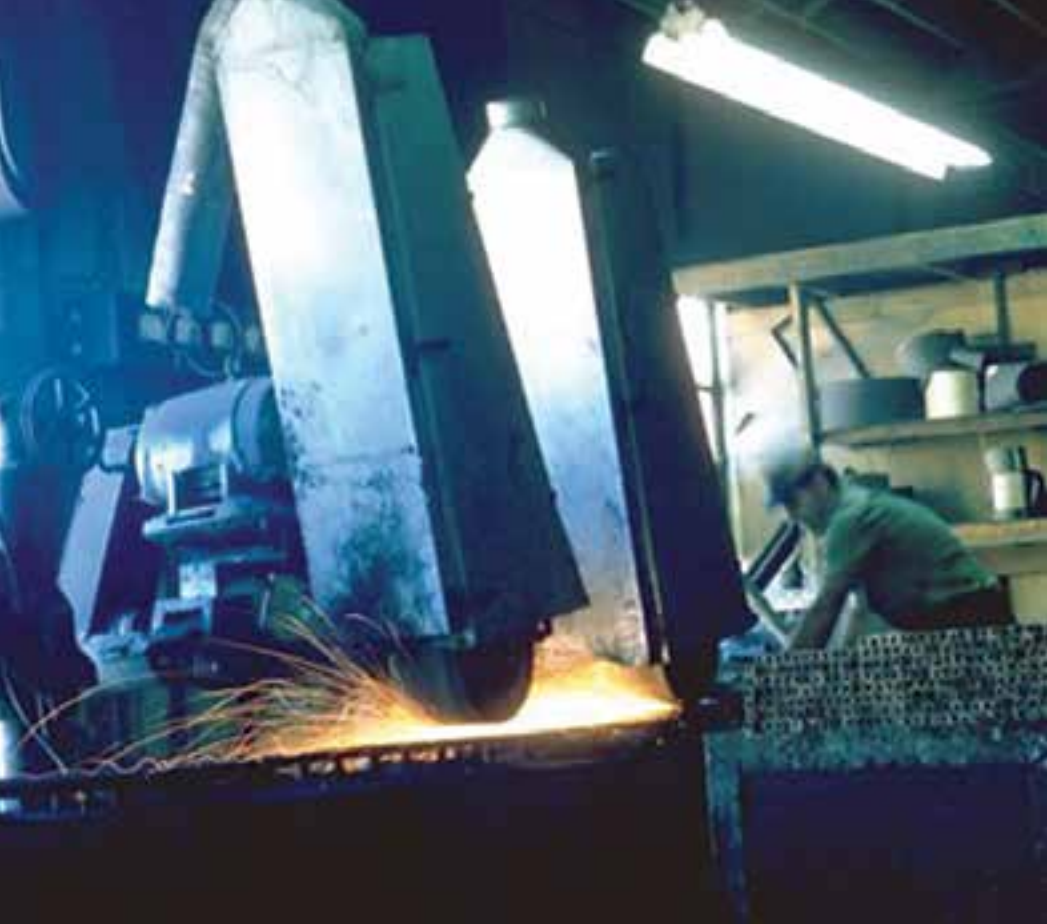
Automation came in gradually and early forms of automation were usually improvised and hand-built by the employees. One day John Zettel got several cranes out of a car. He attached a motor and a hook to them to make the baskets used for holding the pieces during the plating go up and down on their own. This invention marked the early automation of the barrel line at *Kuntz Electroplating*. Later on, the employees took an old cement mixer and built a conveyor to go under the polishing wheels to put the parts on so the polishers did not have to lift the heavy parts any longer. “We built a lot of machinery that way,” Wayne Beilstein remembers. Eventually machines were brought in during the 1970s that transferred the racks and washing machine panels automatically from tank to tank. The platers not having to carry the racks and panels by hand any longer was a major improvement.

Smaller “explosions” that were caused by a hydrogen buildup between the solutions and the foam in the tank were a frequent occurrence. When the buildup came into contact with the plating rack, it would spark and cause an explosion. John Zettel remembers the old flash

boiler on Nyberg Street blowing up on occasion. “It could build up steam in 15 to 20 minutes and then it was ready to blow up with a big ‘bang’”.

*Kuntz Electroplating* did not have a forklift at the Nyberg Street plant at first. When a truck came in with parts, the workers got off the line and picked the material off the truck by hand. After using a three wheel hoister for lifting heavy things for quite some time, the company bought its first real forklift. Larry Boppre, who worked in shipping at the time, remembers that having a forklift, rather than loading trucks with the hoist, was a major improvement: “We could move things around a lot quicker, we could load and unload trucks a lot faster, and things went real nice and smooth after we had bought that forklift.” The “company fleet” on Nyberg Street consisted of one truck and Lloyd Schafer was hired as the company’s first driver.

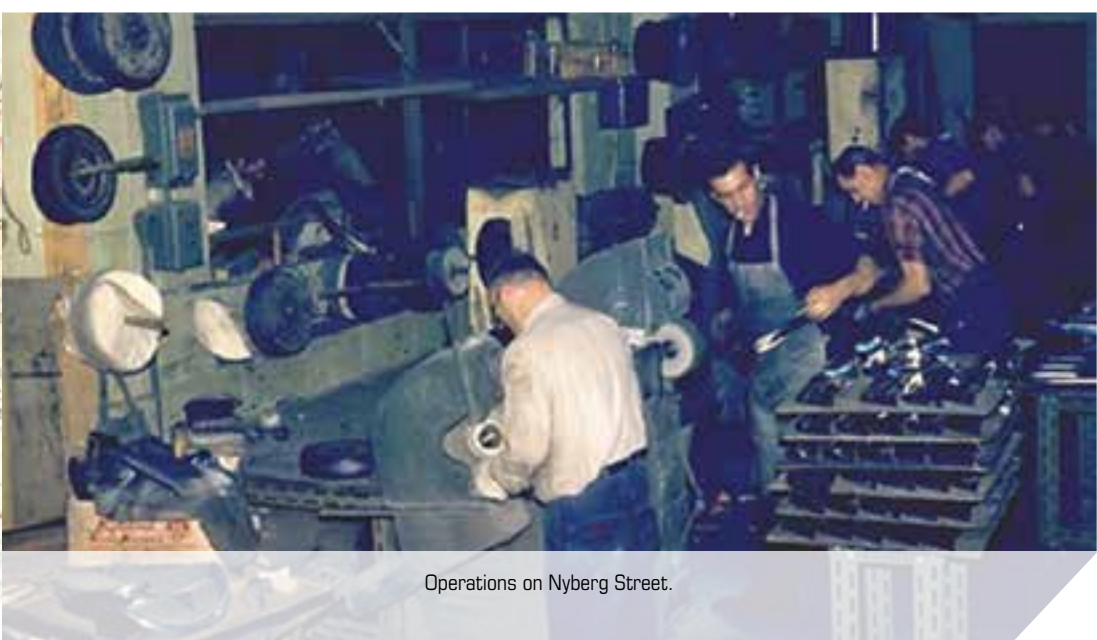
Modern worker protection equipment was virtually unheard of in the 1960s. In the old days, there were no ear plugs and no special clothing to wear when working with chemicals. Fume hoods and personal fume protection equipment, such as masks, were not yet common in the industry. Wayne Beilstein remembers: “One Saturday afternoon I was helping George Michalik clean out a tank. I climbed into the tank, it was about three feet by three feet wide and four feet



Price lists and registration certificates.



Note cards with hand-drawn specifications for plating jobs.



Operations on Nyberg Street.







Oscar and Edward (Honey) Kuntz.



Oscar and Martha with friends Audrey and Art Severs, Rita and Benny Cameron and Shirley and Lloyd (family name unknown) at the Whirlpool Restaurant in Niagara Falls (New York).

deep. I was in there picking the mud out and he was up there with a pail. The next Monday morning I went back to work, and wanted to put my clothes on, the same clothes I had worn in the tank that Saturday afternoon, and all that was hanging there was the collar of my shirt. That was quite a time!"

When worker protection became a matter of concern, protective gear remained limited to safety glasses and safety boots at first before masks and hearing protection became common. Eventually, equipment to cut down the dust from polishing and the fumes from plating was installed throughout the plant.

In spite of its limitations, the larger facility on Nyberg Street allowed *Kuntz Electroplating* to get into bigger-sized products. Plating and polishing of material used on vehicles, such as bumper guards and bumpers started while the company was still on Nyberg Street. Working for the automotive industry, while providing great opportunities for growth, did not come without its unique challenges. John Zettel remembers a strike at *Ford* impacting production and Oscar being very critical of the automotive business: "We were all geared up to plate headlight rims for Ford at the plant on Nyberg Street. The plating racks were built and everything was ready to go and they went out on strike. The old man was so upset!"

Feeling blessed with the growing success of the company, Oscar brought in profit sharing while the company was still operating at Nyberg Street. Larry Boppre remembers: "I think one of the highlights there was when Oscar brought in profit sharing. We had our meetings at night and Oscar would empty the cooler and put beer into it. Of course, we ended up playing poker after the meeting was over."

## MOVE TO WILSON AVENUE

By the mid-1960s, *Kuntz Electroplating* had outgrown its Nyberg Street plant. In 1965, following years of employee growth and increased production, the company was moved to its current location, a five acre industrial lot at 851 Wilson Avenue (then called Cressman Avenue) in Kitchener. At a price of \$15,000, purchasing the new property marked a major investment at the time. It was one of the single most significant investments in the history of the company. Today, following additional purchases of adjacent properties and multiple expansions, *KEI* continues to operate out of the same location.

*Kuntz Electroplating* moved from Nyberg Street to Wilson Avenue without missing a beat. John Zettel reflects: "The most challenging task was setting up the first building on Wilson Avenue. We had one lift truck at the Nyberg Street plant and needed to move all our equipment over while making sure that production continued. We could not shut down. Me and a couple other men dragged the copper up to the new location, trucked up the rectifiers and did a lot of manual labor at the new plant. It was one of the biggest episodes I can remember. We moved the plant with hardly a break in production. It was a big job, but we had stuff running before we moved in."

In 1968, the company's 20th anniversary year, a 6,000 square foot Hoist Line building and a 5,000 square foot Polishing Plant were added to the premises. Known today as the "old Hoist Line" and Polishing Plant #2, this addition significantly enhanced *Kuntz Electroplating's* plating and polishing capabilities. At the time, the company employed approximately 100 employees and serviced customers from Windsor to Montreal in the appliance, automotive and aerospace industries.

## OPERATIONS AND GRADUAL AUTOMATION OF THE WILSON AVENUE PLANT

From the get-go, operations on Wilson Avenue were characterized by a combination of old and new. The hand deck was still there, it was still about three feet high, and most of the plating continued to be done by hand. The hand line was used for plating larger pieces, such as restaurant equipment and tables and chairs. *Kuntz Electroplating* also nickel plated larger size french fryer tank units on that line. As in the earlier days on Nyberg, the platers carried the pieces from tank to tank, sank them slowly into the solution and pulled them out an hour later to drain them and wash them off. Later on, *Kuntz* installed a line for nickel chrome plating plastics on that deck.

There was one automatic machine which later became Automotive 1. It was used for plating smaller parts, such as skid blades, fenders and other bicycle parts for CCM, and seatbelt buckles for *Daal Specialties*. The racks that were stacked with parts were hung onto a belt and the machine took them through the plating process, dipping them in the various rubber tanks. It was a futuristic machine at the time and with its ability to produce a very consistent run, it clearly

pointed towards the future of electroplating. Except for that line, all other lines still had a manual component attached. One line, equipped with significantly smaller tanks, was used for brass plating and antique brass plating on a variety of items. As production continued to grow, a hoist line, a nickel chrome line set up in a U-shape, and a straight zinc line operated by pneumatic hoists were added.

In contrast to the Nyberg Street plant, which had been a complete hand-run operation, the new facility on Wilson Avenue allowed *Kuntz* to gradually transform operations by adding more automated processes. John Zettel remembers: "We went from a complete hand operation to semi-automated. When we put in the hoist line, the operator only needed to push a button and the plating rack went in and out of the tank automatically. On the polishing side as well, we started to get the odd automatic polishing machine here and there."

With more space for individual plating lines, the larger facility on Wilson Avenue put *Kuntz Electroplating* in position to further diversify its offerings by plating facilities for different processes, such as gold and black nickel plating and plating in a variety of different colours. Throughout the decade, *Kuntz* plated a lot of seatbelt buckles for *Daal Specialties*. Contracts from the government included the plating of



Kuntz plant on Wilson Avenue.



guns, bayonets, and torpedo propellers. In addition to plating on a variety of different metals, *Kuntz* plated on plastics as well. Chrome-plated plastic components were used by automotive manufacturers for the interior of cars. *Kuntz's* biggest plastic plating contract was for push buttons for car radios.

An old company brochure lists the following industries and companies as customers of *Kuntz Electroplating*:

**Aircraft, Defense and Electronic:** The De Havilland Aircraft of Canada Ltd; Raytheon Canada Ltd; Uniroyal Ltd; Grumman Aircraft Engineering Corp; Douglas Aircraft Co. of Canada Ltd; Canadian Westinghouse Company Ltd.; Abex Industries of Canada Ltd; Marsland Engineering.

**Appliances and Houseware:** Canadian Westinghouse Company Ltd; Beatty Bros Division of General Steel Wares Ltd; Electrohome Ltd; Onward Hardware Ltd; Moffats Ltd; The Hoover Company Ltd; General Steel Wares Ltd; Canadian General Electric Co. Ltd; Samson-Dominion Ltd

**Furniture:** Canadian Office and School Furniture Ltd; Electrohome Ltd; Doerner Products Ltd; Sunshine Office Equipment Ltd

**Automotive:** Daal Specialties Ltd; Ford Motor Company of Canada Ltd; Chrysler Canada Ltd; Kysor of Ridgetown Ltd; Canadian Motor Oil Lamp Co. Ltd; General Motors of Canada Ltd; Midland-Ross of Canada Ltd; Sehl Engineering Ltd

**Sporting and Play Equipment:** Werlich Industries Ltd; Canada Cycle and Motor Company Ltd (C.C.M.)

**Plastics:** Canadian General Electric Ltd; Midland Industries; Geo. Cluthe Manufacturing Co. Ltd; Dominion Auto Accessories Ltd; Micro Plastics; Emco Ltd.

### OLD SCHOOL ENTREPRENEURSHIP

Older current and retired employees still remember the day *Kuntz Electroplating* paid off the first automatic machine. For Larry Boppre, the party that followed that event was “the big highlight for me on Wilson Avenue.” He remembers: “We had quite a celebration. After work we all went into Oscar’s office, he had some food brought in and I think we bought Kitchener-Waterloo out of champagne that day. He got onto the phone and phoned my wife and said: ‘Honey, I’m calling a cab for you; get your accordion and get down here.’ The party lasted well into the night and when I went into Oscar’s office the next day to

help clean up, there were holes in the ceiling from the corks shooting off the champagne bottles. What a day!”

Oscar was an old school entrepreneur who was always very approachable and jovial with his employees, yet he never left any doubt as to who was running the ship. One time when the union was trying to get into *Kuntz Electroplating* and started signing up employees, he called a meeting with all employees. John Zettel remembers: “At that meeting, he said to everyone: ‘Let’s talk about the union. No one is going to tell me how to run this goddamn place. If there is a union here, I’ll shut down.’ That meeting cost him \$1,500 because he was not allowed to talk to us.”

### RELATIONSHIP WITH THE COMPETITION

*Kuntz Electroplating* was not the only electroplating company in the area. There were others, including *Rauscher Plating* in Cambridge and *MSM* in Waterloo. The relationship between these local companies was characterized by friendly competition. *MSM* and *Kuntz Electroplating* both had bowling teams and bowled against each other on a regular basis. At a more practical level, when either company was short of a certain chemical, it was not uncommon that they would lend each other a bag or barrel of whatever was needed.

### VENTURING INTO THE AUTOMOTIVE INDUSTRY

As mentioned previously, Bob Kuntz took on the leadership role throughout the 1960s, as his father gradually withdrew from the business. Bob once said to his daughter, Liz, that he inherited an opportunity – the opportunity to grow a business. For this he was grateful. When interviewed in 2002, Bob reflected on his father’s ongoing role while the business slowly transitioned into the hands of the second generation throughout the 1960s: “He was very knowledgeable. He could give very good advice to us running the company.”

It quickly became obvious that Bob’s entrepreneurial spirit as a business leader and his competitive edge as a professional football player were two sides of the same coin. As with his sports career, he was always looking for challenges and for ways to excel. Driven by Bob’s search for new opportunities for the family company, the decision was

made to venture more seriously into the highly competitive automotive business. The purchasing of an automated machine for plating seat belt buckles in 1965 enabled *Kuntz* to take on higher-volume contracts for the automotive industry.

On the occasion of the company’s 50th anniversary in 1998, Bob reflected on the decision to pursue opportunities in the automotive industry: “To me, competing in the automotive market represented the big leagues for our business. If we could supply a superior quality product to those demanding automakers, we would have the confidence to take on any project.”<sup>9</sup> When interviewed in 2002, he further added: “We were taking the business into automotive, because there was expansion in that market.”

Plating seat belt clasps for *General Motors* provided *Kuntz Electroplating* with the opportunity to build a strong relationship and prove itself to one of the “Big Three” North American car manufacturers. From plating seat belt clasps, light rims and the odd bumper in those early days, *Kuntz’s* involvement in the automotive industry would eventually develop into becoming a high-volume supplier of chrome-plated steel and aluminum wheels, bumpers and running boards for car manufacturers and suppliers in the automotive industry. Without knowing it at the time, in 1965 Bob Kuntz had set the course for the eventual transformation of *Kuntz Electroplating* into a global player and market leader in the automotive and non-automotive plating industry.

<sup>9</sup> Quoted after “Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record” to mark 50 years of Kuntz Electroplating; Saturday, October 17, 1998, page 6.



Bob Kuntz (left) showing product in the plant.





## END OF AN ERA

Kuntz Electroplating in the 1970s

CHAPTER 4



# THE END OF AN ERA

In 1972, Oscar Kuntz, the founder of *Kuntz Electroplating*, passed away at age 68. By the time of their fathers' passing, Paul Kuntz had joined his older brother Bob in the company as Office Manager and in Accounting. Together, Bob and Paul, working as a close team, would lead the company through decades of expansion. Plant expansions in 1973 and 1978 and the 1978 decision to join the *Magna Group of Companies* paved the way for *Kuntz Electroplating* to become a major player in the automotive industry.

## GROWTH AND EXPANSION

Due to ever-rising demand for plated products, a massive company expansion was undertaken in 1973. The addition of new departments and facilities, including Maintenance, the Lab, Quality Control, Auto Lines and Shipping, added significant potential to *Kuntz Electroplating's* overall capabilities. Operating out of 52,000 square feet (more than double the size prior to the 1973 expansion), the company now employed 150 people. In 1978, the main plant was expanded once again. The addition of a new Hoist Aluminum Department and more office space brought the total plant size to 75,000 square feet. Among the many things done by *Kuntz Electroplating* throughout the period was coating fuel cells for helicopters and the landing gear of F-4 fighting jets used in the Vietnam war.

## DIFFERENT TIMES, DIFFERENT CULTURE

Throughout the 1970s and well into the early 1980s, things were quite different at *Kuntz* from what they are today. Manufacturing was less constrained by modern regulations in terms of how employers dealt with their employees, what they could say to people, and what they could expect of their employees, particularly in terms of how many hours they would work, as well as safety requirements. Employees played practical jokes on each other that would not be



Construction at the Kuntz plant on Wilson Avenue.







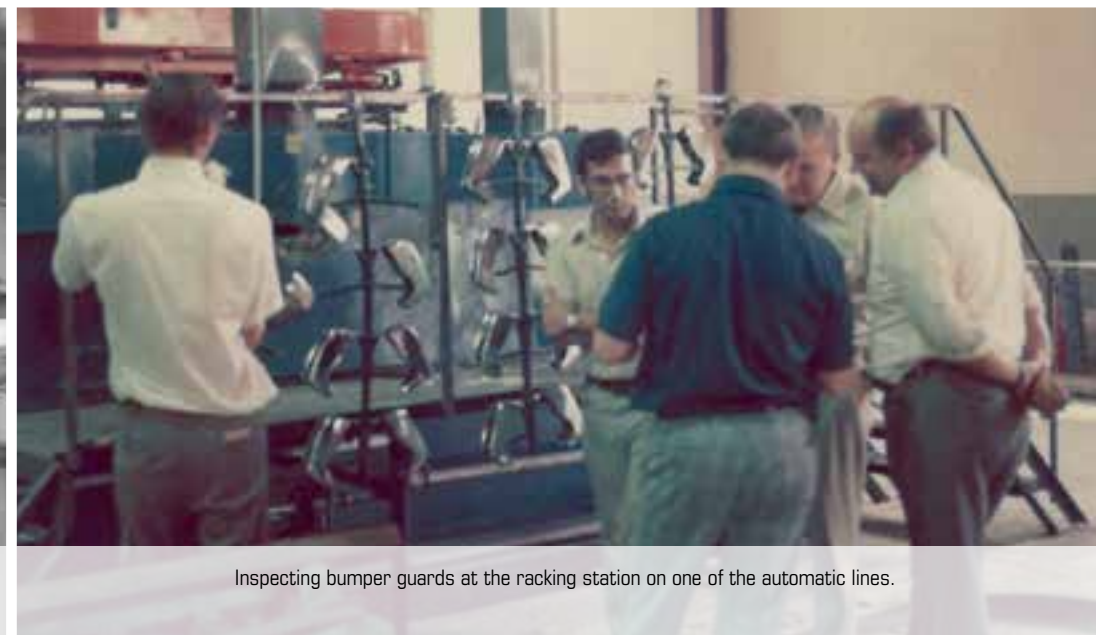
Plant Manager Bob Germann.



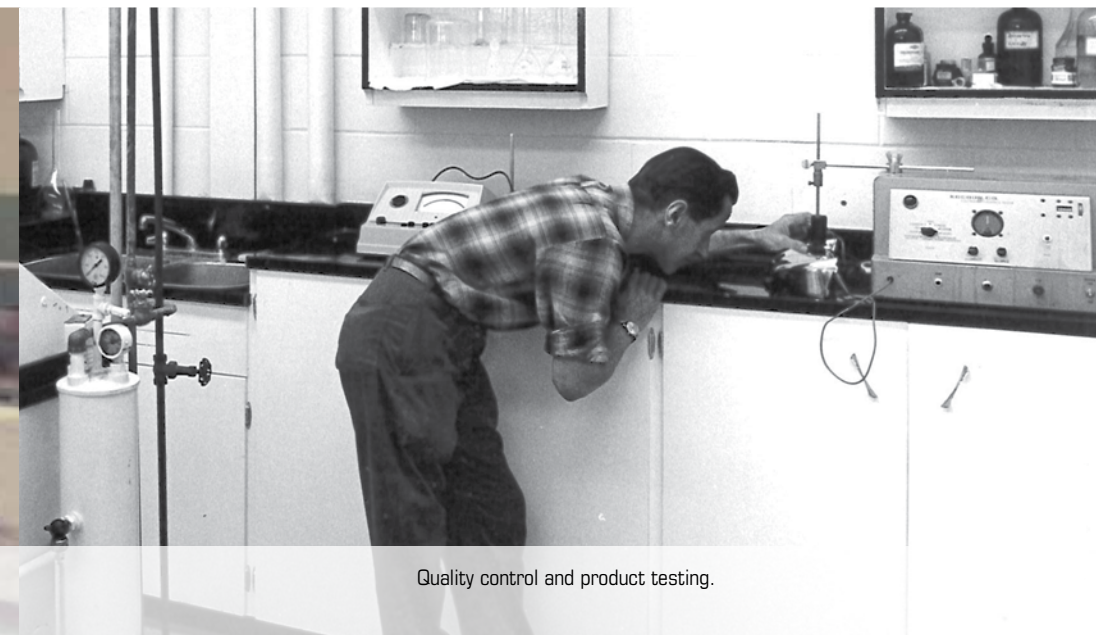
Barrel phosphating line.



Operator on one of the original automatic lines.



Inspecting bumper guards at the racking station on one of the automatic lines.



Quality control and product testing.

tolerated in today's much more regulated environment. Lack of political correctness, smoking on the job and the occasional beer during work were not just tolerated, but were part of the overall manufacturing culture in the 1970s.

Robert Kuntz Jr., a son of Bob who joined the business part-time during the summers in the 1970s and today serves as Vice President of Process Improvement, provides the following portrait of the family business in the 1970s: "The frontier spirit that existed in manufacturing back then was alive and well in the '70s here. Employees would often come up with ingenious solutions on how to make something work or make an old piece of equipment still viable. I liked the '70s in a way, because it was like the 'wild west' of manufacturing. It was not until the '80s when changes in attitudes and the impact of regulations started to change the way manufacturing businesses operated. By and large, those later changes have made manufacturing safer than it was then, which is a good thing, but I think it has also lost something."

Many of the old employees remember *Kuntz Electroplating* being a much noisier place in the 1970s than it is today. Barrel plating in particular was very loud as thousands of metal parts had to be dumped and were shoveled into the barrels for plating. When the turning barrels

came out of the tanks, the metal pieces inside were banging against each other. Hydrogen explosions on certain tanks on the zinc plating and chrome plating lines continued to be a semi-regular occurrence as well (these explosions were loud, but not physically dangerous).

## JOINING THE MAGNA FAMILY OF COMPANIES

In 1978, in a move to broaden the company's focus and client base in the automotive industry, *Kuntz Electroplating* became a division of *Magna International*. Under the new ownership structure, and with Magna owning 60 percent of the company, Bob retained his role as General Manager of *Kuntz Electroplating* and Paul was appointed to Assistant General Manager.

When *Kuntz Electroplating* had first gotten into the automotive business, company leadership had taken a careful approach. Paul reflected in 1998: "When we started in the automotive industry, we wanted to grow the business slowly and keep our eyes on the competition. We wanted to make sure we could handle it without destroying our bottom line."<sup>10</sup> Building onto that earlier experience, becoming part of the Magna Group set the stage for large investments and increasing specialization of *Kuntz Electroplating* as a large-volume plater for the automotive industry in particular.

<sup>10</sup> Quoted after "Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record" to mark 50 years of Kuntz Electroplating; Saturday, October 17, 1998, page 8.





## **JOINING THE BIG LEAGUES**

The Magna Years

**CHAPTER 5**



# “JOINING THE BIG LEAGUES”

Following the 1978 move to become a division of Magna International, the 1980s were characterized by *Kuntz Electroplating* establishing itself as a player in the “Big Leagues” of automotive suppliers. The company’s largest growth throughout the 1980s was in the automotive sector, and with bumpers in particular. Equally significant, *Kuntz Electroplating* already started to develop expertise and a growing niche in Original Equipment (OE) quality copper nickel chrome plating on aluminum substrates, which set the stage for unprecedented growth during the 1990s. In 1985, *Kuntz Electroplating* employed 230 people. Chrome plating of bumper guards made up most of its volume, followed by zinc plating of smaller parts for automotive manufacturers.

## GROWTH AND EXPANSION AS A MEMBER OF THE MAGNA GROUP

Throughout the 1980s, Magna was in a great expansion phase, as company founder and president Frank Stronach was in the process of turning his Group of Companies into a global powerhouse. During the 1980s Magna grew capacities through engineering an ever-growing number of new products as well as through acquisitions; in 1986 the company marked \$1 billion in sales.<sup>11</sup> *Kuntz Electroplating* fit well into Magna’s overall strategy, particularly because Magna did not have a source for plating aluminum bumper guards. *Kuntz Electroplating’s* high quality processes would close that gap within the Magna Group’s own capabilities.

Under the umbrella of the Magna Group, the 1980s were a decade of major investments at *Kuntz Electroplating*: the building of the Hoist Aluminum (HA) and Hoist Steel (HS) lines in particular marked significant milestones from an operations perspective. The HA line was built immediately following *Kuntz’s* entry into the Magna Group for the purpose of high-volume plating of aluminum

<sup>11</sup> See Frank Stronach, *The Magna Man* (HarperCollins, Toronto, 2012), p. 87.



Front of the Kuntz plant in the early 1980s.



bumper guards. Under Bob Germann’s skillful leadership in the sales department, *Kuntz* had established a key relationship with GM’s Livonia bumper plant (originally called AC Delco). As Bob and his team kept growing *Kuntz’s* bumper business, high-volume production on the HA line at maximum capacity prompted the building of the HS line a few years later, in 1986, specifically for the purpose of taking on additional bumper volume.

Further investments throughout the 1980s included a 7,500 square foot Waste Treatment facility at a cost of over \$800,000 that was added in the fall of 1985. A year later, in October of 1986, the new Hoist Steel and Hoist Phosphate department and an additional Shipping area in the back of the main plant were completed. This additional square footage of approximately 56,000 increased the plant size to 150,000 square feet including 29,500 square feet of warehouse space.

Paul Kuntz reflected on the impact of joining the Magna Group when interviewed in 2002: “What really made it for the company was when we joined Magna. That really got us into the big leagues. When Magna bought us, we immediately put in the HA line and started plating on aluminum. There was virtually nobody plating on aluminum at the time or in large scale. We became the gurus of plating on aluminum. After that, it was just a series of expansions. That Hoist Aluminum line was really our move into the big leagues.”





Other positive long-term effects of Kuntz's relationship with Magna from the employees' perspective included the company's new pension plan with matching contributions and profit sharing. Whereas in the past there had been a much higher level of improvisation in fixing machines and keeping equipment running, during the Magna years there was more money available for maintenance as well. Larry Boppre remembers: "When something had to be fixed, it was fixed right. There wasn't any 'patch it up and let it go' any more. It had to be done right."

Although Magna brought some of their own culture to the company, Kuntz maintained its separate identity under the Magna Group umbrella.

### PRODUCTION OF BUMPERS AND BUMPER GUARDS

Pleased with the high quality plating, personal attention and prompt delivery of seat belt buckles plated for them by Kuntz Electroplating in the 1960s and '70s, General Motors approached Kuntz Electroplating again to help them solve a pressing issue: During mass production of thousands of chrome bumpers each and every day at GM's Livonia bumper plant, hundreds of bumpers came out defective and, as a result, were deemed unsuitable for shipping to the customers by the

facility's quality control staff. Kuntz was able to convince GM to entrust them with the task of re-plating those bumpers instead of GM having to scrap them at a loss. Working overtime and weekends, Kuntz replated the bumpers and delivered on time.

Due to Kuntz's high quality plating capabilities and prompt service, it did not take long before thousands upon thousands of bumpers in need of replating and repolishing arrived at the Wilson Avenue facility. At one point, the entire parking lot in the back of the plant was completely filled 6 bumper skids high with bumpers from Livonia that needed to be replated. After the Livonia plant was shut down and GM outsourced the bumper production to A.G. Simpson in Oshawa and Cambridge, GM insisted that their new supplier use Kuntz Electroplating on the plating side as well.

Building onto the company's growing reputation as a high quality partner in the finishing of automotive parts, Kuntz would receive an ever-increasing number of orders from manufacturers in the automotive industry for bumper plating. After the company had proven its capabilities on the replating and refinishing side, manufacturers started trusting Kuntz Electroplating with their raw bumpers as well. Working with GM's bumper plant in Livonia, Michigan, Kuntz Electroplating plated the GM



Bumpers on the Hoist Steel line.



Plating bumpers on the Hoist Steel line.



Racking and unracking bumpers on the Hoist Steel line.



The new HS line.

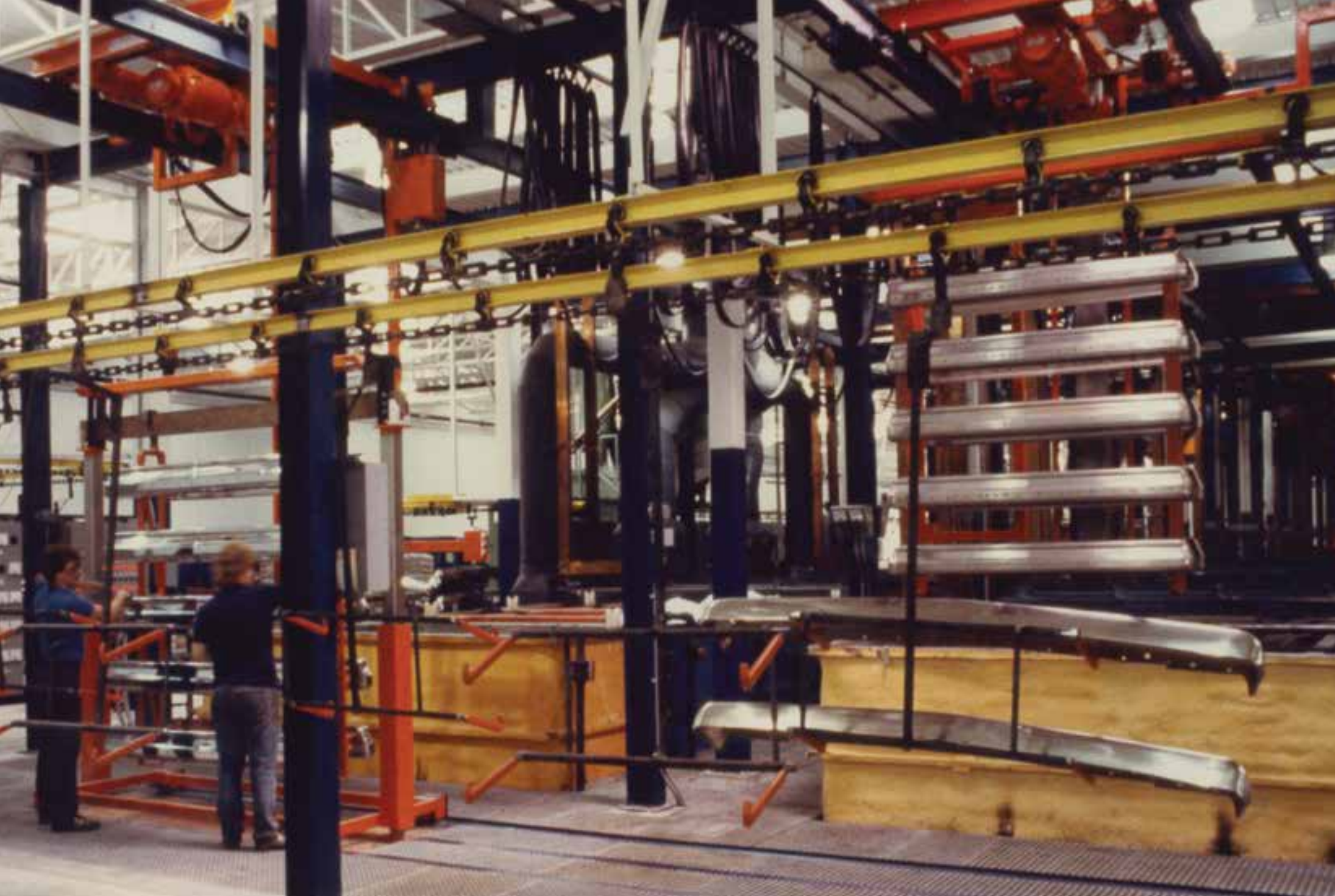


Aluminum bumpers after backside coating.



Truck from Kuntz Electroplating's own fleet.





Bumpers on the Hoist Steel line.

pickup truck front bumper for over ten years, in addition to bumpers for many other models. Bumpers (mostly aluminum, but steel as well) for *Meridian* (originally called *American Bumper*) out of Ionia, Michigan added significant further volume. The bumper plating business became a major part of Kuntz's success throughout the 1980s.

## STEEL WHEELS

Kuntz Electroplating's expertise in the wheel plating business started with steel wheels in 1986 and then gradually evolved into aluminum wheels. It was independent sales representative George McDowell who originally introduced Kuntz to the wheel industry. George had learned about some great opportunities and became instrumental in getting Kuntz connected with key players in the automotive industry, such as *Motor Wheel* and *Ube* (for wheels) in the 1980s and 1990s and later on with *Dee Zee* for running boards.

Back in 1986, George was visiting *Custom Foam Systems* in Kitchener, which is owned and operated by cousins of the Kuntzes, the Germanns. George was from Lambton, Ontario, and knew people at an up-and-coming steel wheel manufacturer there called *Motor Wheel*. An innovative and highly dynamic company, *Motor Wheel* had just come up with and patented the first full-front-face steel wheel that was cohesive and conducive to polishing and chrome plating. The company's innovative technology would eventually revolutionize the automotive wheel market, because their full-face wheel was of a quality that made it attractive to car manufacturers for the original equipment market. Whereas traditional steel wheels had only been sold in the aftermarket, car manufacturers began putting *Motor Wheel's* full-faced wheels onto an ever-growing number of new cars throughout the second half of the 1980s.

The main benefit of the full-face wheel was the fact that it had no visible seam on the front of the wheel. *Motor Wheel's* full-face wheel technology allowed the company to make the whole front face, including the flange, part of the continuous design of the face. In contrast, the traditional steel wheels were two-piece wheels consisting of a rolled rim section and a smaller stamped round section called the spider. Although the two pieces of the traditional wheel could be polished and chrome-plated, they had to be welded and painted to cover up the burns, which was not considered a high enough quality finish for the original equipment market.



Cadillac wheels plated by Kuntz Electroplating.



Automotive aluminum trim for Mercury and Lincoln.





Betty Germann, Mike Ball and Robert Kuntz Jr. in the QA lab.



Charlene Sheen-Jauch

As they were developing their patented innovative wheel technology for original equipment specifications, Motor Wheel was looking for a metal finisher that had the know-how and capacity to plate their wheels. Motor Wheel had never heard of *Kuntz* and *Kuntz* was not aware of Motor Wheel's market-changing innovative design either. As his meeting at Custom Foam Systems was wrapping up, George asked Bob Germann: "You don't happen to know anyone who can chrome-plate steel for the automotive industry?" Bob chuckled and said: "You might want to drive a couple miles over that way and check out our cousins named Kuntz." With that information, George got in his car, drove over to Wilson Avenue and asked the receptionist who he should talk to about a potential new business opportunity for *Kuntz*. When he described the full-face wheel to them, the Kuntz leadership team realized right away that Motor Wheel's new design was a perfect match for *Kuntz's* capabilities: The face of the wheel was made out of exactly the same hot-rolled, flat-polished material as the bumpers that *Kuntz* was plating in large numbers at the time. Furthermore, *Kuntz* had already mastered the process of using auxiliary anodes that allowed for high-quality plating of the dish and recess area of the new full-face wheel. The fact that *Kuntz* was already using auxiliary anodes to get



Lab equipment.

into the recess of the license plate area of one-piece step bumpers, made the Motor Wheel connection through George McDowell even more of a perfect fit.

In 1986, *Kuntz* plated its first steel wheel for Motor Wheel Corporation. That particular wheel, which marked the beginning of the company's transition into a wheel-plating powerhouse, continues to be displayed in the KEI boardroom today. Confident in its processes, *Kuntz Electroplating* went into the wheel business full force and at the peak was plating 1.5 million wheels a year. Dave Kuntz reflects: "The first wheel we did was the GM pickup truck wheel in '86. We ended up doing 250,000 of those in a year. And then, in 1988, the big Chrysler program started up for the Dodge Ram Pickups and then Chrysler went really big out of the gate with those products and that is what really pushed the overall volume up to over a million in a year. We just kept expanding whatever they said the volume was going to be; we just put the machinery in place and kept plating. It was great business at the time."

## MASTERING THE PLATING ON ALUMINUM PROCESS

Although *Kuntz* was plating a lot of different products for different industries using many different processes, the company's growing expertise in plating on aluminum became particularly noted throughout the 1980s. Being able to plate on lighter weight aluminum positioned *Kuntz Electroplating* well for the gradual transition of the North American automotive industry when the oil crisis and rapidly rising gas prices forced North American car manufacturers to reduce the weight of their cars to make them more efficient. As car manufacturers struggled to roll out new smaller size models and to reduce the weight of their existing model lines to meet higher efficiency targets, *Kuntz's* growing expertise in OE quality copper nickel chrome plating on aluminum substrates became a huge asset for the company. Dave Kuntz reflects: "Plating aluminum bumpers became a big revenue opportunity for us. There was nowhere else to go and we rescued a few other projects out of disaster by being able to appropriately polish and plate these products and for a good five, six years they were going out the doors in big numbers and we were making a lot of money from them. That put us in a good place for the Magna buyout."



Mary and Bob Kuntz.



Diana and Louie Kuntz.



Cutting the 40th anniversary cake. L to R: Bob Kuntz, Wayne Beilstein, Paul Kuntz (in the back), Larry Boppre, Mary Karn, Bill Germann (in the back) and Anne Germann.





Hoist Steel employees.



Sam Trude.



John Langlois.



Jason Scully.



Janet Dakin.



Ron Bandurka, Dave Weber and Vasko Arbutina.



Rob Read.



Clive Hamilton.



Jamie Hughes.



Ed Kelly.



One of several temporary agency workers Kuntz relied on during times of need.

## CELEBRATING 40 YEARS (1988)

In 1988, the Kuntz family and employees marked the company's 40th anniversary with a celebration at *Bingeman's Park*. That same year, renovations to the employees' main lunchroom, locker rooms, the boardroom, the Lab as well as the Quality Control area and office facilities were completed. In its anniversary year, *Kuntz Electroplating* employed 425 employees, serving over 125 customers in Southern Ontario, Michigan and into the mid-western United States. Copper/nickel chrome plating on both steel and aluminum bumpers accounted for most of the volume and the company's zinc, phosphate and "specialty" finishes were popular with many manufacturers as well.

## FORMULATED COATINGS BRAMPTON

In May of 1989, *Kuntz Electroplating* acquired *Formulated Coatings* of Brampton, a 120,000 square foot company with 90 employees formerly owned by Magna. When Magna approached *Kuntz* with the suggestion, it was received with great enthusiasm. *Formulated Coatings* was a world class "Cathodic E-Coating" facility that was equipped with the latest technologically advanced material handling equipment in the industry. Enhancing *Kuntz Electroplating's* capabilities through E-coating was the right move at the time because the process of electroplating paint ("e-coating") was becoming increasingly popular in the automotive industry. In spite of its great potential, the affiliation of *Formulated Coatings* with *Kuntz Electroplating* was short-lived and the Brampton-based business was sold in the early 1990s as part of the restructuring that accompanied the Kuntz family's buyback of *Kuntz Electroplating* from Magna in 1990.





## **LEADING THE WAY**

Kuntz Electroplating in the 1990s

CHAPTER 6



# BOOM TIMES AT KUNTZ ELECTROPLATING

The 1990s were boom times at *Kuntz Electroplating*, as the company underwent the single-largest growth period in its history and solidified its position as a key player in the automotive suppliers market. In the spring of 1990, *Kuntz Electroplating* became an independent, 100 percent family-owned company again when Bob and Paul and their immediate families bought back the shares held by Magna throughout the 1980s. Together, Bob and Paul and their dedicated team steered the company through truly exciting times as growth seemed to know no bounds.

Employees benefitted from the good times through a series of pay raises, workplace improvement programs, profit sharing, training initiatives and an ever-increasing number of opportunities for growth within the company. The recession of the late 1980s and early 1990s proved no more than a temporary bump in the road and was quickly surpassed by a hiring spree and high-volume wheel-plating contracts. These culminated in the plating of the 1 millionth aluminum wheel for GM in 1997 and followed the plating of millions of steel wheels during the previous decade.

Throughout the 1990s, *Kuntz Electroplating* became a wheel-plating powerhouse with wheels in different stages of the plating process piling up in every nook and cranny of the plant. *Kuntz* became the first metal finisher in North America to achieve QS 9000 and ISO 14001 certification, attesting to the company's sophisticated processes and market leadership. With many opportunities to expand outside Kitchener and Canada, Bob and Paul stayed committed to Kitchener-Waterloo as the location of their company, striking a delicate balance between *Kuntz Electroplating* remaining a pillar in the local community and being a global player in the automotive supplier market at the very same time. Economic growth was accompanied by an increased focus on environmental stewardship and sustainability, resulting in innovations such as the Co-Gen facility and new waste treatment and recycling systems that



helped in further reducing the company's environmental impact at a time when output volumes hit an all-time high.

## BECOMING INDEPENDENT AGAIN (1990)

After a decade of aggressive growth, the Magna Group, to which *Kuntz Electroplating* had belonged since 1978, suffered greatly from the recession that unfolded between 1989 and 1991. Losses and slumping auto sales in the late 1980s and early 1990s prompted Magna to sell off many of its affiliated businesses, including *Kuntz Electroplating*. As part of Magna's attempt to reposition itself in the automotive market by concentrating on its core capabilities, company management offered to sell Magna's 60 percent interest in *Kuntz Electroplating* back to Bob and Paul.

Faced with a tough decision, the brothers decided to make the investment and "repatriate" the business into full family ownership. Preceding the buyback, *Kuntz* had been doing less work for Magna affiliates and more for other suppliers that were providing parts to GM, Ford and Chrysler. With a skilled workforce of about 400 employees and sophisticated processes in place, *Kuntz* had developed into a major player in the automotive industry during the Magna years. *Kuntz Electroplating* had become a high-volume plater of aluminum bumpers

and was just about to get into the wheel-plating business at a large scale. With excellent growth prospects on the horizon, buying back the shares was a move that simply made sense to Bob and Paul. In his role as president and GM at the time, Bob was quoted in the *Kitchener-Waterloo Record*, as saying: "We are now completely free from Magna and are back to the way it was.... They were in need of cash and they asked us if we'd be interested in buying them out and we said 'yes'."<sup>12</sup>

Buying back the Magna shares and running the company as an independent family business once again was a real fork in the road both for Paul and Bob, the rest of the Kuntz family, and for the company. At the time Magna approached the Kuntzes with the suggestion of a buyback, all of Paul and Bob's siblings were technically co-owners of the company. Paul and Bob went to the rest of the family and gave them the option to either invest with them into the company or be bought out. When family members decided to be bought out, Paul and Bob put everything on the line, including their homes, to financially support the buyback of the shares. Consequently, from 1990 onwards, *Kuntz Electroplating* was owned by Bob and Paul and their immediate families.

<sup>12</sup> "Kuntz buyback – Magna forced to sell shares in Kitchener plant," *Kitchener-Waterloo Record*, March 20, 1990.





IMPACT OF THE RECESSION ON KUNTZ ELECTROPLATING

1990 marked the beginning of a major recession particularly in the United States, Canada and other countries linked closely with the US economy. That year also saw the beginning of the first Gulf War, which resulted in a spike in the price of oil, increased inflation and reduced consumer spending. The next several years were characterized by high unemployment, massive government deficits, and a dramatic drop in demand for manufactured products. While things began improving in the United States by 1992, Canadian manufacturers, to the extent that they survived at all, struggled with the impact of the recession until well into the mid-1990s.

Kuntz Electroplating was not immune to these economic forces that were beyond the control of company leadership. The business lost close to \$1 million in the first year after the buyback and for the first time in quite some time, Kuntz was forced to temporarily lay off employees. On December 13, 1990, 100 employees were temporarily let go as a result of the phasing-out of a particular Ford model for which the company was plating bumpers. President and General Manager Bob Kuntz explained that business was down because “quite a few

(automotive) assembly plants are being closed or are on short hours.”<sup>13</sup> Yet, in May of 1991, at a time when many local companies had not recalled their people or even closed down entirely, Kuntz Electroplating was able to call back all of those 100 employees. In March 1993, CBC primetime news did a shoot and conducted interviews at Kuntz Electroplating for a documentary on the recession and its impact on the Canadian manufacturing landscape. By then, Kuntz had come out of the recession and had started hiring new employees again. Less than two years later, in the fall of 1994, the company's profit sharing plan hit a record high and the course was set for continuous growth throughout the remainder of the decade.

REPOSITIONING THE COMPANY FOR FUTURE GROWTH

Part of the reason why Kuntz Electroplating was able to come out of the recession of the early 1990s stronger than ever was Bob and Paul's strategic leadership and their willingness to adjust the focus and reposition their company, even if that meant parting with some

13“Kuntz plant lays off 100. K-W firm blames auto slump,” The Record. December 17, 1990.

high-volume business. Family ownership of the company and Bob and Paul's shared vision and leadership skills allowed the two brothers to make the decisions they deemed necessary for setting the company onto a path of exponential growth throughout the 1990s. Driven by their determination to make Kuntz Electroplating more competitive, Bob, Paul and their team analyzed the various processes and their profitability, and came to the conclusion that the company's niche that they wanted to keep developing was original equipment automotive nickel chrome on either steel or aluminum substrates. With the goal to focus on Kuntz's core capabilities and areas of highest profitability, the brothers decided to discontinue less-profitable lines including barrel plating, zinc and the Auto 1, 3 and 4 lines. Instead, Kuntz Electroplating would concentrate on the plating and polishing of bumpers, wheels and automotive trim and keep building it's growing stronghold in the aluminum field in particular.

As Bob and Paul's strategic decision unfolded and was being implemented, the number of customers went down from about 130 to less than ten core customers. Without challenging Paul and Bob's leadership, people inside the organization started wondering whether the change in direction would pay off in the end as the company was

losing a lot of volume from those processes that were being terminated. As envisioned by Bob and Paul, reducing the number of processes, focusing on automotive and continuing to build strengths in plating on aluminum did pay off, because a growing number of automakers required the specialized, more intricate plating work that could only be handled by Kuntz Electroplating. Aluminum wheels in particular would drive Kuntz's exponential growth throughout the 1990s.

Paul and Bob's unwavering belief in a focused strategy and their commitment to persevere and further distinguish their company in the highly competitive automotive sector, set the stage for the eventual transformation of Kuntz Electroplating into a world market leader in plating for the automotive industry. Bob reflected on his own and his brother's far-reaching decision to reposition the company on the occasion of the Kuntz's 50th anniversary in 1998: “We eliminated less-profitable lines and focused on our strength in the automotive industry. It allowed us to concentrate on one industry and learn how to do it right.”<sup>14</sup> His brother Paul added:” [That decision] to focus on

14 Quoted after “Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record” to mark 50 years of Kuntz Electroplating; Saturday, October 17, 1998, page 7.



Employees celebrating a birthday at the dock.



Kuntz employees in the outside rack storage area.



Employees of the Kuntz Coating Department.



Kuntz United Way Fire truck Pull.



REDEFINING THE MISSION

In March 1991, the Kuntz Mission Statement was introduced, charting the direction for the 1990s and beyond.

OUR MISSION “TO BE THE BEST AT WHAT WE DO”

OUR CORPORATE BELIEFS

We believe that the efforts, over the years, of everyone at Kuntz have made us leaders in our field. We are willing to compare our quality and output with that of any competitor and expect to be judged the best.

We believe that the safety and well being of Kuntz employees is a primary concern. We will continue to identify, report, and strive to eliminate all health and safety hazards encountered in the workplace.

We believe that each Kuntz employee is an individual whose dignity we respect and whose merits and skills are recognized. We appreciate their physical work and their ideas on the job. In support of this, we will encourage their further development by treating them fairly, by providing training and training assistance and by compensating them fairly and competitively for their work.

We believe that at Kuntz we need to encourage and support an open communications environment so that prompt response can be made to individual concerns. To do this, all managers and supervisors will react promptly to employee concerns and will give them adequate feedback.

We believe that at Kuntz our future success depends on supporting our continuous improvement philosophy. Our commitment is to incorporate information technology aspects to support modern and innovative equipment and processes. We encourage the input and participation of our employees, vendors and customers to assist us in remaining leaders within the business.

We believe that Kuntz will continue to be sensitive to environmental issues and strive to comply with all applicable laws and regulations and will make environmental considerations a priority.

We believe Kuntz customers are the heart of our business. They are the reason our business exists. Satisfying their requirements will be our major concern, second only to the safety of our employees. Our customers' welfare and the satisfaction of their ordered needs will be the concern of every employee in every job and position in this company.

We believe we will constantly meet new marketing opportunities. We will remain aware of the shifts and changes in every area of the materials finishing market.

We believe Kuntz suppliers are our business partners who help us achieve our goals and objectives. We rely on them to supply quality products and technical services on time and sufficient to satisfy our ordered needs. We will rely on them to keep us informed of changing market conditions. In return we will pay a fair price for their goods and services.

We believe that Kuntz will continue to be a responsible member of the business community and will be a supporter of charities.

the chrome-nickel plating side of the business ... offered us a greater challenge because it's a higher tech, higher spec industry, but it also provided the highest financial rewards.”

FIRE AT THE PLANT AND THE SPIRIT OF KUNTZ ELECTROPLATING (1992)

On June 15, 1992, fire struck the Polishing Plant # 3 building and devastated the entire facility which held an extensive bumper and wheel polishing setup. The fire was caused by a construction crew working on the roof. With the assistance of Kuntz Electroplating's own well-trained Emergency Response team, 50 Kitchener firefighters and eight fire trucks battled the blaze for more than 9 hours. At one point flames leaped about ten meters above the roof.

Although the fire ended up causing over \$2 million in damage, it could have been worse. Because of the way it was insulated, the roof caved when it collapsed, thus protecting much of the equipment underneath it. For the most part, the machines, after some repairs and rewiring, were still intact. Paul and Bob were impressed with how their employees pulled together and did whatever was necessary to keep production going while dealing with the impact of the fire: “There was the spirit of Kuntz Eletroplating coming to light again,” Paul explained when interviewed in 2002. “After the fire the employees got everything all cleaned up again, rewired everything and within a week the guys were polishing again under the stars. It is the resiliency of our company that came to the fore.” Highly appreciative of all the extra effort their employees put into getting the polishing department going again, Paul and Bob placed an ad in the local newspaper thanking all of their employees.

BECOMING A WHEEL-PLATING POWERHOUSE

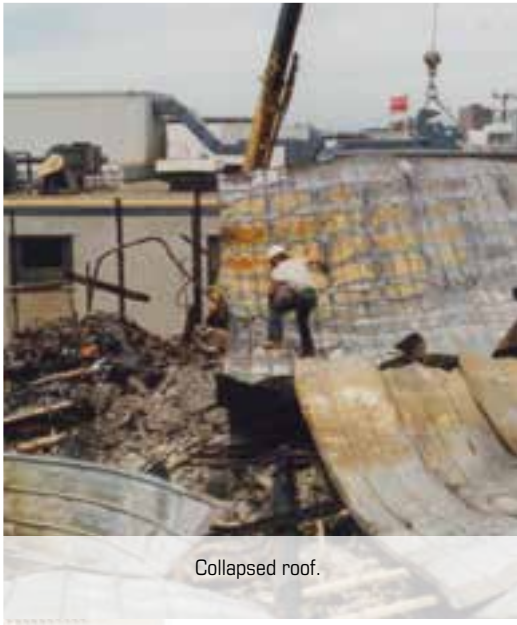
Bob and Paul's focussed growth strategy, new customer preferences and resulting changes in the automotive industry in the early 1990s all worked in Kuntz Electroplating's favour. To increase the visual appeal of their cars, automotive manufacturers started offering their customers distinctive wheel designs with more elaborate recessed areas that required greater expertise and more sophisticated methods in the



The polishing plant on fire (view from Wilson Avenue).



The ERT team in action.



Collapsed roof.

Signing of the Mission Statement



Doug Dietrich.



Bob Kuntz.



John Bouck.



Larry Boppre.



Alberta Piche.



John Zettel.





Racks with aluminum wheels going into the plating tank at the Hoist Aluminum line.

plating process than what the car manufacturers had available in their own plating operations. Due to its sophisticated processes, *Kuntz* had the know-how and the corresponding capabilities to satisfy the industry's new demand for these sophisticated wheels.

### FROM STEEL TO ALUMINUM WHEELS

Throughout the 1990s, customer preferences switched from steel to aluminum wheels. Again, *Kuntz* had the right processes in place and was able to benefit from the sudden popularity of aluminum wheels. *Kuntz* got into aluminum wheels through Cadillac. As more and more Cadillac customers were putting after-market aluminum chrome-plated wheels on their cars, GM/Cadillac saw a huge revenue opportunity and decided to offer their customers an original equipment aluminum-plated chrome wheel option.

Cadillac's supplier for these wheels was Ube, a Japanese manufacturer of wheels made by a special method called squeeze casting which made their wheels the best in the market. To establish a footprint in the North American market, Ube built a new casting factory in Mason, Ohio called *A-Mold* and entered into an exclusive agreement with Cadillac to supply squeeze-cast wheels for exclusive use on their

models. In that plant, Ube produced millions of wheels for GM over the years and later expanded into Chrysler as well.

After they had already identified Ube as their wheel manufacturer of choice, GM Cadillac began looking for a metal finisher that had the expertise and capability to chrome-plate Ube's squeeze-cast wheels for them. GM already knew *Kuntz* as a reliable high quality supplier of steel wheels and aluminum-plated bumpers for the original equipment market. With the help of George McDowell, who introduced *Kuntz* to Ube, a relationship was built that was to last for many years. As *Kuntz's* wheel-plating business took on unprecedented proportions throughout the 1990s, Ube accounted for most of that volume.

Working with Ube and GM Cadillac gave *Kuntz* the opportunity to keep fine-tuning the company's sophisticated processes to a level that made them the uncontested leader in the world for plating on aluminum wheels. *Kuntz* developed a proprietary polishing and plating process that optimized the better physical properties of Ube's squeeze-cast wheel. *Kuntz* was the first company in North America, if not in the world, to use that particular process, allowing it to quickly corner the entire North American and ultimately the world market for aluminum chrome-plated wheels.

Paul explained in 1998: "We have our own proprietary methods that take the basic plating chemistry and tweak it a little bit. Then, the wheel is totally submerged, so that the solution gets into every last nook and cranny. We're the only ones in the world who can provide complete product coverage, along with the personal attention on the production line." Doug Dietrich reflects on how *Kuntz* was able to deliver to its wheel customers no matter how complex the specifications or how short the timeline: "I remember when GM was doing the Catera in Germany, the company they had doing the chrome-plated wheel really messed up, and our supplier Ube was asked if they could take the job over. Ube then asked us whether we could come on stream and get the job up to speed. We only had about a month from designing the racking and getting it going. Nobody thought we could do it, but we did and we ended up producing more wheels than they actually needed."

Working with Ube on plating aluminum wheels was compelling not only from an operational perspective, but from a cultural one as well, as the growing relationship marked *Kuntz's* first foray into working with a Japanese company. Mike Kuntz, who joined the family business in 1998 in the Sales and Marketing Department and today serves as Vice President of Sales & Marketing, ended up living and working in Japan



Jeremy Dautner racking wheels.



Jose Farias.

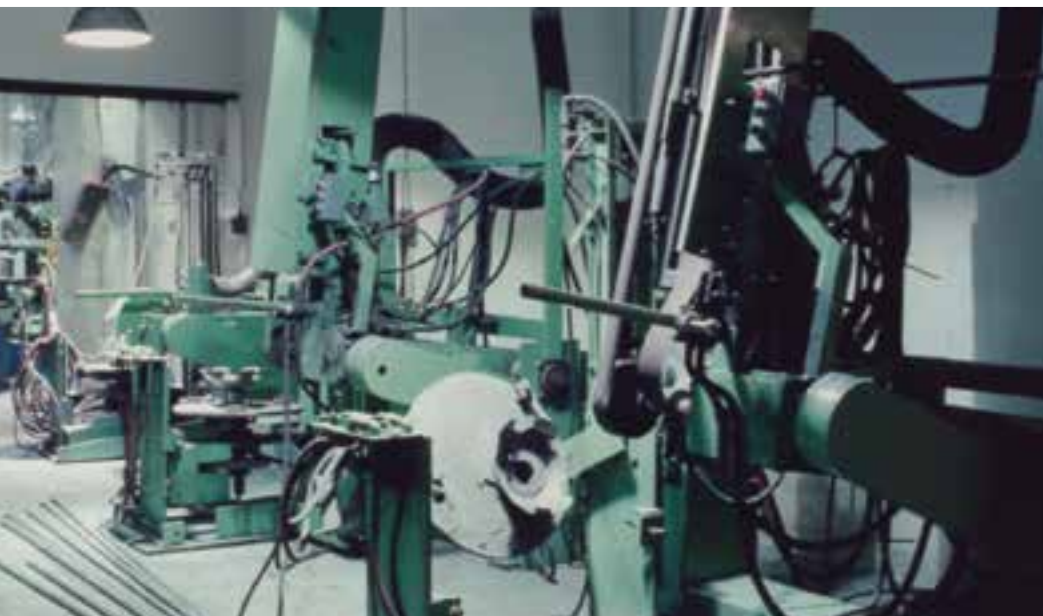


Polishing.





Turntable buffing machine.



Wheel-polishing machines.

for a year following his university studies at McMaster University. He reflects on the cultural component of Kuntz's significant relationship with Ube: "Ube provided the majority of our business for a long period of time, and the Japanese culture and the business culture had a very interesting influence on us. You need to understand how to do business with the Japanese; there is a real art and science to it. There is a very defined hierarchical structure for how you approach and speak to certain people in business settings and bowing and the exchanging of gifts is part of the Japanese business culture. Out of respect for our Japanese business partners, we displayed numerous Japanese gifts in our front lobby display case including dolls representing good fortune. Some of these still exist in our boardroom today."

As thousands of wheels had to be plated and polished every day, new employees were added on an almost daily basis. At the peak of the wheel business in the late 1990s, 1,300 employees were plating and polishing around 30,000 aluminum and 10,000 to 20,000 steel wheels per week. There was workstation after workstation for the company's roughly 500 polishers and thousands of wheels in various stages of the production process took up virtually every available space. Tens of thousands of bumpers continued to flow through the plating lines during this period as well.

## AUTOMATION AND ROBOTICS

Plating thousands upon thousands of steel and aluminum wheels was highly profitable business, but by the mid-1990s it had become clear to Bob, Paul and their leadership team that their company's profitability was quickly being eroded and that processes could be further improved through a higher level of automation, particularly on the polishing side. At the peak of its wheel production, *Kuntz Electroplating* was employing over 400 wheel polishers alone. As a result, Kuntz launched an automation initiative, spending millions of dollars on building robotic systems to better accommodate the increasingly intricate designs of the wheels. Dave Kuntz explains: "The mid-1990s was when we really started the robotic polishing phase, beginning with wheels. We had several big, high-volume Chrysler programs with wheels that were difficult to polish by hand. It was during that program that we built our first big robotics installation; we spent a good \$6 million on that and it ended up polishing more than a million wheels over the next couple



Shirley Austin.



Andy Schmidt.



Ron Bandurka.



Rodney Brack.



Jamie Hughes.



Dave Heart (on the right) with a fellow employee.



Toni Blain.



Mark Blaney.



of years before those programs ended. That was a lot of money to spend on a two year program. And then, we had to build a whole new generation with a completely different approach to robotic programming to support the next phase of our polishing business, and that was probably a good \$5 million as well.” Driven by the goal to be the best plater in the world, Bob, Paul and their families never shied away from making those kinds of investments into the future of their company.

**GROWTH, GROWTH, AND GROWTH AGAIN**

The unprecedented growth during the 1990s was driven by ever-growing demand for *Kuntz Electroplating’s* chrome-plated wheels and bumpers that were being produced at the Wilson Avenue plant around the clock six days a week. Rising auto sales, and skyrocketing sales of pickup trucks in particular, combined with an increasing use of chrome-plated steel and aluminum parts, were key contributors to *Kuntz’s* growth throughout the 1990s.

In 1993, *The Record* noted that with more than 200 people hired during the previous 18 months and a workforce of 550 people, *Kuntz* was booming. In the summer of 1993 alone, the company hired over 130

new employees. Over 300 new employees joined *Kuntz Electroplating* between 1993 and 1996 and when Polishing Area 8 was added in 1997 as part of the expansion of the Hoist Aluminum department, 150 new polishers signed on. Between 1995 and 1998 the number of employees more than doubled to over 700 and by the fall of 1998, the number of employees had grown to 850. At the peak of the company’s “golden decade” in the late 1990s *Kuntz* had 1,300 employees.

Robert Kuntz Jr. describes the character and spirit of *Kuntz Electroplating* during the 1990s: “Wheels really made us at the time; there were wheels everywhere. And polishing, we had polishers everywhere. In every little corner you could imagine, we had polishers set up. It was just hundreds and hundreds of polishers everywhere, because we just had so many steel and aluminum wheels that we were running through, plus the bumpers - a hell of a lot of bumpers! And of course skids everywhere! Skids of bumpers, skids of bumpers! What a humming place this was back then! The ‘90s were great times!”

Naturally, there were some bumps in the road as well. 1996 in particular was a year of challenges due to fluctuations in demand. After losing some of their steel wheel business to a competing technology, *Kuntz* had to lay off employees in the spring and revisit its strategies



PT Cruiser brought into the plant for a Communications Meeting.



Supervisors Barbecue.



Kuntz Electroplating in the late 1990s.



for the future when faced with a slowdown of production. In December 1996, Paul, who had become president in 1995, wrote to the *Kuntz* community: “As always, when the going gets tough, we at *Kuntz Electroplating* band together even tighter to meet the challenge. After many long hours of business meetings with our customers, our bankers and our own Supervisory team, our future began to take shape. We sharpened our pencils over contracts and blueprints, subcontractors and architects and now we begin to reap the benefits.”<sup>15</sup> By the end of 1996, *Kuntz Electroplating* was back up to a seven day work week and in an oversold position in some areas.

Major investments made into the company’s infrastructure during the second half of the 1990s included a massive expansion of the Hoist Aluminum department (1997), the Co-Generation (Co-Gen) project (1997), and an expansion to the QC and Wet Lab. The purpose of the 40,000 square foot \$3 million expansion to the Hoist Aluminum department was to accommodate expanded production lines for chrome-plating wheels and bumpers, putting *Kuntz Electroplating* into a position to process 1.2 million electroplated aluminum wheels per

15 Reflections Volume 9, Number 12, December 1996.

year. The Co-Generation project, another innovative investment at the time with the goal for the company to become more self-sufficient, was designed for generating in-house 50 to 65 percent of Hydro and steam needed for production. Expansions to the QC and Wet Lab areas provided additional space for Research and Development and Quality Control. Other additions made to the facility included a recycling department, new offices for Shipping, Safety, and supervisors at the rear of the main building; a new cafeteria and locker rooms; as well as a Health Centre. A highly confident President Paul Kuntz wrote in June 1997 to the *Kuntz* community: “By expanding our facilities, obtaining QS 9000 and expanding our workforce, we are going to be able to get the lion’s share of the new business in aluminum wheels and steel bumpers. All forecasts to date are showing increases from our customers for the next three years.”<sup>16</sup>

LOCAL ROOTS AND GLOBAL REACH

While solidifying the company’s position as a leader in the automotive market of global significance throughout the 1990s, *Kuntz*

16 “...From the President”, Kuntz Reflections, Volume 10, Number 6, June 1997, page 2.

*Electroplating* stayed true to the company’s local roots that reached back into the 1800s. Although relocation to a place closer to their key automotive customers, General Motors, Ford and Chrysler, who were located south of the border in Illinois, Missouri and Detroit, would have shortened supply and communication lines, Bob and Paul personally and the company corporately were involved in the Kitchener-Waterloo community at so many different levels that relocating was not considered a real option. Both Bob and Paul and the rest of the Kuntz family felt their responsibility as a significant provider of local employment and as a steady contributor to significant community improvements through personal and corporate philanthropy. As a result, there was hardly a time during the 1990s when there were no cranes or construction crews operating at the *Kuntz Electroplating* facility on Wilson Avenue as the Kuntz family kept investing into their local community.

THE NEW CO-GEN FACILITY (1997)

One of the most significant investments into the company’s infrastructure long-term was the new Co-Generation facility which allowed *Kuntz Electoplating* to supply its own power and harness steam (a natural by-product) to heat the plating tanks. Built to provide 40 percent of the

plant’s electricity needs and officially opened in March of 1997, the Co-Gen facility was operated by 3 continuously running 1200 horsepower engines. This innovative move allowed *Kuntz* to produce a major portion of the company’s own electricity and to keep the plant going during a power outage. Within that system, steam created from exhaust heat is used to heat the process tanks. By 1999, the facility had grown to four large natural gas-powered generators that generated about half of the company’s electricity. Co-Gen was later extended once again to incorporate a fifth state-of-the-art engine. From the beginning, the facility was built with future expansions in mind.

Co-Gen was built on the notion that *Kuntz* was a massive user of electricity and wanted to take control of its own destiny on the energy side. Driven by Paul’s larger objective to make the company as independent and self-sufficient as possible, Co-Gen was brought in at a time of great instability in commercial energy rates. Paul met with great resistance at first, but was ultimately able to convince people inside and outside the company of the positive effects of Co-Generation. Not only did *Kuntz* running its own Co-Generation engines and producing 60 percent of its own power result in less vulnerability on the energy side – it had a considerable positive environmental impact as well. Today,



Rebuilding of the Polishing Plant after the 1992 fire.



Installation of the new Kuntz sign on Wilson Avenue.



Co-Gen panel.



Co-Gen sign.





Keith Laycock at the Co-Gen facility opening on March 7, 1997.



One of the generators at the Co-Gen facility.



Judy Lauber, Cathy Richards and Keith Laycock at the Co-Gen facility opening.



Switching gear for Co-Gen.

the Co-Generation plant is a profitable business-within-a-business and generates additional revenue by allowing the company to participate in Demand Response programs with local and provincial utility providers.

### THE 1 MILLIONTH ALUMINUM WHEEL FOR GM (1997)

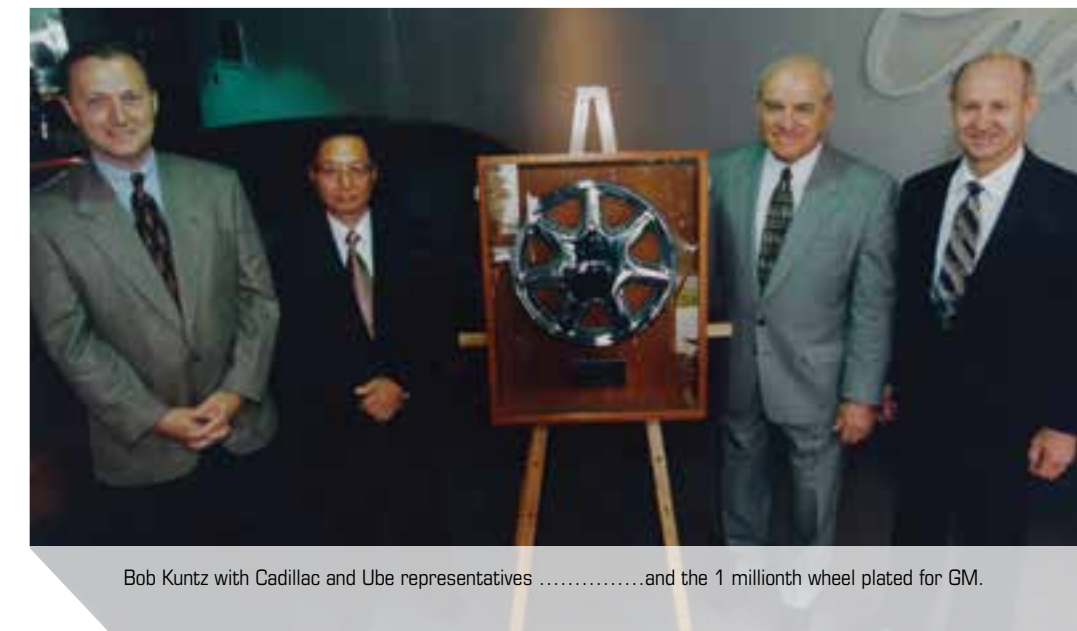
On July 21, 1997, John Smith, General Manager of Cadillac Motor Car Division was presented by representatives of *Kuntz Electroplating* and the A-Mold Corporation. with the 1millionth chrome-plated aluminum wheel produced for Cadillac's fleet of luxury vehicles, marking a significant milestone in the A-Mold-Kuntz partnership. The presentation which included *Kuntz* Chairman, Bob Kuntz, was made at Cadillac Headquarters in the General Motors Technical Centre in Warren, Michigan. The production of one million chromium-plated aluminum wheels for Cadillac was achieved in a little more than four years and was a result of the high industry-wide demand for quality chromium-plated aluminum wheels. 1998 was a year of record sales for the company. On an average day in 1998, *Kuntz Electroplating* plated 3,800 steel wheels, 1,400 aluminum wheels and close to 4,000 bumpers.

### EMPLOYEE RELATIONS, EMPLOYEE BENEFITS AND COMMUNITY PARTNERSHIP PROGRAMS

Employees were the driving force behind much of the growth that occurred at *Kuntz Electroplating* throughout the 1990s. Without employees pulling their weight and staying committed to the company's values and highest quality standards, the outstanding company success throughout the 1990s would not have been possible. As a matter of principle, *Kuntz Electroplating* endorsed a culture of sharing with and listening to employees who, in turn, shared in and contributed to their company's performance in many different ways. In 1990, *Kuntz* introduced a "Suggestion program" that encourages employees to think of ways to improve safety, production and quality of work life. Within this program, all employees (except for supervisors and forepersons) became eligible to submit suggestions and receive monetary rewards. A committee, including the plant manager, safety manager and supervisor of the department in question, reviewed the suggestion and made the decision themselves, or, depending on the amount of the



Smith, Vice President in charge of GM's Cadillac division (on the left) and Kuntz, president of Ube's Mason, Ohio plant, with the 1 millionth GM wheel.



Bob Kuntz with Cadillac and Ube representatives and the 1 millionth wheel plated for GM.





L to R: Donna Diebel, John Baker and Armand Charest.



ESL Graduates.



ESL classes at Kuntz Electroplating.



Employees at an incentive meeting.



Employees listening to Bob Kuntz at an incentive meeting.

award, consulted with the Awards Committee, which consisted of the Vice President of Operations and the President. In June 1991, the *Kuntz RRSP/DPSP* program was implemented for the first time with matching RRSP contributions and profit sharing. *KEAP – the Kuntz Employee Assistance Program* was introduced in July 1991. In January of 1992, *Kuntz's Target for Excellence Program* was officially kicked off.

In 1993, *Kuntz Electroplating* began participating in the *Waterloo County Board of Education's Partners-In-Education* program. As part of that initiative, *Kuntz* provided the facility and support for employees and others in the community to gain their grade 12 diploma or to further their education in othe ways before and after work or by correspondence. In the spring of 1998, at a time when *Kuntz Electroplating* was outperforming the industry, the completion of a wage review project resulted in the largest pay raise and increased benefit structure in the history of the company, amounting to \$2 million a year. Workers on 12 hour shifts worked 36 hours, but got paid for 40 hours. Corresponding with rapid growth, wages were raised on a regular basis, sometimes in intervals as short as six months. Al Cox, *Kuntz's* current Safety and Training Supervisor, remembers: "It was very fair. During the 1980s and 1990s we got spoiled with raises every six months and employees were making a lot of money."

## LEADING THE WAY - QS AND ISO CERTIFICATION

In the 1990s, *Kuntz Electroplating* became the first metal finisher in North America to achieve QS-9000 and ISO 14001 certification. ISO 14001 was released by the *International Organization for Standardization* as the standard against which an organization's Environmental Management System (EMS) is measured. The ISO 14001 certification process took into account the company's management structure in regards to the immediate and long-term environmental impacts of its products, services, processes and operations with the overall goal to provide for continuous improvement, reduction of waste and contamination, conservation of natural resources and prevention of human health issues. QS-9000, on the other hand, measured the company's adherence to quality systems including management practices, advanced product planning, problem solving and documentation.

## ENVIRONMENTAL STEWARDSHIP AND INVESTING INTO ENVIRONMENTALLY-FRIENDLY PRODUCTION METHODS

Following the completion of the waste treatment facilities in the fall of 1985 at an investment cost of approximately \$800,000, *Kuntz* management took further steps throughout the 1990s towards decreasing the company's environmental footprint. Capturing and reusing chemicals used in the manufacturing process and establishing sophisticated recycling systems were aimed at reducing the amount of waste produced. Investments into environmental sustainability in the 1990s include the introduction of a cyanide destruction system that slashed the use of chlorine, caustic soda and hydrochloric acid and ended up saving the company more than \$145,000 a year. In the early 1990s, *Kuntz Electroplating* also became a leader for recycling nickel used in the production process. Beginning in 1990, *Kuntz* shipped many tons of material containing 14 to 15 percent nickel back to their supplier, Inco, in Thompson, Manitoba, for resmelting, thus eliminating the previous disposal costs and even generating some additional return for the company. As *Kuntz* was using about 20 tons of nickel a year in



Bob and Paul receiving the QS-9000 registration document.



KUNTZ ELECTROPLATING INC. – ENVIRONMENTAL POLICY

Kuntz Electroplating’s official environmental policy was announced in the spring of 1998. It continues to guide the company’s efforts to minimize its environmental footprint in all its processes:

Kuntz Electroplating Inc. and all of its employees support the responsible stewardship of resources. This allows sustained economic development and an improved quality of life.

We are committed to incorporating environmental considerations into every aspect of our daily operations. We are also committed to prevention of pollution by thoroughly investigating our aspects of air emissions, wastewater and solid waste generation. Environmental protection is the responsibility of everyone at KEI and all employees are encouraged to suggest means by which pollution may be prevented in their work area. In this spirit, we believe and have adopted a set of policies and guidelines that governs our attitude and action in environmental matters.

We conduct our business in a manner designed to protect the environment and to protect the health and safety of our employees and the public.

We promote new technology designed to conserve and renew resources. We are committed to continual improvement and the prevention of pollution.

We assess, plan, construct, and operate facilities in compliance with all applicable environmental legislation and regulations and other requirements which are deemed appropriate by Senior Management. Beyond, or in the absence of, regulatory requirements, we apply sound management practices reflecting the spirit of minimizing adverse environmental impact.

We develop and implement environmental management programs reflecting the objectives and targets prescribed by the Steering Committee.

We promote environmental awareness amongst our employees and to the public through various methods of communication. Policies and procedures are developed based on sound, economically achievable technology and consideration of environmental and health impact.

The Steering Committee reports regularly to our Senior Management on our environmental status and performance. Environmental objectives and targets are reviewed by the Steering Committee at Management Review Meetings.

the company’s various plating processes, tens of thousands of tons of nickel sludge were diverted from landfills.

EXPLORING INTERNATIONAL OPPORTUNITIES

As Kuntz Electroplating was plating huge volumes for large suppliers in the automotive industry, there was pressure from some of them for the company to move closer to their plants. Kuntz was doing so much business with the Ube Industries plant in Mason, Ohio, that the latter inquired whether it made sense for Kuntz to expand closer to them. On another occasion, when some of the Kuntz’s bumper customers went into Mexico, there was some talk and research done into the possibility of Kuntz becoming present as a manufacturer in Mexico as well. In the end, Bob and Paul decided to keep the business in its Kitchener location. They felt that the risk was too high and the resources would be stretched too thin. Furthermore, the company had everything they needed in their Kitchener location. The plant had been expanded many times throughout the 1990s with future growth in mind and the well-trained workforce of local employees guaranteed the highest levels of quality across the organization. Bob and Paul’s more conservative philosophy was built on the motto of “One location - one facility.”

DEFINING THE VISION FOR THE NEW MILLENNIUM

In December 1998, Mike Kuntz gave this outlook for Kuntz Electroplating in the New Millennium: “Kuntz Electroplating Inc. sees growth and exciting opportunities in its future. We recognize that the need for diversification is great in order to remain competitive in the 21st century and we continue to explore possibilities of plating in the aerospace, motorcycle and plastic industries. Our primary focus will remain, of course, in the automotive industry and we are poised to remain leaders in this field.”<sup>17</sup>

In early 1999, as part of a more strategic approach to business development and growth, Paul asked every department and functional group within the company to produce a business plan for the coming fiscal year (1999/2000), partly as a strategic road map for the

beginning of the new Millennium and partly as a budgeting projection. He explained his more strategic approach in February 1999: “Once each department or functional group’s business plan is prepared and presented to senior management, we will be creating a Strategic Plan and a budget for the entire company. We will plot out our strategy for increasing our market share in metal finishing and exploring new product areas for diversification. We have often reacted to business opportunities that presented themselves, and have had a flexible workforce that accommodated change in a short timeframe. Good fortune and a low Canadian dollar have made us profitable beyond our projections, but we can’t rely on that continuing indefinitely. It is now time to map out a clear plan for where the business is heading and how to ensure success along the way.”<sup>18</sup>

Both 1998 and 1999 were record sales years for Kuntz Electroplating. The automotive industry was firing on all cylinders and Kuntz continued to grow by leaps and bounds as the new Millennium was approaching. In 1999, while demand for chrome-plated bumpers was in decline (and would continue to be in decline), Kuntz’s largest production line – Hoist Steel – was about to be expanded once again to accommodate growing demand for chrome-plated aluminum wheels. Sharing the widespread enthusiasm and company-wide belief in a great future, Mike Kuntz, in December 1999, predicted that the “new Millennium will be a period of excitement, growth and transition for Kuntz Electroplating Inc.”<sup>19</sup>

18 “....From the President”, Reflections February 1999, page 2.  
19 Reflections, December 1999, page 2.



Part of the Co-Gen facility.



Part of the ventilation network on the roof of the Kuntz plant.





# TRANSFORMATIONS

Kuntz Electroplating in the  
New Millennium

CHAPTER 7



## TIMES OF CHALLENGES AND OPPORTUNITIES

The new millennium has been a period of great changes and transitions at *Kuntz Electroplating Inc.* which, in 2012, was rebranded as *KEI*. At a business level, the chrome-plated wheel business that had been responsible for much of the company's volume in the previous decade dropped off dramatically as car manufacturers shifted to less-expensive plastic claddings and sourced most of their remaining chrome-plated wheel business to China. For *Kuntz* these fundamental shifts in the automotive industry created great challenges and opportunities at the same time. Operating out of over 750,000 square feet of production space, *Kuntz* entered the Original Equipment (OE) accessories market by becoming a supplier of chrome-plated aluminum running boards for trucks. Strategic investments into the future included the construction of a new water treatment plant, intensified exploration of robotics in polishing, and the founding of *Kuntz Logic Systems* as a technology spin-off company for robotic software and metrology. Recognizing that the competitive landscape was changing, the goal to become more diversified was the driving force behind *Kuntz's* decision to enter the motorcycle market by becoming an approved supplier of motorcycle parts for *Harley-Davidson* in 2001.

In spite of management's foresight and efforts to position the company for the future, when the "Great Recession" hit in the mid-2000s, its massive scope and dramatic impact on the automotive industry brought *KEI* to the brink of survival, resulting in the eventual restructuring of the company with a much smaller workforce and LEAN processes across the entire organization. Management's ability to build strong and lasting relationships in the industry, the company's innovative spirit and aspiration to being the best plating operation in the world, and employees' determination to pull together and do whatever was necessary to ensure the company's future, were key elements in *KEI's* survival at a time when many other North American manufacturing businesses folded. In spite of



Bob and Paul in the board room.



Plant 1 board room.

the massive challenges the company had to overcome, *KEI* came out of the recession a much stronger, more diversified and more competitive player of global reach.

At a family and company leadership level, the new millennium brought many changes as well, from the hiring of the first non-family president in 2002, through the tragic passing of both Paul and Bob Kuntz within months of each other in late 2010 and early 2011, to the gradual transitioning of the company into a third-generation family business under the combined leadership of David, Robert Jr. and Mike Kuntz, as part of a larger executive team led by non-family presidents Terry Reidel (2002-2008) and John Hohmeier (since 2008).

## OFF TO A GOOD START

*Kuntz Electroplating* started the new millennium as an employer of 1,100 people and as a market leader that was working with 800 suppliers. Ube's North American plant, A-Mold Corporation of Mason, Ohio continued to be the largest customer. The year 2000 opened with a challenge when *Kuntz* lost a significant part of its bumper business in the spring. The volume of work rebounded in the summer and in the last quarter of the year over 120 new employees joined the company. Throughout the spring of 2000, *Kuntz* added aluminum capabilities through its new HSA (Hoist Steel and Aluminum) line to accommodate an expected significant increase in aluminum wheels for the *PT Cruiser* and the *Dodge ES Minivan*. In March/April 2000, president Paul Kuntz estimated that the company would electroplate more than 1 million wheels during the first year of the new millennium. Long-term plans included continuing research on diversification including custom chrome, bright buffing and clearcoating and entering into the accessories aftermarket by becoming a supplier of aluminum running boards for Dee Zee, the leading supplier of truck accessories. At the time, it looked like the new millennium would start off with another "golden decade" of continuous growth for *Kuntz Electroplating*.

## INVESTING INTO THE FUTURE

Throughout the year 2000, *Kuntz Electroplating* made significant investments into the company's future based on Bob and Paul's expressed conviction that "[t]he automotive industry is constantly changing and we have to be able to change with it if we want to remain in



the game.”<sup>20</sup> These included the construction of a new water treatment facility throughout the summer of 2000 to meet increasingly stringent environmental requirements, as well as the installation of a new HSA plating line capable of handling both steel and aluminum substrates. The high-tech water treatment facility was added with future expansion in mind and it continues to ensure *Kuntz’s* commitment to a clean, safe environment to this very day. In 2000, *Kuntz* further added a fifth Co-Generation engine which boosted the company’s ability to supply its own power needs to over 60 percent. As a back-up system, Co-Gen continues to ensure *Kuntz’s* capability to keep all critical production applications running during emergency power outages. Other major projects completed during the year 2000 included a technologically advanced coating system for high-speed wheel painting.

**LEADING THROUGH INNOVATION:  
AUTOMATION AND USE OF  
ROBOTICS IN POLISHING**

Primarily driven by Paul’s determination to take the company to an even higher level, *Kuntz*, in 2000, commenced an aggressive robotics program aimed at reducing costs and increasing production efficiencies. Paul was always ahead of the technology curve; even at home, he would have the pioneer version of every latest electronic gadget. Committed to Kitchener as the long-term location of *Kuntz Electroplating*, both Paul and Bob understood cutting-edge robotics technology as a way to maintain the company’s market leader position in an ever-changing market environment that would be increasingly characterized by competition from low-cost countries like China.

By 2002, *Kuntz* was working with the University of Waterloo in the development of sophisticated robots to be used in polishing. Partial automation of the polishing process became necessary because the intricacies of the latest generation of wheels required an even more sophisticated finishing process than the wheels that had been popular in the 1990s. The task at hand was to develop a robot that could read a computer model of a wheel and then complete the elaborate polishing and buffing process without the need for re-programming. For Paul, the overarching goal of the robotics program was “to

<sup>20</sup>“Message from the Chairman and President,” *Reflections*, December 2000, page 2.



Backside coating for aluminum wheels (Coating Department).



An auxiliary anode is put onto a wheel at the plating line.





Developmental cell used for initial program for robotic polishing.

automate the dreary, tedious work of polishing and replace it with jobs that are more challenging and more satisfying. I want to see us bring this type of work out of the 19th century and into the 21st,” he said in an interview with *The Record* in February 2002.<sup>21</sup> Kuntz was one of the leading pioneers in automating polishing wheels. Developing the new technology was a costly undertaking and a further manifestation of the Kuntzes’ commitment to innovation and reinvesting into the family business. Between the program’s commencement in 1999 and the presentation of the robotic polishing process for alloy wheels in February 2002, *Kuntz Electroplating* spent about \$7 million in developing the technology.

### KUNTZ LOGIC SYSTEMS INC.

In 2001, Kuntz established a new robotic software and metrology company called *Kuntz Logic Systems Inc. (KLS)* Led by Paul as president, the overall purpose behind Kuntz’s own robotics company was to become a leader in off-line programming (OLP) and robotic

<sup>21</sup> “Kuntz Electroplating, UW develop a sophisticated, robotic polisher,” *The Record*, February 23, 2002.



metrology. This goal was to be achieved by developing industry-first software solutions that would overcome the limitations of manual programming that requires floor presence. Located at 771 Wilson Avenue, *KLS* assisted robotic system users in optimizing their systems through off-line programming software and other customized solutions. Products and services included robotic integration solutions, software development, robotic calibration/certification services, and a potential for turn-key robotic metal finishing equipment. In spite of its cutting-edge character, *KLS* eventually fell victim to the sudden decline of the wheel business and was eventually shut down. If the wheel business had remained robust, it is very likely that *KLS* would have achieved its goal of transforming the polishing process through automation, as the venture was built on very strong technological and human resources and expertise.

### GLOBALIZATION AND SUDDEN DECLINE OF THE ALUMINUM WHEEL PRODUCED IN NORTH AMERICA

After many years of driving growth and expansion at *Kuntz Electroplating*, the wheel business dropped off very suddenly. Doug Dietrich remembers: “We designed the new HSA plating line to do a very high-volume wheel job for Chrysler, and just as we were getting ready to bring it on stream, Chrysler cancelled the project. Dave Kuntz adds: “Things can change very quickly in the fashion-oriented wheel business. A couple of disruptive technologies came along to kind of imitate what we were doing to the wheels and all of a sudden there was no more growth and the wheel business started shrinking. It went down very fast.”

What dealt the aluminum wheel produced and chrome-plated in North America its death blow were cheap, low quality plastic claddings and imported wheels from China. As China was emerging as a low cost global economic player, plastics manufacturers in the automotive industry designed a chrome-plated plastic hub cap that emulated the face of the full chrome-plated wheel. When glued to the wheel and plated, the cladding made the wheel look like a full chrome-plated wheel. In view of the low quality of these plastic claddings and the resulting wheels, *Kuntz* did not expect car manufacturers to catch on to these products in large numbers. The market would prove them wrong.



Mike Ball at the custom-made CASS cabinets used for CASS testing in the QC lab.



Charlene Sheen-Jauch working at the CASS cabinet to perform CASS tests on wheel parts with Betty Germann in the background.



Faced with increasing cost pressures, North American car manufacturers in particular resorted to these cheap wheel finishes in high volumes as a way to cut costs. If that was not enough, inexpensive Original Equipment (OE) wheels started flooding the North American market as well, as China was in the process of taking over most of the traditional North American aluminum wheel supply market. US car manufacturers began to rely so heavily on imports from China that today only one North American OE aluminum wheel manufacturer remains, and even that company operates three of its four plants in Mexico. The only other two OE aluminum wheel plants in North America are producing exclusively for *Toyota*.

*Kuntz's* largest customer for chrome-plated wheels, Ube, was known for making one of the best, lightest, and strongest aluminum wheels in the world. When the market began to change to lower-pressure-cast wheels with inexpensive plastic claddings, Ube tried to change with the market. The company began using their high class squeeze-cast wheels which had distinguished them as market leader, as the backbone of glued-on plastic hubcap claddings, losing focus on their core competency in the process. As Ube failed to leverage their great technological advantage, the company's growth became

unfocused, ultimately leading to the termination of its North American wheel operations.

As a result of the decline of its wheel business, between 2000 and 2005, *Kuntz Electroplating* went from being a highly profitable company with over 60 percent of its overall volume coming from wheels to a position where the aluminum wheel plating business declined to no more than 5 percent of the company's overall volume. Mike Kuntz explains the dramatic impact of the decline of the wheel business on the company: "Plating wheels for Ube was a huge part of our business, so we had to quickly reinvent ourselves while this was happening. It was literally unfolding before our eyes and there was little that we could do because of how fast it was happening."

It turned out to be exceptionally good luck for *Kuntz* that the company, through its sales representatives, was attending the Special Equipment Market Association's (SEMA) show in Las Vegas at the time. Flying home from the show, George MacDowell, one of *Kuntz's* long-time independent sales agents who had originally introduced them to the wheel business in the 80s, happened to be sitting beside another passenger who, as it turned out, was the sales representative for Dee Zee Manufacturing in Iowa. As the two men struck up a conversation,

George learned that Dee Zee made aluminum running boards for pickup trucks for GM and Ford. Having realized the popularity of running boards in the lucrative aftermarket, Ford, in particular, was starting to include running boards in their original equipment product offering. Dee Zee was increasing production to meet the new demand and was looking for a plater who could handle that type of production. They had already looked into different options, but could not find a metal finishing operation capable of plating their tubular-shaped product at the quality level and volume Dee Zee required. When the sales representative asked George whether he happened to know a plating company that had the know-how, capacity and quality processes necessary to handle that kind of business, the latter chuckled, and, thinking about the new HSA line at *Kuntz* sitting empty, replied: "I happen to know the best plater in the world and it just so happens that they have this brand-new plating line that can definitely handle Dee Zee's volume." That conversation marked the beginning of an excellent relationship between Dee Zee and *KEI* that marked its 10th anniversary in 2012 and is ongoing to this very day.

With some additions to the front end of the plating line, *Kuntz* was able to take on the new running board business and, without missing a

beat, technologically make the transition from wheels to running boards. *Kuntz* was fortunate that the running board opportunity presented itself through George McDowell at the time it did. With the HSA line in place, *Kuntz* was able to capitalize on the opportunity almost instantly.

In a special note of February 2000, Paul announced that *Kuntz Electroplating* was in advanced negotiations with the nation's leading aftermarket and OE (Original Equipment) supplier of truck accessories to take on the new business of chrome-plating aluminum running boards. With chrome-plated aluminum boards in different stages of development throughout the *Kuntz* plant at the time, Paul predicted with confidence: "The automobile aftermarket industry in Canada and the US is a multi-billion dollar powerhouse, and *Kuntz Electroplating* is ready to become a player. Our reputation as the highest-quality plating house in the Original Equipment Manufacturing industry will allow us to gain entry into this lucrative market and we hope to pursue new applications in this industry."<sup>22</sup> As running boards kept unfolding as the next high-volume plating business for *Kuntz*, Dee Zee Manufacturing became its largest customer.

<sup>22</sup> Reflections, February 2000, page 2.



Running boards in various stages of the polishing process.



Final inspection after plating.



## BECOMING THE ONLY COMPANY IN THE WORLD TO PLATE ALUMINUM WHEELS FOR HIGH-END EUROPEAN CARS

*KEI's* reputation of being able to do things that most other plating companies can't do played an important role in acquiring the business of high-end European car companies, such as Jaguar, Bentley, Rolls Royce, Mercedes, BMW and others. When the European car companies started getting into the aluminum wheel OE business, they searched the world over and next to a small company in Germany that has since gone out of business, *Kuntz* became the only operation approved by any European company to chrome-plate aluminum wheels. Even though *Kuntz's* North American wheel supply was on the decline, its plated wheels continued to go into the European and other markets, such as Japan and Brazil. In contrast to their North American counterparts, high-end European car manufacturers did not want to take the risk of having their luxury wheels plated in China. Today, *KEI* remains the only company in the world approved to chrome-plate aluminum wheels for BMW, Audi, Mercedes, Jaguar, Bentley and Rolls Royce.



Testing of wheels and running boards in the QA lab.

## EXPLORING INTERNATIONAL OPPORTUNITIES

In spite of being a company of global reach, *Kuntz* has remained a Kitchener, Ontario business, not for lack of opportunities to grow internationally, but out of its own choosing. At around the same time that most of the North American wheel business started going to Chinese manufacturers, several opportunities presented themselves for *Kuntz* to venture into the Chinese market on the manufacturing side. Management decided to explore options in China mainly for two reasons: at a general level, they wanted to understand what the input costs would be should the company ever seriously consider becoming active in China. More specifically, several Chinese companies were reaching out to *Kuntz* and suggested entering negotiations for joint ventures. Knowing of *Kuntz's* reputation and technology, they were interested in close cooperation in their wheel-plating facilities in China.

Various members of the *Kuntz* management team made trips to China to explore these options. Invited by one of their customers, Dave Kuntz and Peter Forth travelled to China to visit several wheel-plating operations. From their side, it was an exploratory trip to learn how



Various premium wheels plated by Kuntz.

Chinese plating companies were operating rather than looking for a specific business opportunity. On another occasion, Mike Kuntz spent several weeks in China, visiting plants and building relations with the Chinese company's CEO.

"At the end of the day, we didn't feel comfortable," Mike explains. Realizing that the Chinese company that Dave Kuntz and Peter Forth had visited was using one of *Kuntz's* process documents without authorization and learning about chemicals produced in China having been packaged under the plagiarized logo and name of a North American manufacturer, *Kuntz* management was concerned for the safety of their own company's intellectual property. Mike elaborates: "There is really no protection for processes and there are still things we do today that we consider our competitive advantage. We decided we cannot operate in that kind of environment, where there is little transparency."

In addition to concerns regarding intellectual property, management shied away from a joint venture in China due to the scope of the potential investment and the fact that the wheel business had entered a stage of decline already.

Terry Reidel, *Kuntz Electroplating's* first non-family president, further points to the potential negative effect on the *Kuntz* company culture as another deterrent to entering a joint venture in China: "We decided we just couldn't go there, it just wasn't us. We felt that if we had little satellite offices and plants all over the place, we were going to lose the community, the family business culture, the quality that was distinguishing us. Many of the things we treasure, they could change and we didn't want them to change. So we decided not to enter into a relationship with a Chinese manufacturing company."

A second international opportunity explored by *Kuntz Electroplating* related to the potential takeover of a plating operation in East Germany. *Kuntz* looked into acquiring that company after being put into contact with its management through some of *Kuntz's* European customers. *Kuntz* management was open to the suggestion because there was a need for high-quality chrome-plated wheels in Germany in particular. Furthermore, the East German company had some additional capabilities beyond decorative nickel-chrome-plating that could have further enhanced *Kuntz's* footprint in Europe. Expansion into Germany did not materialize, however, due to the company's unusual corporate structure and government regulations that were incompatible with the





way Kuntz was doing business. Dave Kuntz remembers: “We went over for an in-depth meeting and spent three days in an office in Paris doing due diligence. When we were done, we were just shaking our heads. Their corporate structure and patchwork of previous ‘grants for jobs’ that were part of the German government’s ongoing attempt to rebuild East Germany following reunification were just so inefficient. Plus, our business was challenged as it was; we were not in a great position to lay down any money, especially for something as risky as this.” Kuntz’s management team was right in this assessment: not long after these meetings, the East German company went out of business.

The North American Free Trade Agreement (NAFTA) made Mexico another natural focus area for exploring new market opportunities for Kuntz Electroplating. Several Tier 1 manufacturers invited Kuntz to explore options of building plating operations for wheels and bumpers in Mexico together with them. Discussions that followed were mainly driven by one of Kuntz’s main bumper customers, which, in the end, went ahead with the venture on its own.

Exploring international opportunities, such as the aforementioned, is part of an increasingly global mindset and the growing need for Kuntz management to stay abreast of new developments in an increasingly

global economy. Mike Kuntz explains: “We have reengaged that global philosophy because we want to know why a certain competitor is going into a certain market. We have to gather all the facts so that we can make an educated decision why we pursue options in that market or not. As we become a more global company, our reach becomes more global as well. Our customers are becoming more global and they are looking for global companies. We need to be able to respond to that.”

## BECOMING A SUPPLIER FOR HARLEY-DAVIDSON

Becoming an approved supplier for Harley-Davidson in September 2001 marked the beginning of Kuntz Electroplating’s venturing into the motorcycle industry. Two years later, in 2003, Kuntz installed a state-of-the-art plating line specifically designed for chrome-plating parts for North America’s Wisconsin-based iconic motorcycle manufacturer. Over the course of a decade, Harley-Davidson has grown into KEI’s second-largest customer, accounting for almost 30 percent of the company’s revenues. KEI chrome-plates over 50 different part numbers for Harley-Davidson, including handlebars, transmission covers, cam covers, air breather covers and engine heads. Today, the Harley-Davidson line turns

out 30,000 to 40,000 parts a week. In October 2011, representatives of Harley-Davidson and Kuntz celebrated the tenth anniversary of this ongoing business relationship. KEI takes great pride in having been named Harley-Davidson’s “Supplier of the Year” in 2013.

The decision to take on Harley-Davidson and invest into a new production line for motorcycle parts – the single largest investment in years - was a strategic move. Members of the third generation of Kuntz family entrepreneurs in particular looked at the developing relationship with Harley-Davidson as an opportunity to diversify the business and thereby enhance the long-term stability of Kuntz Electroplating.

Going from large bumpers and wheels into smaller-sized motorcycle components was a vision not shared by everyone in management at first. Many from the “old school” in the company were not convinced that it was the right move to make. Considering that Kuntz would be working with a new substrate and with a new customer whose aesthetic requirements were the most stringent Kuntz had ever seen, pursuing the new avenue took quite some convincing internally.

Kuntz’s original contact with Harley-Davidson was through Ube’s cast machine manufacturing division. In an attempt to become a Harley-Davidson supplier, Ube was promoting its squeeze-casting/forging

technology to Harley-Davidson for the motorcycle manufacturer’s power train parts. One of the key advantages emphasized by Ube was that parts manufactured through their proprietary process could be chrome-plated and polished more easily, leading to significantly reduced fallout rates.

Even though Harley-Davidson did not adapt squeeze-casting in the end, communications between the two companies provided Kuntz the opportunity to become known to Harley-Davidson executives. Kuntz was invited to come along and be part of Ube’s presentation. Without knowing it at the time, that meeting would set the stage for one of Kuntz Electroplating’s most important business relationships. On the invitation of Ube, Harley-Davidson representatives came to Kitchener and toured the Kuntz plant where they were shown thousands of squeeze-cast aluminum wheels in the various stages of the plating and polishing process.

About a year after that tour of the Kuntz Electroplating plant, a Harley-Davidson’s purchasing manager called Dave Kuntz, who had led the plant tour for Harley-Davidson executives, and inquired whether Kuntz was interested in developing a relationship for plating engine components. Dave reflects: “They told us that they were in the process



Housings about to go into a robotic polishing cell.



Housings coming out of the chrome plating line.



Air breather covers.



Alicia Adams racking rocker top covers for plating.





Housings after plating.



Robotic Polishing cell.



Bob Hayward uncracking foot boards.



Toni Blain and Shelley Jauch inspecting parts.



Rocker top after plating.



Housings after plating.



Paul Gysbers in the racking area.

of building a new supply chain and asked whether we were interested in becoming part of it. They invited us to explore the possibility of plating Harley-Davidson parts in our plant because they really liked what they had seen during their tour of our facility a year earlier.”

Working with Harley-Davidson promised good volume and, after experimenting for a while, *Kuntz* started doing the first parts on a small basis in 2001. Over the course of the next two years, as the relationship kept growing, *Kuntz* fine-tuned its processes to accommodate the new business and put a lot of effort into figuring out the best possible process for chrome-plating parts to Harley's specifications and high standards. Mike Kuntz remembers: “It was a very quick ramp up with lots of growing pains. There was a lot of R&D and process improvements and development we had to make in order to launch these products on time and at the right cost.”

By 2003, the *Kuntz* team was ready to put in a specialized high-volume plating and polishing line exclusively for Harley-Davidson to chrome-plate motorcycle parts. After two years of research, planning and construction, a new state-of-the-art plating line launched that was designed and engineered specifically to meet Harley-Davidson's detailed standards for cosmetic nickel chrome finishing on its most popular engine. The new line uses sophisticated computer-controlled, automated hoist systems. Advanced robotic polishing equipment was integrated into the new line, enabling an output of over 3 million parts annually for the most recognized motorcycle brand in the world.

Management had taken the big leap into the Harley-Davidson business at a time when *Kuntz* was starting to face an uncertain future. By the time the Harley-Davidson line was up and running at full capacity, the wheel business had tanked and sliding auto sales had put *Kuntz* into a challenging position as an automotive supplier. As automotive business fell by the wayside during the recession, plating motorcycle parts for Harley-Davidson accounted for as much as half of *Kuntz's* overall volume. Had it not been for the Harley-Davidson business, it is likely that *Kuntz Electroplating* would not have survived the “Great Recession” that reared its ugly head in 2007.





Product display in the front lobby.

## NORTH-AMERICAN MANUFACTURING ON THE BRINK: SEPTEMBER 11, THE “GREAT RECESSION” AND THEIR IMPACT ON KUNTZ ELECTROPLATING

The first decade of the 21st century has gone down in history as a period of great economic uncertainty and decline. Following the burst of the dot-com bubble, the terrorist attacks on the World Trade Center in New York City on September 11, 2001 further aggravated an economic slowdown in North America that was accompanied by massive layoffs and increased outsourcing of manufacturing jobs to low-cost countries. Decline in consumer spending in view of the September 11 attacks caused a sudden drop in *Kuntz’s* aluminum-plating volume and by the end of September 2001, the company had to lay off 66 employees. A two-week-long plant shutdown in the summer of 2002, referred to by then president Terry Reidel as “the shutdown that never was”, was averted at the last minute when *Kuntz* customer Ube asked them to continue producing wheels for them. By February 2002, following more recession-related layoffs, the number of employees at *Kuntz Electroplating* was down to 800 from 1,000 previously and the worst was yet to come.

In December 2007, problems in the US subprime mortgage market led to the bursting of an \$8 trillion housing bubble, marking the beginning of the “Great Recession” – the single-largest global economic crisis since the “Great Depression” of the 1930s. People losing their homes in the US, sharp cutbacks in consumer spending, financial market chaos resulting in a full-blown financial and banking crisis, and massive job losses were manifestations of a recession that would last until June 2009 and that was felt in Canada as well.

Naturally, as a consumer-driven industry, the North American automotive sector was severely affected by the economic downturn. To make matters worse, the energy crisis that unfolded between 2003 and 2008 had a particularly negative effect on the American “Big Three” automakers, General Motors, Ford and Chrysler. In contrast to their European and Asian counterparts, GM, Ford and Chrysler’s main focus since the 1990s had been on producing models for the highly popular large SUV and pickup truck market in the US. As energy prices soared, demand for large vehicles dropped, causing the “Big Three” to experience double-digit percentage declines in sales. In spite of multiple billion dollar bailouts by the US, Canadian and Ontario governments, GM and Chrysler filed for Chapter 11 bankruptcy protection in 2009.

As a North American-based supplier to the automotive industry, *Kuntz* was particularly vulnerable to the recession. When local landmark businesses, such as *B.F. Goodrich* and *Thyssen Krupp* (formerly *Budd Automotive*) were forced to shut down their local plants in 2006 and 2008 respectively at a combined loss of close to 2,500 automotive manufacturing jobs, *Kuntz* remained the only sizable automotive supplier in the Kitchener-Waterloo area.

Throughout the recession, the debt load *Kuntz Electroplating* was carrying posed a particular challenge. A series of expansions, the building of new plating lines and *Kuntz’s* large-scale investment into robotics throughout the 1990s had enabled the company to take on an ever-increasing number of wheel programs; at the same time, however, these and other capital-intensive investments had also driven up the company’s overall debt load. Although carrying long-term investment debt was not a problem in itself, it had made the company vulnerable in case of a sudden drop in production volume. That sudden drop came during the recession when manufacturing plants across the automotive sector were forced to operate significantly below capacity or even shut down entirely while GM, Ford and Chrysler struggled for survival.



Unracking tubular running boards on the HSA line.

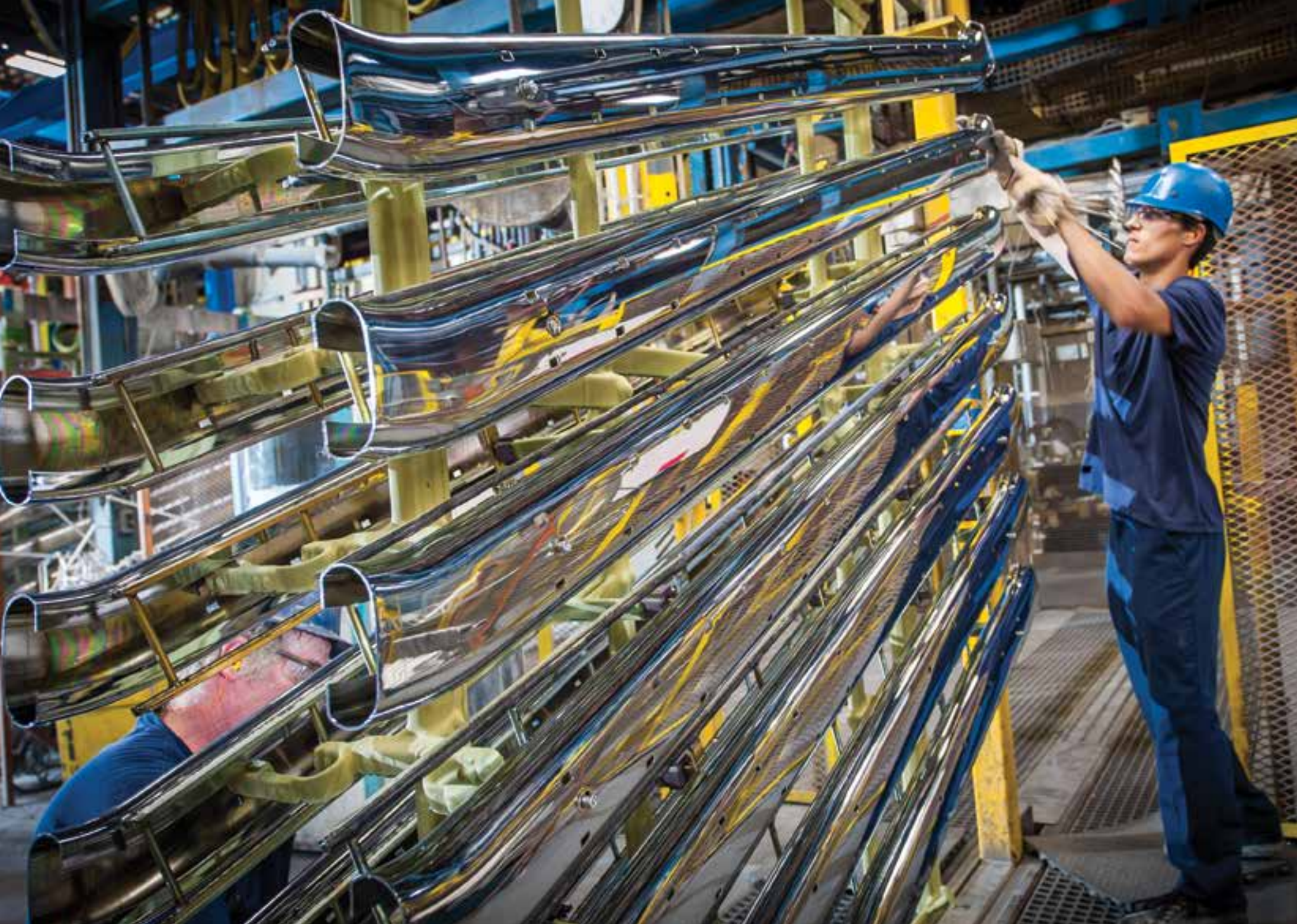


Tammy King inspecting running boards on the HSA line.



Brody Thompson keeping things running.





Adding to the challenge was the fact that going into the recession, *Kuntz's* main lender was an American asset-based lending company. As was the case with so many other US-based financial institutions, that particular division was bought and sold several times while the banking crisis unfolded. In that process, *Kuntz Electroplating* was referred to special loans divisions and company management had to reintroduce the business and defend its decisions to new people unfamiliar with the industry and the business over and over again. Dave Kuntz comments: "We never knew what the new guy was going to be like and whether he would pull the plug."

At the height of the recession everyone at *Kuntz* was wondering if the company was going to survive or join the growing list of local manufacturing businesses that had closed up shop. "It was certainly a crapshoot for many mornings coming to work," Dave remembers. "We fully understood that we could pull into the parking lot and there would be padlocks on the doors. We were out of covenant in just about every respect on our lending arrangements."

In his capacity as VP of Finance, Robert Kuntz Jr. played a particularly important role in helping steer the family business through its largest crisis. He was instrumental in trimming tens of millions of dollars in fixed and variable cost from the operation. As *Kuntz's* key point man in dealing with the various banks, he spent a lot of his time trying to raise the bankers' confidence when they were threatening to force them into receivership.

A significant contributor to *Kuntz's* success in driving down costs was Robert Jr.'s 2005 decision to establish an internal Cost-Reduction team consisting of managers from the various departments. Each week team members had to report what they were doing to cut costs in their respective departments. As overall sales had gone down from \$135 million to around \$60 million, *Kuntz* had to support an infrastructure that was set up for high-volume production while actual sales accounted for less than half of what the company was capable of handling. In that particular situation, cutting out tens of millions of dollars in costs was key to *Kuntz's* survival. Under Robert Jr.'s leadership, the team's combined efforts resulted in multi-million-dollar cost-savings across the organization.

As business declined dramatically in the early 2000s, independent business consultant Bill Goss helped the *Kuntz* leadership team formulate

their responses to the banks. Bill also provided guidance during the company's initial cost-cutting steps and with rightsizing the business. Later on, *Kuntz* was assisted by *Keystone Consulting* in analyzing total department costs and addressing the need to cut costs even more methodically. Robert Jr. reflects: "Between Bill Goss and Keystone, we literally dropped tens of millions of dollars from our operations a year. Had we not done that, there is no way we would have survived."

## HIRING OF A NON-FAMILY PRESIDENT

As if the economic fallout from the recession was not providing enough challenges already, the term "crisis" took on a very personal meaning for the Kuntz families and the *Kuntz* community, as both Bob and Paul faced health challenges that would eventually take their lives. As Bob's health declined dramatically from Parkinson's disease and Chronic Traumatic Encephalopathy (CTE) and Paul was diagnosed with a rare form of blood cancer, various external advisors were telling them and their families that they needed to put a succession plan in place. Paul was able to live with the illness for a decade and he temporarily took on even more of a leadership role in the business, while his older brother's health kept



Terry Reidel.



declining much more rapidly throughout the early 2000s. Watching Bob lose his vitality and eventually his memory due to the long-term impact of untreated concussions suffered during his professional football career in the 1960s, was heart-wrenching for everyone at *Kuntz*.

In February 2001, Terry Reidel joined the company as CFO. Terry was a good friend of Paul's; their relationship went back to their shared time at St. Jerome's High School in Kitchener. Both Paul and Bob were excited about the financial expertise Terry would bring to the company. Professionally, Terry had been involved with *Kuntz Electroplating* before: as a managing partner for *Kuntz's* lead auditor, Ernst and Young, he had helped the two brothers through the process of buying back the Magna shares in 1990. Terry had remained their client analyst partner at Ernst and Young right up until the time he retired and joined *Kuntz Electroplating*. While Terry acted as CFO, he worked closely together with Paul who continued in his role as company president. Then in 2002, Paul decided that it was time for him to take more time for himself, and Terry was promoted to the position of president, the first non-family member president in the history of the company, while Paul stayed involved as CEO. This structure was maintained until Terry's retirement in 2008.

In 2004/2005, Bob's health declined so dramatically that he was no longer able to be part of the decision-making process at *Kuntz*. This is when his wife, Mary, who had been an important partner of Bob's in the building of the business for decades, took on a key role in helping navigate the company through the recession. Terry remembers: "The one thing that came out of Bob's tragic decline, was the strength of Mary. All of a sudden, instead of me dealing with Bob and Paul, I was dealing with Mary and Paul. And they were a great duo, it was quite unique. If I was to characterize things, Paul was the CEO, and Mary was the chairperson of the company. Every month we sat down with Mary and the rest of the Kuntz family and went through the numbers to explain where we were, what was happening, what was good and what was bad and what needed to be done to keep moving forward. Mary really got to know the business and without her support, it would have been a very difficult seven years that I was here. She was very, very important."

While Mary stepped in for her husband Bob, several senior people, including Robert Kuntz Jr., Dave Kuntz and their cousin Mike Kuntz took on increased responsibilities. Robert became VP Finance and Dave was appointed to the position of VP Sales. They were joined by Mike,

who became General Manager – Motorcycle Operations, thus ensuring that the collective decision-making structure that had characterized Bob and Paul's joint leadership for three decades would continue long-term into the next generation.

Faced with the fallout from the recession, Terry and the leadership team tried to make the company more competitive in a quickly deteriorating economic environment. Terry remembers: "It was a matter of survival. While volumes were going down, the Canadian dollar was going from 67 cents to par, which was a huge competitive issue for us. At the same time, the price for nickel went from \$3 to \$17. Although we were able to maintain a bit of a competitive edge as the best chrome plater in the world with the best quality, the best processes, and the best people, our ability to persevere was severely tested."

Unfortunately, in view of drastically reduced volumes, further layoffs were unavoidable. In order to survive, the company had to become lean, both in terms of its operational processes and the number of people involved in all areas of management and production. "Going lean" became more than a popular catch phrase; it became a mode of survival. The overarching goal was to become more focused, more efficient, and ultimately more competitive in a fundamentally different environment.

**KUNTZ ELECTROPLATING  
BECOMES A THIRD GENERATION  
FAMILY BUSINESS**

When Paul had brought on Terry, a key thing on his mind had been succession planning. Throughout his tenure, and with the help and advice of different consultants, Terry established governance between the two shareholding families. With Bob and Paul gradually phasing out of the business and members of the third generation having grown in their management and joint leadership roles, establishing rules of conduct and a framework for shareholder relations was something that needed to be done after many years of the company being run by two brothers who knew each other inside and out. The work done in this area helped ensure that Bob and Paul's successful business model of shared leadership between the two sides of the family would continue in the third generation.

With Robert Jr., Dave and Mike representing the next generation of Kuntz family entrepreneurs on both Paul and Bob's side of the family, and a long-standing history of family members sharing responsibilities (going all the way back to company founder Oscar and his oldest son David), a shared leadership model seemed to be the most appropriate for the future of the company. As both Bob and Paul's health continued



Management meeting. L to R: Dan Pitz, Tania Foreman, Phil Rideout (in the back), Robert Kuntz Jr., Jeff Regehr (in the front).



On the far side of the table L to R: John Hohmeier, Jeff Regehr, Betty Germann, Paul Hodge.



John Sine.



Mike Kuntz.



to decline and some key people started to move on in pursuit of other opportunities outside of *Kuntz Electroplating*, Terry began to rely even more on Robert Jr., Dave and Mike. Somewhat naturally, the balance of responsibility started to shift towards the third generation of Kuntz family entrepreneurs.

The transition of the company into the next generation was gradual. By the early 2000s, Robert Jr. and Dave had been working in the business for over two decades. Mike had joined full-time in 1998 and was in the process of growing into a leadership role as well. Each one of them had their own strengths and they were used to working together as a team. As noted previously, Robert Jr. was a key player during the recession in his role as CFO. His brother Dave was equally important in sales and customer relations and as the public face of the company. Their cousin Mike was instrumental in managing the motorcycle business that would become a major contributor to the company's survival.

In addition to reflecting the fact that Robert Jr., Dave and Mike's responsibilities had grown significantly, shared leadership under the overall guidance of an external president was also deemed an ideal model because it catered best to their personalities. As he got to know Robert Jr., Dave and Mike better, Terry quickly realized that

none of them wanted the overall leadership position. "They did not want to impose or assume to impose their ambition or their will over their cousins. It is an incredible family story," he reflects. "All three of them are great team members and they are particularly strong in working together. And yet, you still need a quarterback who is willing to sometimes impose his will and methodologies." The natural conclusion from these dynamics was to keep having an outside influence, that is a non-family president, who, in close cooperation with the family, facilitates processes and makes things happen.

**COMING OUT OF THE RECESSION**

After Terry retired, in May 2008, John Hohmeier became the company's second non-family president. John came to *Kuntz* from *MTD Products*. A chartered accountant by trade, he had joined MTD as CFO in 1979 and, in the mid-1980s, had moved into the operations side of the business. Prior to joining *Kuntz*, he was Vice President of Operations and Executive Vice President of all of MTD's international operations.

In 2008, *Kuntz Electroplating* was still struggling and there was still a sense that the company could be shut down any day. The asset-based division of the US bank *Kuntz* had a lending arrangement with was

bought up by another bank that, when reviewing its portfolio, decided to not continue working with the Kitchener, Ontario company. In the midst of the recession, *Kuntz Electroplating* was yet again sent to the special loans division and foreclosure seemed a real possibility. John Hohmeier remembers: "I remember myself and Robert Kuntz Jr. sitting in this office around Christmas, the day before Christmas holidays, waiting for the phone call to learn whether the bank would extend our loan. Fortunately they did!" Robert Jr. adds: "The banks were crucial at the time because our debt was so high. If they had decided to pull our loan, we would have had to go into receivership and that would have been it for the company. The banks held all the cards."

Building onto the foundations laid by Terry and the leadership team prior to his arrival, John became instrumental in helping kick-start the most productive part of the company's transformation to LEAN. As *Kuntz* kept rightsizing its operations, it became a smaller, yet more efficient and more profitable business. From 625 in 2008, the number of employees went down until its current number of about 425 was reached. John reflects: "Getting to the recovery point became a buzzword – We had to rightsize the business, lean the business, and grow the business at the very same time."



L to R: Paul Stumpf, Lloyd Betcher, John Hohmeier.



Kaizen event on the shop floor.  
L to R: Robert Kuntz Jr., Brett Winterkorn, Larry Hardman, Matt Comeau.





With his strong operational background, John spent his first year as president evaluating where peoples' strengths were and, based on his findings, made some key changes to the management structure. In working with Dave, Mike and Robert Jr., he established the current leadership team: Dave moved from sales into operations (VP Operations), Mike took on the lead role in sales (VP Sales and Marketing) and Robert Jr. took on the overall responsibility for the continuous improvement area (VP Process Improvement). Jeff Regehr was promoted to VP Finance and Lloyd Betcher took on increased responsibilities on the operations side – “a good spreading out of the managing of the whole operation between the members of the management team,” as Dave concludes.

The effects of John's fresh approach to lean manufacturing were felt almost instantly. John Sine, *Kuntz Electroplating's* current Process Engineer Manager, remembers: “We went very quickly from being a company where there wasn't a lot of structure on how things had to be done and how money was spent to micromanaging everything. Obviously, there was a lot of frustration, because it wasn't gradual; it was like a light switch had been turned, like the lights had been switched off.”

On the operational side, Jim Kuntz, one of the sons of Oscar and Martha's oldest son David and his wife Dolores, played a significant

role during the crisis. Jim had joined *Kuntz Electroplating* in 1993 and was Head of the Maintenance Department during the years of the recession and restructuring. Robert Kuntz Jr. reflects: “Through the tough years Jim was a key part on keeping the plant running on a shoe string budget. He was really important. At another level, he was a key person for us emotionally as well, because he was the only one of David's children still working here. He was our last direct link to Dave Kuntz who had so tragically passed away in 1961. When Jim left in 2009, it was a huge loss for the company. He knew the plant inside and out and I wish he was still here.” Robert's brother Dave adds: “Jim always gave his heart and soul to this place and played a major role in turning things around.”

Although transforming the company was a very painful process, as it included the letting go of many loyal employees, the *Kuntz* community understood that going lean was the only way for the company to stay in business in the long-term and to remain globally competitive. To ease the process and out of respect for their employees, company management and the Kuntz family paid particular attention to keep communicating openly with their employees throughout the transitioning. John Sine continues: “They did a great job of communicating with everyone –

honesty, communication and the commitment from the Kuntz family was all there. Knowing that the family had bought into the lean philosophy and was pushing for the transition made everybody's job easier.” Robert Kuntz Jr.'s ongoing role as VP Process Improvement is a reflection of the Kuntz family's ongoing commitment to lean.

Transitioning the company to lean during a time of prolonged economic and financial crisis was successful for several reasons: The family pulling together and investing millions of dollars into the business at a time when the outcome was entirely open was a significant contributor to *Kuntz's* ability to recover. Terry reflects: “We came close to losing the battle, but Mary and Paul came to the table personally and put up their own personal assets and risked them, because they thought like entrepreneurs and because they had faith in our ability to turn the ship around. When I went to Paul, Bob or Mary with a suggestion and said ‘this is what I think we need to do,’ they supported me all the way. Without that support of Mary and Paul, but also the behind the scenes support of Bob, we would not have been able to pull through. Plus the Kuntz children were all there to help and there was no shirking of responsibilities or second-guessing of what we were doing. That is what the Kuntz family was and is all about.”

Mary Kuntz remembers the recession as highly stressful and as a time when the family pulled together and maintained faith in their ability to save the family business: “Paul and I and our sons absolutely felt that our company would survive despite financial advisors and accountants telling us to let go and go into Chapter 11 bankruptcy. Paul and I were meeting every Sunday and he would say: ‘We have to have that mustard seed of faith to keep our company going’. He was right; both Paul and I signed personal pledges and our boys were behind us. We just could not imagine letting all our employees go and putting a sign on the door saying we are closed due to Chapter 11. For me that was such a dramatic time. So many companies around us went under – Budd Automotive, B.F. Goodrich – and other plating companies as well. It seemed to be a given to our advisors that we would go under as well. I will always be grateful that Paul and I had the faith and did not let the company go under. Terry as President gave us some excellent advice, but ultimately it was Paul and myself who had to make the decision. We took a big risk - fortunately it paid off and we turned the corner out of the financial crisis. It is sad that Bob and Paul are not here to enjoy our present relative stability.”

*KEI* employees were a particularly important part of the *Kuntz* recovery story. Throughout the recession, management had to ask those employees that remained after the cuts to do more with less. During a time of salary and benefit cuts, employees sometimes had to work very long hours and take on more responsibilities than before. Producing at the highest quality standards in all parts of the operation was absolute key during a time when cutting unnecessary costs became crucial to the company's very survival. Dave and Robert Kuntz Jr. laud the Kuntz employees for their willingness to make sacrifices and for their continued focus on producing at the highest quality level at a time of concern about their own future: “If it wasn't for the employees taking the message of product quality to heart and getting it right the first time, again we would not have made it.”

Entrepreneurial vision and the willingness to think outside the box and diversify the business was another key element in the remarkable recovery story of *Kuntz Electroplating*. Mike Kuntz explains: “We understood right around that exact same time period that we needed to diversify this business. That is when we got real serious about doing business with Harley-Davidson. There was a period of 3 to 5



Jose Vasquez.



Kirk Buck.



Paul Gysbers.





**LOSING BOB AND PAUL KUNTZ**

Both at a family and business level, 2010 and 2011 were marked by great personal loss as both Paul and Bob passed away within weeks of one another. Paul passed away after a long battle with cancer on December 29, 2010. Bob passed away on February 7, 2011 after a long battle with Parkinson’s disease, CTE and resulting dementia. Bob’s progressive degenerative brain disease was caused by the long-term traumatic effects of a great number of concussions suffered during his career as a professional football player in the 1960s. Back then there was no knowledge about the long-term impact of concussions on the brain and Bob, as any other player, when knocked out was sent back onto the field the moment he remembered who and where he was. His descent into CTE and Parkinson’s related dementia during the final decade of his life serves as a reminder of the great risks of repetitive brain trauma and the need to keep exploring forms of prevention and proper treatment both in professional and amateur sports. To help find a solution to the ongoing challenge, Bob’s brain was donated by the family to CTE research.

years where growth in our motorcycle business helped us to offset the dramatic losses we were experiencing as our core wheel and bumper business was tanking.”

A final significant contributor to the recovery of *Kuntz Electroplating* was a refinancing deal with the *Bank of Montreal*. *Kuntz* caught the bank at a phase when its executives were growing more confident again that things would eventually turn around in the North American economy. As a result, BMO was the first large Canadian bank to start writing lending agreements with manufacturing companies again. With the support of the *Business Development Bank of Canada* which co-wrote the deal, BMO provided the financing necessary for *Kuntz* to complete the transitioning of the business.

In conclusion, the turnaround of *Kuntz Electroplating* and the company’s ability to come out of the recession even stronger is a manifestation of its solid foundations; the quality of its people and processes; the willingness of leadership, management and employees to address necessary changes head on; forward thinking decisions to explore new opportunities and to diversify; and the strength and culture of family entrepreneurship. Without the spirit of community, of everyone working together, making sacrifices and taking personal risks to weather out the storm, the remarkable recovery of *Kuntz Electroplating* at a time when many established manufacturing businesses across North America went out of business would not have been possible.



Paul Kuntz.



Bob Kuntz.





## FAMILY ENTREPRENEURSHIP, KUNTZ CULTURE AND CORPORATE VALUES

CHAPTER 8



## A FAMILY-OWNED AND FAMILY-OPERATED BUSINESS

From the earliest days of the company to today, *KEI* has been a family-owned and operated business (although, during the Magna years the Kuntz family was only a minority shareholder). The family character of the company is reflected through family leadership, now into the third generation, and the involvement of several of the founders' children, grandchildren, great-grandchildren and other family members in the business. Not surprisingly, family entrepreneurship has remained a key value in spite of the company's size and role as a global leader in the electroplating industry. Family values, such as respect, gratitude, approachability, and the willingness to be involved at all levels, further defines the relationship between the Kuntz family members involved in the business and the company's employees.

### THE SECOND GENERATION

As is typical for an entrepreneurial family, all of Oscar and Martha's children were exposed to working in the business at some point during their teenage years. Some of them stayed involved in the business long-term, while others went on to pursue other trajectories outside of the family business. Venette Paddon, a niece of Martha Kuntz, worked in the main office in the 1960s and 1970s, drawing the involvement of family even wider.

David, the oldest son of Oscar and Martha, teamed up with his father and worked alongside Oscar on the operations side of the business from 1948 until his tragic passing in 1961 at the age of 31. David was a strong leader and a driving force behind the early success of the business.

Oscar and Martha's oldest daughter Mary took a bookkeeping course and looked after the books, taking over from her sister Doris, who had done the books before her. Their sister Anne spent some time in production racking; as did their sister Sandy who, as



a summer student in the early 1960s, worked in racking and in the office. Doris and Anne further shared the job of cleaning the company offices at night. Except for their early involvement in different roles, the sisters pursued goals outside of the company.

Robert (Bob) worked part-time in production from the earliest days of the company. He joined the company to fill the void left by his oldest brother's death in 1961. While pursuing his professional football career at the same time, he involved himself in sales and became Plant Manager, Vice President and eventually President of *Kuntz Electroplating* in the late 1960s. He maintained that role until the early 2000s, when he became Chairman of the Board. Together with his brother Paul, Bob led the company through periods of massive growth and turned the family business into a global leader.

Paul studied accounting in college before starting work as a bookkeeper for the *Naugatauk Chemical Company* in Elmira. By the time Oscar passed away in 1972, Paul was working full-time in the family business, looking after accounting throughout most of the 1970s and introducing the company to the world of computing. Paul gradually took on more leadership roles and, together with his brother Bob, steered the company through some of the most exciting times over the course of three decades. In 1995, Paul became President and in 2002, Chief Executive Officer.

Louie, the youngest son of Oscar and Martha, joined the business in 1962 and worked in the company for 37 years until his retirement in 1999. His many different jobs included working the Barrel lines, driving a truck and working on the specialty lines. Following stints in the QC lab and in the wet lab, he became Quality Control Manager. From leading the QC department, he went into purchasing and sales. Prior to his retirement he worked as a draftsman in the Planning and Engineering Department. Bob recognized his brother's many contributions upon the latter's retirement: "You could always count on Louie to do good quality work. He was always very conscientious about producing high quality."<sup>23</sup>

Next to their own children, two of Oscar and Martha Kuntz's sons-in-law took on important roles in the family business as well: Robert (Bob) Germann, the husband of Oscar and Martha's daughter Anne, joined the company in 1954, worked his way up through the organization and became Plant Manager as well as Sales and Marketing Manager. He retired in the fall of 1999 as VP of Sales & Marketing.

Jack Karn, the husband of Oscar and Martha's oldest daughter Mary joined *Kuntz Electroplating* on September 1, 1960 for the long-term. In his three decades as Sales Manager, Jack was instrumental in establishing relationships with many key customers. He was very

<sup>23</sup> Reflections, October 1999, page 2.



L to R: Robert Kuntz Jr., Mary Karn, Doris, Bob, Paul and Dave Kuntz, Dave Germann, Carl Kuntz, Liz Kuntz and Don Bitschy.



Carl Kuntz.



Liz Kuntz.





Paul Kuntz.



Peter Forth and Bob Kuntz.



Paul and Mike Kuntz.



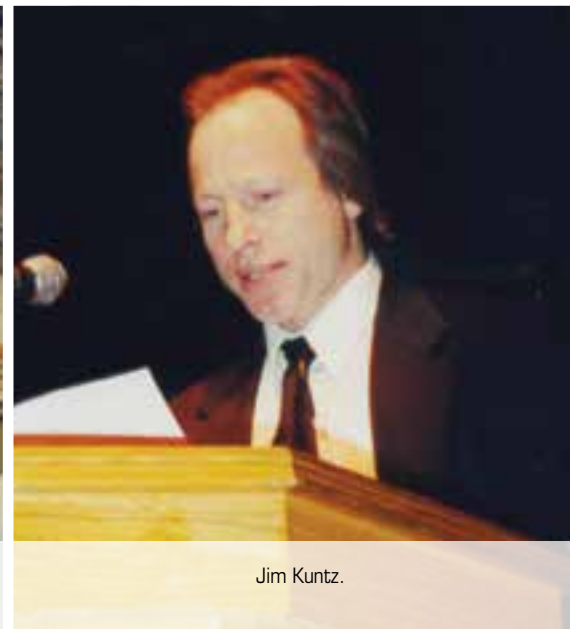
Dave Kuntz.



Bob Germann.



Carl Kuntz.



Jim Kuntz.



Jim Germann.



Dave Germann Sr.

well-liked and respected by customers and employees alike. Jack died of a heart attack in 1983.

## THE THIRD GENERATION

Considering that their dads were involved in the family business in significant roles, it cannot be a surprise that Bob, Paul and Louie's children and the children of Bob and Anne Germann became involved in the business as well. Although Dave had passed away in 1961 at a time when his and his wife Dolores' children were still young, they were close enough to the company to become involved as well.

Of Bob and Mary Kuntz's children, Carl, Elizabeth, Robert Jr., David, Joel and Suzie as well as Bob and Mary's son-in-law Peter Forth who was married to Suzie Kuntz all took on roles in the business at some point during their careers.

**Suzie Kuntz** – Suzie worked one summer at KEI as a student in the lab but her main contribution was in later years helping to develop and teach the *Workplace Hazardous Materials Information System* (WHMIS). She continued to do this even after she became gravely ill of Hodgkins' Disease. She had taught science and math at St. David's High School and was coach of their swim team. She was married to Peter Forth and tragically passed away in 1991. The loss of Suzy was devastating to the family as was the loss of her Uncle David years before.

**Carl Kuntz** – Carl started in the early 80s, working in maintenance. Following this, Carl joined the Sales team for a number of years. He became Office Manager and eventually transitioned into IT. When he left the company in the mid-2000s, his position was Manager of the IT department.

**Elizabeth Kuntz** – trained as a corporate lawyer, Elizabeth joined the company in 1994 as part of the legal team. She became head of HR, before leaving in 2002 to pursue a Masters degree in Professional Writing at the University of Waterloo, where she subsequently taught several courses for 3 years.

**Robert Kuntz Jr.** – Robert Jr. or "Boomer" started working in the business in 1975 as a summer student. With the exception of one summer, he worked as a summer student through his entire school years. After joining the company full-time in 1980, he worked in quality control for several years. From quality control he went into sales for two years, before switching into the office and taking over as Office



Manager when his brother Carl left the company. Later positions included Controller and VP – Finance. Between 1999 and 2001 he took his MBA at Queen’s University and graduated in May 2001. Robert Jr. continues today as part of the leadership team in his current role as VP – Process Improvement.

**David Kuntz** – after working in the business during the summers in the late 1970s, David joined *Kuntz Electroplating* full-time right out of high school in 1979. After several years of learning the business from the bottom up while doing various jobs on the shop floor, he became involved in Sales, a natural fit for him. Following his uncle Bob Germann’s retirement from the Sales Manager position, Dave became Sales Manager, VP Sales & Marketing and today continues to serve on the leadership team in his role as VP – Operations.

**Joel (Joey) Kuntz** – out of college, Joey became a certified tool and die maker. He joined the family business and worked in different capacities, including Polishing Foreman and various roles in Maintenance. Having a natural aptitude for mechanical challenges, he became involved in building polishing machines together with Wayne Beilstein. Before he left *Kuntz* to start his own business, Joey served in a sales capacity, trying to grow an aftermarket wheel business for the company.

Of Paul Kuntz’s sons, Mike, Andy and Bill all became involved with the business as part of their careers. Stepsons Mike, Mark and Derek Buie also worked for *Kuntz* during summer employment months:

**Michael Kuntz** – Mike started working for the company during the summers in the mid-1980’s. Following graduation from McMaster University in 1995, Mike briefly followed in the footsteps of his Uncle Bob and signed with the Hamilton Tiger-cats. Lingering injuries and a unique overseas opportunity helped him to decide to retire from football early. Mike moved to Japan and lived there for a year working as Director of Marketing for a large US chemical company called *Acheson Colloids*. Upon his return to Canada in late 1996, he was hired by A.G. Simpson as Quality Engineer and then QS 9000 Coordinator. Mike joined *Kuntz Electroplating* full-time in September 1998 in the Sales and Marketing department. In March 2001 he graduated from the MBA program at Ohio University. Mike served as Director of Business Development and General Manager – Motorcycle Operations, before assuming his current role on the leadership team as VP – Sales and Marketing.

**Andy Kuntz** – Andy was a summer student employee since the late 1980’s. Andy joined *Kuntz Electroplating* full-time in the mid-1990’s in the Maintenance department working for KEI’s second employee, John

Zettel. During the booming 1990’s, the company decided it needed its own full-time carpenters to keep up with all of the expansions and Andy, a skilled carpenter by trade, was hired to fill this need. In 2005, Andy moved to Purchasing while staying connected to Maintenance on special projects. In 2008, Andy took on the responsibilities of Facilities Manager, managing all aspects of the property and buildings.

**Bill Kuntz** - Bill was also a summer student employee in the late 80’s and early 90’s. Bill joined the company’s Information Technology department right after high school in 1994. His passion for technology was evident when he moved to Vancouver in 1999 and studied digital multimedia at the Vancouver Film School. Upon his return to Ontario in 2001, Bill started his own multimedia company. He rejoined the company in 2004 in a Special Projects role in IT and worked on projects such as website development, video production for the Training department, and other IT solutions for the company. Bill left the company in 2009 to pursue other interests.

Of David and Dolores Kuntz’s children, Jim, Cathy, Jeanie, Tom and Ted worked at *Kuntz Electroplating* at different times. Dan was the only one of their children who never became involved in the business.

**Jim Kuntz** – Jim joined *Kuntz Electroplating* in 1993 as an electrician

in the Maintenance department after selling his business as an electric contractor. He was brought on by the company to continue the services he had provided to *Kuntz* on a contractual basis. Jim became head of Maintenance in 1997 and played an important role during difficult times in the 2000s by operating the maintenance department on a shoe string budget. He left *Kuntz* in 2009 to pursue other opportunities.

Cathy and Jeanie Kuntz worked at *Kuntz* part-time during their high school years and Tom and Ted were involved as teenagers as well.

Of Robert and Anne Germann’s children, James (Jim), Fran, Tony, Bill, David, Charlie, Roberta and Louise, as well as their son-in-law Dan Pitz and daughter-in-law Betty Germann worked in the company at some point during their careers.

**Jim Germann** – Jim occupied many different jobs over the years, including working on the plating lines, and in maintenance. He spent most of his time at *Kuntz Electroplating* as Water Treatment Foreperson. Jim left to start his own business building water treatment systems and doing pump repairs.

**Fran Pitz** – Fran started in Accounting and took over as Executive Secretary when her sister Roberta left to go into business with their brother Jim. Fran worked for Paul and Bob and later on for President



Andy Kuntz on the left with Larry Boppre and Clive Hamilton.



Dan and Fran Pitz.



L to R: Rick Warren, Tony Germann, Jim Germann, Bruce Zettel.



Paul Langlois, Dwain Schmidt, Charlie Germann (with umbrella), Steve Molloy.





Robert Kuntz Jr. in the office.



Kelly and Alisa Kuntz.

Terry Reidel. She continues today as Executive Secretary for President John Hohmeier and the Senior Leadership Team, in addition to working in Accounts Payable.

**Tony Germann** – Tony started working at *Kuntz* in 1981 when he joined the Maintenance department as a mechanic. While working in Maintenance, he acquired his millwright and electrician licenses and worked his way up to Plant 1 Maintenance Foreperson before leaving the company in 2000 to pursue other interests.

**Bill Germann** - during his 23 years with the company, Bill worked in a variety of positions, including Polishing, the barrel lines and in the Storeroom. He drove a lift truck and was a truck driver for seven years, driving one of *Kuntz's* highway trucks. Other positions included being a shipper, working in Maintenance, and serving as Property Manager. He left *Kuntz* in 1999 as Purchasing Manager to start his own trucking business.

**David Germann Sr.** – when joining the company, David started out on the shop floor. He became Foreman and Supervisor of the HS Plating Line, before being promoted to the position of Plant Manager and then going into the Sales department. He ended his career at *Kuntz* as Director of Employee Services.

**Charlie Germann** – after joining the company on the shop floor, Charlie became an electrician and worked in that capacity in the Maintenance department. Charlie left the business in 2008 to pursue new interests.

**Roberta Johnston** – Roberta started out in the plant working in the Coating department before being transferred into the office to work in Accounting and then becoming Executive Secretary to Paul and Bob Kuntz.

**Louise Pynenburg** – Louise worked a short while in Accounting doing a maternity leave for Roberta.

**Betty Germann** – Betty, Robert and Anne Germann's daughter-in-law, joined *Kuntz Electroplating* in 1979. She started in various production roles and then transitioned into the Quality Assurance department shortly after. She has since spent the remainder of her career in Quality. She serves as Director of Quality Assurance today.

Of Louie and Diana Kuntz's children, their daughters Dawna, Kelly and Alisa joined the company.

**Dawna Kuntz** – Dawna worked for years as an Inspector and Packer on the HD Plating Line.

**Kelly Kuntz** – Kelly worked in the plant on the HD Plating Line as an Inspector before leaving the company to pursue a career in Real Estate.

**Alisa Kuntz** – Alisa worked in the Coating department for several years before leaving the company to return to school to become a nurse.

For several years now, various members of the fourth generation have been working at *Kuntz Electroplating* mainly as summer students. Their involvement reinforces the significance of family even more and points towards continuous family involvement and entrepreneurship in the company long-term.

## KEI CULTURE AND CORPORATE VALUES

*Kei's* corporate philosophy was originally defined by company founder Oscar Kuntz. By pursuing the corporate goal "To Be the Best At What We Do," he set the standard that continues to guide all of *Kuntz's* operations to this very day.

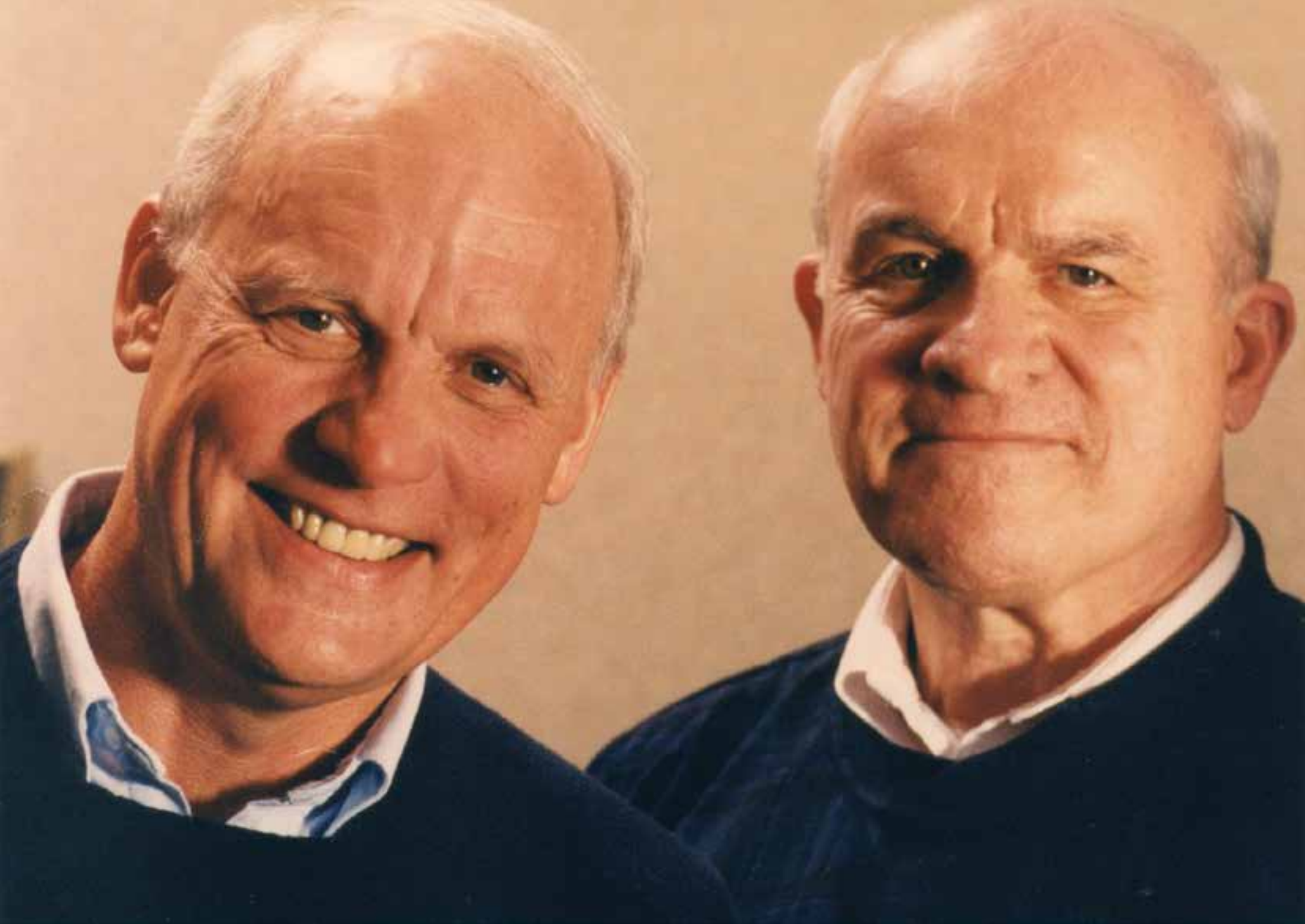
The following entrepreneurial imperatives that define the distinct *Kuntz* corporate culture were established by Oscar and further developed by Bob and Paul during their long tenure as company leaders. Today, they continue to guide the third generation of *Kuntz* family entrepreneurs both as their grandfather and fathers' personal legacy and as the corporate mandate for the future. A blend of personal values and corresponding business practices that have developed over the course of 65 years, these entrepreneurial imperatives continue to shape *KEI* as a global market leader in the metal finishing industry.

## FIRST ENTREPRENEURIAL IMPERATIVE: ALWAYS BE COMMITTED TO QUALITY

From the day he opened the Princess Street shop for business in 1948, Oscar Kuntz was always driven by the goal of making *Kuntz Electroplating* the best plating operation available to customers. In committing himself to that ambitious goal, he made commitment to quality one of his key entrepreneurial imperatives. Commitment to quality continues to extend into all areas of the business. Although only one of the company's processes is patented, *KEI* prides itself on having the best proprietary processes in the industry. The mission statement defines *KEI's* ongoing commitment to being a market leader:







“We believe that the efforts, over the years, of everyone at *Kuntz* have made us leaders in our field. We are willing to compare our quality and output with that of any competitor and expect to be judged the best.”

### **SECOND ENTREPRENEURIAL IMPERATIVE: LEAD AS A TEAM**

One of the key management patterns in the history of *Kuntz Electroplating* is that of joint leadership. Originally established by Oscar and his oldest son David, this trans-generational pattern was continued by Oscar and Bob at first following David’s tragic early passing in 1961. Following in the footsteps of his older brother, Bob assumed the role of Operations Manager at first, looking after operations while his father Oscar maintained the overall responsibility for the company into the mid-1960s. After Bob became President in the late 1960s and his younger brother Paul joined the family business in the office and on the accounting side at first, the pattern of joint leadership was continued between the two brothers for three decades.

In spite of their different personalities, Bob and Paul’s shared vision, entrepreneurial values, brotherly love and respect for each other allowed them to guide *Kuntz Electroplating* as an inseparable leadership team

through exciting times. In an interview with *The Record*, Bob emphasized that he and Paul were “fortunate to be quite close in our outlook on life and almost always in agreement on how to best handle situations or problems.” “Well, nine times out of 10,” Paul added with a smile.<sup>24</sup>

According to Terry Reidel, who worked closely together with Bob and Paul as an advisor during his tenure as *KEI*’s first non-family member president, “Between the two of them they made incredibly good decisions because they matched each other well. There were times when I was in a meeting with Bob and Paul and they were nose to nose arguing about things. They were incredible people at debating, if you want to call it that, very vociferously debating, and then agreeing and moving on and being happy as larks and friendly as ever. I think they were the greatest partners I ever worked with.”

Bob and Paul were very effective in their own ways and a great combination as a team. Paul was more of a risk taker and generally more impulsive. Bob, on the other hand, was more conservative. Robert Kuntz Jr. reflects: “Paul never left any doubt during negotiations as to where he stood on a certain issue whereas my dad would often sit

<sup>24</sup> “Kuntz brothers shine at giving”, *The Record*, October 17, 1998.







Bob Kuntz accepts the K-W Chamber of Commerce's Company of the Year Award for environmental achievement on behalf of Kuntz Electroplating in the summer of 1997.



back and listen and then make a pronouncement, calmly and with a lot of authority.” When interviewed in 2002, Paul described his and Bob’s relationship as follows: “Bob as the 51 percent shareholder always had the veto majority. Bob and I had our battles. He always had the opportunity as the 51 percent shareholder to veto anything I tried to do. I can’t quite frankly remember him ever vetoing an idea of mine, but he has made me give it a sober second thought and perhaps maybe the decisions I have made have been better because I have been told to slow down and think about what I was doing.”

Today the pattern of joint family leadership continues in the third generation. Together with John Hohmeier (President), Jeff Regehr (VP Finance), Lloyd Betcher (Director of Operations), John Sine (Process Manager), Dan Pitz (Sales & Marketing), Tania Foreman (Director of Human Resources) and Betty Germann (Director of Quality), Robert Jr., Dave and Mike Kuntz work closely together as part of KEI’s executive leadership team in their respective capacities as VP Process Improvement, VP Operations, and VP Sales and Marketing. The Kuntz family’s exceptional ability to work together, which applies to the many other family members who at some point worked or continue to work in the business today, has been one of the key foundations of the KEI success story.

### THIRD ENTREPRENEURIAL IMPERATIVE: BE WILLING TO TAKE RISKS

Bob and Paul Kuntz always looked at opportunities and, together with family and employees, worked hard to make things happen at *Kuntz Electroplating*. Whether it was buying back the Magna shares, investing in new technologies or making personal pledges during times of economic crisis, as entrepreneurs who were dedicated to their business and the community they had created they were willing to take risks. Being driven is something that cannot be learned. It is part of being an entrepreneur and feeds innovation and the willingness to take risks. Paul, when interviewed in 2002, recognized a long-standing history of entrepreneurship and of taking risks in pursuit of entrepreneurial dreams in the Kuntz family going all the way back to David Kuntz, the founder of the *Kuntz Brewery* who had come to Canada from Germany in 1848. Without a doubt, there is a line of continuity from the adventurous

pioneering spirit of David Kuntz to Oscar founding his own company in 1948, Bob and Paul venturing into the high-volume automotive industry and members of the third generation jointly pushing for the company’s expansion into the motorcycle market in the early 2000s.

### FOURTH ENTREPRENEURIAL IMPERATIVE: BE INNOVATIVE AT ALL TIMES

*Kuntz Electroplating* is an innovation-driven company. Every time business in a certain market segment declined, management came up with something new to replace it. Innovation has afforded *Kuntz Electroplating* the flexibility to stay in tune with and to cater to an ever-changing market over the course of 65 years. Both Paul and Bob believed strongly in innovation and the need to keep moving the company forward at all times. Paul is remembered by Terry Reidel as saying: “The minute we stand still, we fall back.”

The Kuntz family’s ongoing record of investing into innovative technologies is a reflection of that very ambition to keep moving the company forward at all times: whether it is the Co-Gen project, the development of robotics for polishing or the development of new

proprietary processes to meet the exact requirements of each and every customer, *Kuntz Electroplating* has been embracing new technologies throughout its long history. Concern for the environment and the goal to continuously reduce the company’s environmental footprint by limiting the use of natural resources is an essential part of the motivation to keep investing in new technologies.

### FIFTH ENTREPRENEURIAL IMPERATIVE: BE WILLING TO INVEST IN THE COMPANY

As the owners of *Kuntz Electroplating*, Bob and Paul felt committed to continuously invest in the business. Many of *Kuntz*’s cutting edge capital investment programs were highly cost-intensive, whether it was the building of new lines to accommodate new business, investments into automation of parts of the polishing process, the founding of *Kuntz Logic Systems* as an automation spin-off company, or new facilities such as Co-Gen and the water treatment plant. Throughout its 65-year-long history, *Kuntz Electroplating* has never shied away from spending money and investing back into the business when it came to meeting new challenges and opportunities.



Polishing Supervisor Bob Speaker celebrating 40 years at Kuntz with Bob and Paul Kuntz.



Bob Kuntz at an incentive meeting.



Faith in the long-term success of the company and the willingness to invest back into the business even at a time when the outcome was anything but sure, was instrumental in Kuntz's ability to persevere through the recent recession during the first decade of the new millennium. Mike Kuntz reflects on his Dad and Uncle Bob's commitment to always putting the interests of the company first: "More than anything, they had the employees and the long-term viability of the company in mind. They were old school entrepreneurs. *Kuntz Electroplating* was their life and they were going to do everything in their power to make sure that the future generations would have a stable business to carry on. For this, we are grateful."

**SIXTH ENTREPRENEURIAL IMPERATIVE: BE STRATEGIC ABOUT GROWTH AND GET INTO NEW MARKETS SLOWLY**

As a matter of principle, Kuntz management has always approached new markets slowly. Whether it was the decision to start plating steel bumpers and wheels for General Motors, the extension of the wheel business into plating on aluminum, and more recently the move into

motorcycle parts and running boards, the Kuntz leadership team has always made sure that the necessary infrastructure and processes were in place before venturing into a new market with large volumes. In 1998, Dave Kuntz, in his capacity as Sales and Marketing Manager at the time, explained: "We've always taken a methodical approach to our business. We want to make sure that we can do something right before we go into a market."<sup>25</sup>

**SEVENTH ENTREPRENEURIAL IMPERATIVE: RESPECT EMPLOYEES AND TREAT THEM WELL**

At the core of the Kuntz family's business philosophy, as it encompasses three generations from Oscar through Paul and Bob to today's third generation leadership team, has been genuine respect and gratitude for their employees. Many active and retired employees remember Oscar, Bob or Paul walking through the plant and being very personal with each and every employee. Safety and Training Supervisor Al Cox

<sup>25</sup> Quoted after "Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record" to mark 50 years of Kuntz Electroplating; Saturday, October 17, 1998, page 13

reflects: "Bob knew your name, he knew your wife and kids' names. He wanted to know you personally. He was such a down to earth guy. You did not feel nervous walking into his office and speaking to him. Paul was pretty much the same. He would go through the plant and with a big smile he would wave and everyone would wave back at him. They are both greatly missed." Approachability, shaking hands with and talking to people in the plant was an expression of Bob and Paul's genuine respect for their employees' contributions to the company.

Robert Kuntz Jr. quotes fairness as a guiding principle in relations with employees: "Both Paul and my Dad had a big sense of fairness about them, and they really tried to implement that. I think it really rubbed off on the employees, they knew ultimately that both Paul and Dad were straight shooters and that they valued loyalty and hard work. They were honest men and they really valued their employees and the employees really looked up to them for the most part."

The Kuntz family's commitment to treating employees with respect and fairness and providing them with opportunities to grow resulted in a culture of sharing the benefits of economic success together, be it through benefits, profit sharing, regular substantial pay raises during the "golden times of the 1990s", overtime pay, or by giving employees

opportunities to grow and develop in the business. There are many examples throughout the history of *Kuntz Electroplating* of former shop floor employees retiring as supervisors, department heads or even from the position of plant manager.

The Kuntz family's approach to their employees is reflected in the longevity of many long-time people who have spent most of, or even all of their career at *Kuntz Electroplating*, such as Kuntz's first employee Larry Boppre, who retired after 44 years with the company. When asked why he had not pursued any other employment opportunities throughout his working life, he emphasized the excitement of being part of building a business from the ground up and the sense of family he felt throughout the years: "They always made me feel like one of the family. They included me in every business decision and every celebration."<sup>26</sup> Retired Plant Manager Don Bitschy, who had started on the shop floor and retired after 40 years with the company, concurs: "One of the reasons why a lot of us stayed for a long time is that they treated us like family. I have nothing but respect for the Kuntz family."

<sup>26</sup> Quoted after "Kuntz Electroplating Inc. continues to shine. A special advertising feature of the Record" to mark 50 years of Kuntz Electroplating; The Record, Saturday, October 17, 1998, page 5.



George Michalik celebrating 40 years at Kuntz with Bob and Paul Kuntz.



Larry Boppre celebrating 40 years at Kuntz with Bob Kuntz.



Kuntz's second employee, John Zettel, with Bob and Paul Kuntz at his retirement after 46 years in 1995.



Kuntz's first employee, Larry Boppre, with Paul and Bob at his retirement after 44 years in 1992.





Kuntz Family Picnic.



Peter Forth and Dan Pitz at a Supervisors Barbecue.

As a result of their commitment to their employees' well-being, the most difficult thing that the Kuntzes ever had to do during their 65 years of family entrepreneurship was downsizing during the recession. Even as they had to let many valued employees go in order to save the business, each situation was assessed with the overarching goal in mind to save as many jobs as possible.

Excellent employee relations at *Kuntz Electroplating* were formally recognized when on November 2, 1995 the company was awarded the "Award of Merit" at the Annual Waterloo Region Business Achievement Awards at the *Valhalla Inn*. The award is given to a company in Waterloo Region that is known for excellent employee relations and benefits within the company and for what the company and its employees give back to the community. *Kuntz Electroplating* was the first recipient when this award was introduced in 1995.

At the company's adult's Christmas party in 1995, *Kuntz* employees honoured Bob and Paul as "Employers of the Year". To express their appreciation for the brothers' caring attitude, as expressed in a pay raise for every *Kuntz* employee in 1995, Donna Diebel coordinated, on behalf of all of the employees, to have renowned artist Peter Etril Snyder do a painting for Bob and Paul. At the Christmas party, Peter



Kuntz Children's Christmas Party  
(with Don Bischy as Santa Claus).



Grilling at the Supervisors Barbecue,  
L to R: Sue Blackham, Jim Germann, Jim Jauch and Dan Pitz.



Supervisors Barbecue.  
L to R: Bruce Hardman, Kathy Richards, Keith Laycock and Pat Gervais.





Paul and Bob Kuntz with Peter Etril Snyder's "Humble Beginnings" painting, a portrait of Kuntz's original Princess Street plant in the late 1940s.



Peter Etril Snyder at work on "Humble Beginnings".

presented Paul and Bob with "Humble Beginnings", an original oil painting of the first Kuntz plant on Princess Street depicting a typical day at the plant in the fall of 1949.

Social events such as annual children's and adult's Christmas parties, employee trips, employee sports teams, joint participation in fundraising events, etc. are further examples of the many different facets of the "Kuntz community".

## EIGHTH ENTREPRENEURIAL IMPERATIVE: BE CARING AND TAKE CORPORATE RESPONSIBILITY SERIOUS

The very same spirit that led Bob and Paul to always contribute to worthy community causes through personal and corporate philanthropy<sup>27</sup> fueled the brothers' commitment to address sustainability concerns and minimize emissions from the company. Environmental monitoring and control, the installation of Kuntz's own water treatment plant to reduce water emissions, ventilation and air filter systems to reduce air emissions, waste reduction and recycling systems for the reuse of chemicals were genuine reflections of the brothers' caring for their community. Terry Reidel reflects: "Bob and Paul were always trying to be as pure as they could, and treat the community, particularly this neighborhood, well."

To Bob and Paul, investing into technologies that reduced the company's environmental footprint was a matter of corporate responsibility. Today, it constitutes an integral part of the Kuntz corporate culture. In Bob and Paul's view, economic growth and high-volume manufacturing had to go hand in hand with an increased focus on environmental stewardship and sustainability.

Over the years, Kuntz has been recognized repeatedly for its dedication to the environment. In 1994 the company achieved ISO 14001, a management standards certification specifically designed to measure environmental leadership. KEI was the first in the industry to simultaneously achieve ISO 14001 and QS 9000 certifications. In June 1997, the *Chamber of Commerce of Kitchener Waterloo* named Kuntz Electroplating Company of the Year in its sixth annual environmental

<sup>27</sup> For Bob and Paul's philanthropic contributions see pp. 158-162.

achievement awards. In July 1997, Kuntz was honoured by the Metal Finishing Pollution Prevention Project, a government and industry task force which promotes the development of pollution prevention programs in the industry for the company's nickel recycling efforts in particular. The task force was made up of the *Canadian Association of Metal Finishers*, the federal and provincial environmental ministries and the *American Electroplaters and Surface Finishers*. In January of 1998, Kuntz was named winner in the first pollution prevention awards handed out by the Canadian Council of the Ministers of the Environment for capturing and reusing chemicals in the manufacturing process and for the company's sophisticated recycling systems. The prestigious award is presented to companies that demonstrate environmental leadership by establishing pollution prevention programs. Kuntz Electroplating received the award in the large business category for programs instituted since 1971, including voluntary pursuit of ISO 14000 registration, solid waste recycling, nickel and chromium recovery and installation of co-generation units.

Under its current third generation business model, Kuntz continues to invest in new green technologies. The company's Environmental Management System (EMS) and Sustainability Program is seen as an industry benchmark. Mike Kuntz, who is the Co-Chair of the Canadian

Association for Surface Finishing (CASF) and leads the Sustainability Team at Kuntz is active in the environmental and regulatory affairs of the business. On the company's sustainability efforts, he is quoted as saying: *"For KEI, sustainability is about making a commitment. It's a commitment to the environment that we will endeavour to reduce our manufacturing footprint and help conserve and preserve wherever possible. It's a commitment to our neighbours and our community that we care about them, the land we share, the air that we breathe, the water that we drink, and the resources we use. It's a commitment to our employees and our customers that we will continue to embrace sustainable thinking as a means to improving our business, while recognizing and balancing the needs of growth and profitability, environmental integrity and social equality"*. KEI now publishes an annual Sustainability Report that summarizes its efforts in each of these sustainability categories.

Today, KEI's natural-gas co-generation plant can supply close to 70 percent of the company's own energy needs and is capable of reducing airborne pollutants by over 100,000 tons per year. Through the Power Deferral Program, the Kuntz power plant supplies power to the community when needed. Steam produced as a by-product of co-generation is used throughout the company's various processes. Kuntz Electroplating's patented Oximate nickel treatment process reduces the amount of waste generated in the manufacturing process. These efforts have been recognized through an Award of Excellence (Industry Conservation) by the Ministry of Energy & Environment and a Pollution Prevention Achievement Award by the Ontario Ministry of Environment.



QS 9000 banner going up on the outside of the plant.





## PEOPLE, PROCESSES AND DEPARTMENTS

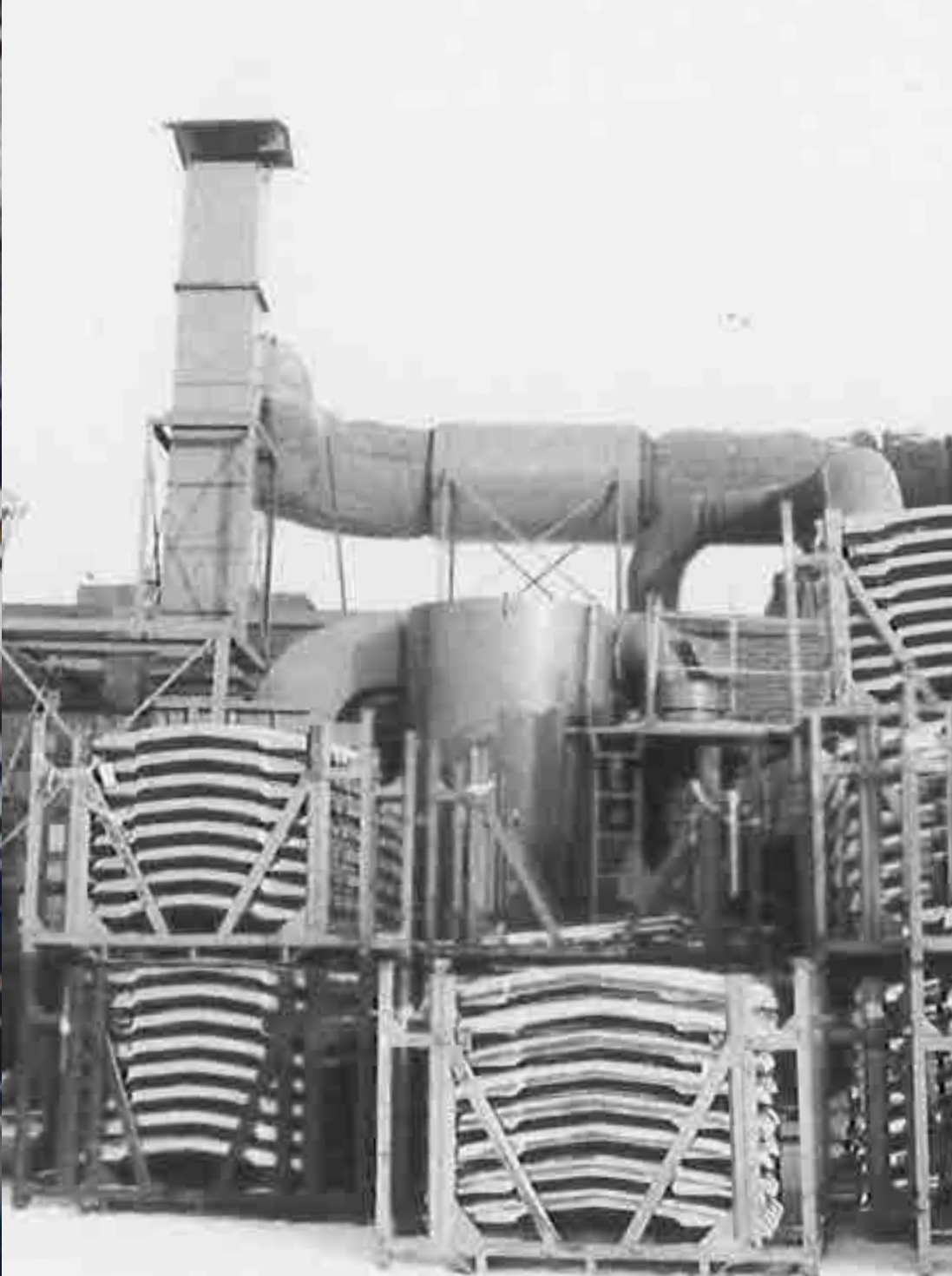
### CHAPTER 9



# EVOLUTION OF KUNTZ ELECTROPLATING'S DEPARTMENT STRUCTURE

KEI's current department structure developed gradually over the years. Initially, when Oscar and his oldest son David had started out, they had looked after all operational aspects of the business together. Oscar engineered the setup of the first plant on Princess Street and played a key role in designing the lines at the company's second location on Nyberg Street as well, while David looked after the operational side in his role as plant manager. Family members, like Oscar's brother Carlo and his daughters Doris and Mary looked after the books until Madeline Scheifele was hired as the first non-family bookkeeper working in the office. As the company kept growing, Oscar limited his role more to the office and business administration while David and, following David's untimely passing in 1961, his brother Bob took on the role of managing operations.

In running operations, Bob increasingly relied on a number of key employees who specialized in different areas of the business. As the company underwent significant growth periods from the 1960s on, the need to integrate an ever-growing number of operational and administrative processes meant that *Kuntz Electroplating* brought on people who specialized in different aspects of the business, such as Research and Development, the Lab, Quality Control, Training and Safety, Human Resources, Maintenance, Sales and Marketing, Automation and IT. Thus, *KEI's* modern department structure was born. At the present time, *KEI* incorporates the following departments: Operations, Sales and Marketing, Process Group, Quality Assurance, Maintenance, Shipping and Receiving, Safety and Training, Environmental Services, Automation, Employee Services, Information Technology, and Finance and Accounting.



Skids with bumpers outside the plant.

## OPERATIONS

Throughout *Kuntz Electroplating's* long history, many people have made significant contributions to operations. Although a key focus of the following pages is on people in leadership and management positions, as well as on operational processes and procedures devised and implemented at the leadership level, the Kuntz family recognizes that without the dedication and hard work of each and every member of the *Kuntz* community, any such effort would have been in vain.

Oscar and David's leadership guided the operations in the early years. As the company continued to grow, a number of key people took on responsibilities, reporting directly to Bob Kuntz and looking after the shop, particularly while he was away playing football. While Bob led the company first in his role as Vice President and then, from the late 1960s onwards, as President of *Kuntz Electroplating*, he relied heavily on people like Bob Germann, John Zettel, Doug Dietrich and others on the operational side of the business.

Bob Germann, the husband of Oscar and Martha Kuntz's daughter Anne, became head of operations when Bob Kuntz took on the overall responsibility for the family business in the 1960s. Being one of those key team players whose responsibilities on the operational side had grown over the years, Bob Germann was the perfect fit for the role of plant manager. Since joining *Kuntz*, Bob Germann had worked his way



Bob Kuntz.



Bob Germann.





Doug Dietrich.

up from the bottom, learning the working of the plant from the position of line operator, truck driver and polisher before taking on roles of increased responsibility, including plant manager, sales manager and HR manager. When Jack Karn, the husband of Oscar and Martha Kuntz's oldest daughter, Mary Karn, and head of the sales department, died of a sudden heart attack in 1983, Bob Germann left his operational role and went into sales to fill the void created by Jack's untimely passing.

Next, the position of plant manager was filled by Doug Dietrich. Doug has been with *KEI* since 1965 when he started working nights on the line at the Nyberg Street plant. After two years at *Kuntz*, he went back to university and got accepted into a postgraduate chemical engineering master's degree program at Oxford. Following his graduation, he was hired full-time and worked the nightshift for many years until Bob Kuntz offered him the position of Plant Manager. Doug's role in operations has been a significant contributor to the company's overall success over the years. Management became very confident in him from early on, and as a result, he was given many responsibilities. As he kept growing in the organization and new areas of responsibility kept being added, Doug ended up virtually running the entire operation, first in his role as Plant Manager and later on as VP Operations.



Lloyd Betcher.



Don Bitschy.



Management meeting.

When Doug Dietrich moved on into his current role as VP of Special Projects which allows him to focus on his expertise on the research and development side, David Germann Sr. succeeded Doug as Plant Manager. Following his tenure as Plant Manager, David became Employee Services Manager. In 1995, Donald Bitschy (now retired) took on the position of Plant Manager. Following Don Bitschy's retirement after 40 years with the company in 2002, *Kuntz* management dropped the title of plant manager altogether and Don Bitschy's former role was temporarily filled by a committee including Dave Kuntz, Jim Kuntz, Doug Dietrich and Peter Forth until Peter Forth's departure in 2008. At that time, John Hohmeier (President) restructured the Operations Group and appointed Dave Kuntz as VP Operations.

Today the title of the person in charge of the plant is Director of Operations, a position that is currently filled by Lloyd Betcher. Lloyd started his career at *Kuntz* by racking parts on various plating lines and grew from there. As he kept being promoted into different positions, including various production roles and water treatment, his strong leadership skills became apparent and he started managing certain areas of the operations. From HS Supervisor, Lloyd was promoted to General Manager – Automotive Division, followed by Operations Manager (when the various divisions were once again consolidated) and finally Director of Operations in his current role. Lloyd has been a key driver of the successful culture change that has punctuated *KEI*'s turn-around in recent years.

Elmer Zettel is one of several long-time employees who started at very young age (Elmer was 14 when he was hired in 1950) and literally grew up in the company. As did most other early employees, he learned on the job while working various roles in maintenance and production. Elmer, who passed away in 1999, is remembered as a highly dedicated, skilled and constant contributor on the production floor, e.g. in his long-time role as the foreperson of the HA line.

## ENVIRONMENTAL SERVICES

Environmental processes, such as waste treatment and ventilation, are significant parts of the business at *KEI*. In 1994, *Kuntz* established its Air Quality and Ventilation Department which became responsible for all airhandling equipment located throughout all plants. This involved the installation, maintenance and repair of over

200 pieces of heating, industrial fan and air pollution equipment. From its founding until the early 2000s, Mike Flood was head of the Ventilation Department. In that capacity, he was in charge of developing some of *Kuntz*'s current ventilation infrastructure. Today Robin Leach serves as Environmental Services Manager. Robin, who started working for the company in 1980, learned the business from the bottom up. When it comes to waste treatment, ventilation and much of the critical "behind the scenes" infrastructure at *KEI*, management relies on Robin for his experience and expertise in these areas.

## SALES AND MARKETING

In the early days of the business, company founder Oscar Kuntz was the public face of the company. One of his key strengths as an entrepreneur was his ability to build relationships, be it with employees, suppliers or customers. As so many other successful entrepreneurs, Oscar picked up the phone and established contacts with business people that could benefit from *Kuntz*'s quality plating services.

Jack Karn, the husband of Oscar and Martha Kuntz's oldest daughter Mary, joined the family business on September 1, 1960. In his capacity as *Kuntz Electroplating*'s first official Sales Manager for three decades,



Dave Kuntz.



Jack Karn.





Mike Kuntz.

Jack was instrumental in establishing and fostering relationships with key customers. Prior to Bob Kuntz taking on the role of president in the late 1960s, Bob and Jack worked together on the sales side. Bob's notoriety as a football star combined with Jack's ingenuity in identifying new business opportunities made them a great team for a while until Bob took over the overall leadership role in the company. Jack stayed with *Kuntz Electroplating* until his untimely passing of a heart attack at age 54 on November 27, 1983. Long-time employees and family members remember Jack for his cheerful attitude, his constant smile and for his genuine concern for *Kuntz* customers and anybody he was working with.

Following Jack's passing, Bob Germann, the husband of Oscar and Martha's daughter Anne, transferred into the Sales Department from his position of Plant Manager. From the fall of 1983 until his retirement in 1999, he held the leadership role in the Sales Department as *Kuntz's* second Sales Manager. Bob Germann came into the Sales Department at a crucial time and he was able to keep building onto the strong foundations Jack Karn had laid during his three decades with the company. During the first half of the 1980s, *Kuntz Electroplating* was becoming heavily involved in high-volume original equipment manufacturing by plating larger components for the automotive industry. In his new role, Bob Germann was instrumental in *Kuntz's* transformation into a major force in the bumper-plating business. As *Kuntz's* key point person for GM and other automotive manufacturers and suppliers, he visited GM's plant in Livonia, Michigan, at least once a week, fostering a strong relationship that became crucial to *Kuntz's* success throughout the 1980s and 1990s.

Bob's nephew Dave Kuntz, who worked closely with his uncle in sales during that time, comments on Bob Germann's crucial role in the business: "Throughout his many years with the company, Bob was totally dedicated to this place. He worked really hard and gave it his all for many years doing many different duties. He did a lot of good work on the operations side and he was instrumental in building and developing the relationship with the GM Livonia plant that was key to our growth of the bumper business. When the opportunity to get into the wheel business presented itself, he again took on a crucial leadership role on the sales side and worked together with George McDowell on turning *Kuntz Electroplating* into a wheel-plating powerhouse."

Dave Kuntz was to eventually succeed his uncle Bob as head of the Sales and Marketing Department. After working in the business during the summers in the late 1970s, he joined *Kuntz Electroplating* full-time right out of high school in 1980. In the mid 1980's, after Dave had learned the business from the bottom up while doing various jobs on the shop floor, his dad, Bob Kuntz, moved him into Sales and Marketing to work together with his uncle Bob Germann. Bob Germann and Dave had a great relationship. At the time, Louie Kuntz was working in Sales & Marketing under Bob Germann as well. The chance to work with his two uncles to learn the sales side of the business was something Dave could not pass up.

In his new role, Dave accompanied Bob Germann to Detroit many times, meeting GM representatives at the Livonia plant and becoming part of the relationship Bob had built with GM over the years. It did not take long until Dave would sometimes go to Livonia on his own. Sent by his uncle Bob, Dave, who was in his mid-twenties at the time, repeatedly found himself in a boardroom together with representatives from much larger companies as the only person representing *Kuntz Electroplating*. Bob Germann obviously had confidence in Dave's ability to communicate and act on behalf of the company. Bob felt that Dave had the ability to relate to customers and, looking back, Dave is grateful for the opportunities and the trust Bob afforded him at that young age. Reflecting on his uncle's mentorship role for his own career, Dave concludes: "When I began to take on a more senior role in sales, Bob supported me in that and genuinely wanted to see me succeed." It was during this time, through the 1990's, that *Kuntz Electroplating* became a global supplier that required a globally-focused sales effort including Europe, Japan, Mexico and China. The *Kuntz* name and reputation for quality and service was quickly becoming known around the world.

When Bob Germann retired in 1999, Dave took over Sales and, in 2001, became VP of Sales & Marketing, making him by far the youngest VP in the organization. Being naturally optimistic and a people person, Dave was very confident in his ability to follow in his uncle's footsteps. Sales was a natural role for him given his positive attitude, his knowledge of the inner working of *Kuntz Electroplating* and his strength in building relationships and talking to people. When his dad's health started to decline around the year 2000, preventing him from maintaining a more active role in the business, Dave grew into the role

of his dad's spokesman in relations with customers. As first Bob and then later also Paul's health faded, Dave eventually became the face and voice of the company to the outside, with the blessing of both his Dad and Uncle Paul.

Bob Germann, during his tenure in the Sales Department, had laid the foundations for strong relationships with key customers such as A.G. Simpson, a dominant force in the bumper business at the time. Dave was able to keep building onto these and help develop new key relationships with companies such as *Flex-N-Gate*, Ube and Harley-Davidson.

Following overseas jobs in marketing and quality-focused employment with A.G.Simpson Co., Mike Kuntz joined *Kuntz* in September 1998 in the Sales and Marketing Department. Similar to the relationship Dave had with Bob, Mike quickly learned the sales side of the business by working closely and travelling often with Dave.

Prior to joining the company, Mike remembers meeting with his Dad at the plant often and watching Dave in his sales role and saying, "Sales looks exciting...you get to travel and interact with all these people, be creative and find opportunities...I think I'd like to do that someday. Dave has a cool job!" During the early 2000s, at a time when *Kuntz's* growing motorcycle and automotive divisions were organized and operated separately, Dave began focusing more on filling some gaps in the automotive division. This is when Mike took over as Director of Business Development while juggling his MBA studies through Ohio University. Soon after, Mike took on the role of General Manager of the Motorcycle Division. When operating the company in separate divisions no longer made sense, the two business units were united again – "One KEI" - and it was during this transition that Dave moved into operations while Mike took over the role of VP Sales and Marketing.

Dave and Mike, now with combined operational and sales experience, work closely with one another and continue to support each other's roles. Mike has been instrumental in fostering relationships, diversifying the business into new markets and finishes and growing sales for over a decade now. Dan Pitz joined the sales team and was quickly promoted to Sales & Marketing Manager. Program managers who support specific customers and programs, were added to create a strong and effective sales and marketing team. Dan, who is married to Robert and Anne Germann's daughter, Fran, has been with *Kuntz Electroplating* since 1987. He has held the positions of Foreperson,



Supervisor, and then Account Manager before being promoted into his current role as Sales and Marketing Manager and part of the Senior Management Team.

**PROCESS GROUP/RESEARCH & DEVELOPMENT**

As a trained chemist with extensive experience from his employment in the metal finishing industry in the US, Oscar Kuntz led the original research and development efforts at *Kuntz Electroplating* himself. *Kuntz* did not have an official research and development department for many years, because back in the old days *Kuntz* employees tended to learn and try new things on the job all the time. Well into the 1980s, almost every employee who worked on the plating lines was involved in research and development in some capacity, as new challenges required innovative solutions. *Kuntz* employees understood the processes and their requirements and they would keep trying certain things until they had perfected the process for the various parts they were plating.

Since those early days, research and development has become one of the most sophisticated operating areas at *Kuntz*. Developing and transitioning processes from bumpers to wheels to running boards and

eventually motorcycle parts required a level of expertise in developing specialized processes and equipment that only *Kuntz* as the market leader could provide. Research and development in close cooperation with vendors and customers became key to developing new processes that meet each customer's unique requirements.

*KEI's* striving for continuous improvement in the development of new state-of-the-art processes is reflected in the company's patent (US and Canada) for its nickel purification process called Oxymate which was developed internally and patented to *KEI*.

Going back all the way to the original Princess Street facility, *Kuntz* always had a process or wet lab. Virtually from the day the business started, watching the tanks, checking ph levels and refining solutions was an essential part of operations. The current wet lab which is one of the most sophisticated labs in the industry was designed by chemist Peter Forth who joined *Kuntz Electroplating* in 1981 in the wet lab. He advanced to the position of head of the wet lab. As he took on more responsibilities over time, was considered plant manager at some point. In his capacity as Process Engineer and Environmental Services Manager, he became instrumental in the design of the HSA and other lines, the water treatment plant and in other roles that required his

exceptional level of expertise and experience. From *Kuntz* he moved on to start his own business that specializes in designing plating lines.

The task of the technicians working in the wet lab is to continuously monitor the chemical side of the plating process. This is done through various methods of analysis ranging from wet titration to atomic absorption, UV spectrophotometry, and liquid chromatography (H.P.L.C.). In addition to allowing *Kuntz* to constantly monitor and analyze solutions, the wet lab affords engineers and technicians the ability to do in-house experiments as well. Throughout the research and development phase, new material is usually tested in a small hall cell or jiggle cell in the wet lab. From there, it goes into a small 250 gallon pilot line where the process is further perfected.

People who have played major roles in the lab over the years include Oscar Kuntz, Doug Dietrich, Peter Forth, Kevin Brooks, Brett Winterkorn and Art Vibert. John Sine is *Kuntz's* current Process Manager and in that role leads a group of process engineers, including David Miller and Paul Starr. Chemical engineer Norm Irving was instrumental in developing environmental equipment and methods that were used by *Kuntz Electroplating* for a long time. Peter Forth, Art Vibert, John Sine and Madeline Bush were key members of the team that developed

*Kuntz's* patented Oxymate process, a significant milestone in the history of the company. John Sine started working for *KEI* in 1983. Like many other key long-term employees, John started on the shop floor and learned the different aspects of the business first hand. Early in his development, John showed a particular aptitude towards understanding the complicated chemistry behind the electroplating business. During the "Great Recession", John and his team demonstrated true leadership by maintaining stable processes with little investment and without jeopardizing quality. John and his team have been instrumental in more recent years in developing new ground-breaking technologies that have improved yields, reduced costs and contributed significantly to the bottom line. John is a Certified Electroplater-Finisher (CEF) and a member of the Senior Leadership Group.

**QUALITY ASSURANCE**

For decades now, *Kuntz* has enjoyed a reputation for world-class quality. Supporting the Production Departments has been the focus of the Quality Assurance Department from the first day of operations. Throughout the evolution of the company, the QA lab has taken many shapes and forms, but the focus has always been to provide the



Lab beakers.



George McNair.



Peter Forth.



Art Vibert.





Mike Ball.



Inspection in the plant. L to R: Steve Slute, Tom Pruett, Judy Zarzycki.

highest level of testing capabilities. The current Quality Assurance lab was constructed in 1996 during a major renovation of Plant 1 including new office space and a new reception area. Paul Kuntz had a vision to build the new lab in a location that made it the first thing visitors would see when coming to the facility, with “Quality Assurance” in large letters painted on large glass doors. Paul wanted everyone to understand, without a doubt, that quality is “front and center at Kuntz Electroplating.” The lab was fitted with the most sophisticated testing equipment available including 2 custom-made 9 foot CASS cabinets necessary to test the large volume and size of parts the company was producing at the time. Today, these CASS boxes still exist and continue to be maintained and rebuilt.

The Quality Assurance Team also is responsible for maintaining Kuntz’s quality systems including certification to ISO 9000:2008 (current) and earlier to the QS-9000 quality standard. Kuntz’s quality systems were always respected and well-regarded by original equipment manufacturers around the world and helped to build and maintain the level of trust enjoyed by the company over the years and that continues today. Louie Kuntz, the younger brother of Bob and Paul Kuntz, was head of Quality Control before Hellen Sencza took over in the 1980s.

Since the 1990s, Quality Assurance has been led by Betty Germann. Betty began working for the company in 1979. Like so many long-term, dedicated employees she started out on the shop floor, often as a quality inspector, learning different aspects of the business. With her experience as an Inspector, she moved to the QA lab as a technician and learned more about quality systems and customer requirements. In 1996, Betty became Quality Manager. Today Betty (Director of Quality) and Steve Robinson (Quality Manager) lead a team of experienced and dedicated quality technicians that work around the clock to monitor processes and ensure that *KEI* meets and exceeds customers’ expectations.

## MAINTENANCE

Kuntz Electroplating’s Maintenance Department was started when John Zettel was hired in 1949 as the company’s second employee to look after maintenance. From early on, Wayne Beilstein played an important role in the Maintenance Department (Design and Build) as well. Wayne joined the company in 1956 as a polisher on Nyberg Street and soon showed great mechanical ability and an interest in building machinery. It did not take long and he was helping John Zettel in Maintenance.



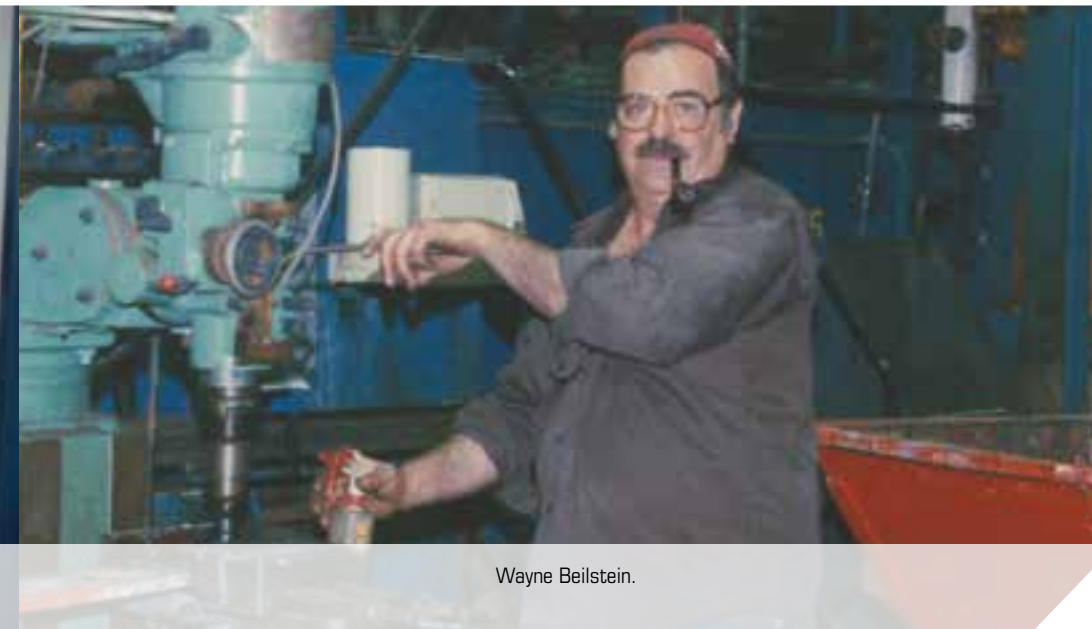
L to R: Nancy Laycock, Darcy Beskau, Betty Germann, Kevin Brooks, Peter Forth.



Hellen Sencza.



Betty Germann.



Wayne Beilstein.



John Zettel and John Kennedy.



On the occasion of Wayne's 40th anniversary with the company, John commented: "Wayne is one of the best men we ever had in Maintenance! He knows what he is doing. The harder he bites on his pipe – the more he is thinking."<sup>28</sup> Wayne retired in 2003 after 47 years with the company and is remembered as "the guy who can build anything".

Keith Laycock was an electrician by trade and in his role in Maintenance was responsible for the company's electrician crew. When *Kuntz* began developing Co-Gen, Keith gravitated towards that project and ended up playing the key role in getting the Co-Generation facility installed.

As mentioned previously, Jim Kuntz, the son of Oscar's oldest son David and his wife Dolores, played a significant role as head of the maintenance department from 1997/8 until 2009. When Jim left the company, his responsibilities were split up into Maintenance Manager (Paul Hodge) and (Electrical Coordinator) (Rick Baginski). When Keith Laycock retired from his position as the first head of Co-Gen, he was succeeded by Rick Baginski who continues to be in charge of Co-Gen today. When Rick Baginski switched into the Co-Gen leadership position, Dave Aubin became head of the electrician department. Bruce Zettel

<sup>28</sup> Reflections, December 1996, page 3.



Keith Laycock.

who worked at *Kuntz* for over 40 years, had various specialties in the maintenance department. Bruce's brother Dennis has worked in filter maintenance for many years. Rick Warren, who originally started at *Kuntz* in 1973, has been a key contributor in maintenance and project management in various roles as well. Paul Hodge began working for *Kuntz* in 1973. Paul started out in production and moved to Maintenance, eventually acquiring his millwright license. Today, Paul manages a highly experienced and innovative team of millwrights, electricians, plumbers and support staff. *KEI* continues to rely heavily on this group to find innovative and efficient ways to keep all equipment operational.

### SHIPPING AND RECEIVING

Larry Boppre, *Kuntz Electroplating's* first employee, was Shipping Manager during the 1970s and early 1980s. He was followed by Garry Kuehl, who is presently working in Recycling, and who ran the Shipping and Receiving Department until the present Materials Manager, Phil Rideout, took on the leadership role in the department.

From the earliest days of operations, "the Fleet" was part of the Shipping Department. The first company truck was a three-quarter-ton 55 Ford pickup truck that was driven by Oscar and Martha's oldest



Larry Boppre.

son, David Kuntz. From that, the company fleet evolved to several trucks, including three highway trucks that went back and forth between Kitchener and Sarnia twice a day to load and deliver bumpers after *Kuntz* had gotten into large-scale bumper plating. In addition to maintaining their own trucks, *Kuntz* at different times rented trucks and trailers and worked with trucking companies such as *Dawson Transport* and *Class Cartage*. In the 1990s, company-owned transport trucks were phased out. Lloyd Schaefer was a long time employee for 28 years, most of which he spent driving truck and working in the shipping department, until retiring in 1983.

Today, under Phil's leadership, the department has developed and maintains a much more sophisticated system of logistics. On-time-delivery is a critical measurement of performance tracked by all of *KEI's* customers and these requirements have increased significantly over the years. *KEI's* recent certification to C-TPAT underscores its commitment to the increasingly stringent cross-border security requirements. *KEI's* performance in all areas of logistics continues to be world-class.

### SAFETY AND TRAINING

*Kuntz's* commitment to maintaining safety throughout the plant at all times is reflected in company mascot – Paws the Safety Cat – and in the philosophy of "Safety comes first at *Kuntz Electroplating*". Tragically, there was one fatality in the history of the company. On May 13, 1977, Joe Zarzycki was killed in the plant when he was run over by a fork truck.

Defining safety standards across the plant became a focus area in the 1980s and in the early 1990s in particular. Safety in the 1980s remained limited to wearing safety glasses and rubber boots when doing maintenance work, but did not include equipment like respirators that are commonly used by polishers today. As rules got stricter in the 1990s, safety requirements changed as well.

Larry Boppre was instrumental in establishing the Safety Department and devising safety and training procedures through his over 40-year-long involvement with the *Industrial Accident Prevention Association (IAPA)*, including acting as president of its Kitchener-Waterloo section. Larry became *Kuntz Electroplating's* first official Safety Manager. When he moved on to become Purchasing Manager, Judy Zarzycki took on the role of Safety and Training Manager. She was succeeded by Melanie Wegler, who today is a government inspector with the Ministry



Paul Kuntz and "Paws", the safety mascot.

"Paws" and Roy Link in the plant.



Melanie Wegler and Judy Zarzycki.



of Labour. At the present time, the position of Safety and Training Supervisor is occupied by Al Cox.

Safety is taken very seriously at KEI today. Al Cox stresses that company management has never turned him down with a safety request: "I have heard statements from company management saying that they would rather shut the place down than infringe on any safety requirements." At the time of writing, KEI just put all of the company's more than 400 employees through a 4-hour-long *Safety through Communication and Teamwork* course at a cost to the company of \$65,000.

The company's current safety protocol includes meetings between the safety and training supervisor and production supervisors every two weeks. In addition to formalized safety and training routines, Kuntz has trainers on the plating lines that ensure that safety standards are observed at all times. After years of putting safety first, there is a distinct culture of safety present in all parts of the operation.

Although having a nurse on staff is not legally required, Kuntz has one full-time nurse on site during the day and another one on nights. The first company nurse, Alberta Piche, joined Kuntz in 1989.



Al Cox.



Alberta Piche.

Furthermore, 75 people across the plant have been trained in First Aid, including all supervisors and lead hands.

### HEROES OF SAFETY - THE KUNTZ EMERGENCY RESPONSE TEAM (ERT)

After the company had moved to Wilson Street, John Zettel became the driving force behind the establishment of an emergency response team at Kuntz Electroplating. He remembers: "I was a volunteer fireman in Maryhill for 35 years. We had spot fires and duct fires at the plant, so one day I said 'let's get a team going here' and I got a truck with a 250 foot hose. It was what you call a *Cushman*. We trained the guys and it worked out quite well." It is somewhat unique for an operation of KEI's size to have an ERT. Standard routine for the ERT's 25 members who are all trained in First Aid is 3 hours of training every month together with the local fire department. The 25 employees that constitute the ERT team are from all different shifts to ensure that there is a crucial number of ERT personnel in the plant at any given time.

In case of a fire at the plant, the ERT not only cuts down the emergency response time, but, due to its strong relationship with the local fire department, creates synergies between the company and the firefighters when they arrive at the plant. Since its inception, the ERT has safeguarded Kuntz employees against injuries and has made great contributions during smaller and larger emergency situations. When the polishing plant burned down in 1992, the ERT showed an incredible response and worked alongside the members of the Kitchener Fire Department in fighting off the blaze.

Over the years, the following people have taken on leadership roles on the ERT: John Zettel, Jim Germann, Judy O'Connell (current OHN Manager) and Brian McNaughton (current Environmental Services Foreperson). At the present time, Robin Leach is ultimately responsible for the team together with Safety Supervisor Al Cox. The Kuntz family and company management extend their gratitude to all team members that have ever participated in the ERT.

### EMPLOYEE SERVICES

In the company's earliest days, there was no need for a separate Human Resources/Employee Services Department, as Oscar looked



ERT Team during training.





after hiring personally and the books and payroll could be managed by his brother Carlo and then by his daughters part-time. As the company grew, and many new employees joined the *Kuntz* community over the years, there was a growing need for structures on the personnel side and the Employee Services Department was established. It consists of Human Resources, Safety and Training, Payroll and Occupational Health Services.

Following years of Oscar and then Bob Kuntz looking after the hiring needs and interviewing new people, Bob Germann in the 1960s became the first manager to be assigned the official responsibility for hiring. He maintained this role until 1978, when Judy Zarzycki (who had been hired for the office in 1965) became the company's first official HR Manager. In 1987, Tom Austin was hired as full-time payroll administrator and on July 1, 1990, Donna Diebel, who had joined *Kuntz* as HR assistant in 1983, became HR Manager. On July 1, 2000 the position of Public Relations/Employee Relations Manager was added to promote the company locally, a role that continues to be filled by Donna Diebel.

From 1994 until 2006, *Kuntz Electroplating* also had its own Legal Department that worked closely with Bob and Paul and the

Employee Services group. In-house lawyers included Jane Buckrell, Marilyn Wilkinson (and for most of those years) Elizabeth Kuntz. They researched and implemented many business policies on topics ranging from human rights and dispute resolution to representing the company with various governmental bodies. During this period, they contributed by helping to formalize many of the company's in-house policies and procedures. Jane Buckrell was also Director of Employee Services during the early 2000's. Paul Kuntz relied heavily on Jane's assistance during the later of her 11 years with the company.

Over the years several Kuntz family members have overseen HR, including Paul Kuntz, Carl Kuntz, Robert Kuntz Jr., Liz Kuntz, and David Germann Sr. Today, Tania Foreman, whose involvement with *Kuntz* goes back to her time as a HR Co-op student, is Director of Employee Services.

Today, the Employee Services Group (also known as ESG) consists of the following team: Tania Foreman; Donna Diebel (Human Resources/ Public Relations); Tom Austin (Manager of Payroll); Al Cox (Safety and Training Supervisor; and Judy O'Connell (Occupational Health Nurse Manager). This group manages the challenges associated with caring for the company's employees during good times and bad.

AUTOMATION DEPARTMENT

As *Kuntz* has continued to adapt to the ongoing competitive pressures of the manufacturing world, it has become increasingly important to offer a true “globally competitive” value proposition.

One of the most demanding and expensive activities at *Kuntz* has always been polishing. Throughout the last 15 years, the need to automate difficult and physically demanding activities like polishing has become more and more evident. Where some competitors have failed and shifted activities like this to “low cost countries”, *Kuntz* continues to push the technological boundaries of robotics, with great success.

Before establishing a separate department for these activities, early robotic applications were put together by committee, including people like Peter Forth, Jim Kuntz and Rick Warren.

Today, Jamie Corrigan heads up a versatile, innovative and well-trained team of technicians who help *Kuntz* continue to evolve and make difficult jobs more manageable, safe and sustainable. Jamie's team has also created *Kuntz's* own “in house” operating systems for the large automated plating lines. Prior to this, these operating systems were very expensive “off the shelf” items that would always require ongoing reliance on the vendors and, in doing so, cause additional cost.

FINANCE AND ACCOUNTING

Long-time people who have worked in the Office and Finance and Accounting over the years include Paul Kuntz, Venette Padden, Mona Mathis, Robert Kuntz Jr., Jeff Regehr, Trevor Shantz, Judy Lauber, Fran Pitz and Cathy Richards. Due to their proximity to Bob and Paul, Mona, Judy, Fran and Cathy have played both significant personal and professional roles throughout their many years of service with the company. Since joining the company in November 2003, Jeff Regehr, first in his role as Controller, then later as VP of Finance, has been a tremendous addition to the company. Jeff's ascension to VP is the fastest rise to senior management from someone who came from outside the company other than Terry Reidel and John Hohmeier. Jeff is more than just a “numbers guy”, as he has developed a true understanding of the operational and entrepreneurial side of the business. He has transformed the internal accounting from standard cost accounting to a far more effective throughput and contribution accounting method, which has enabled the company to better focus its efforts on areas to improve and to focus sales efforts on.

COMPUTERIZATION/IT

The computerization of *Kuntz Electroplating* was started by Paul Kuntz in the 1970s. Building onto the foundations laid by Paul, Carl Kuntz led the charge to continue and further expand the use of computers from the mid-1980s onwards. Carl, who was in charge of the IT Department from the mid-1980s into the early 2000s, was very passionate and knowledgeable about computers; when he retired, his position was IT Manager. At the present time, Lynn Newman serves as Information Systems Manager. Lynne has been highly effective in ensuring the smooth, continued effectiveness of this critical department during difficult times and budget cuts during the most recent recession. Today, Lynne continues to implement state-of-the-art computer technology in all of the company's many processes.



Donna Diebel, Mona Mathis, Cathy Richards, Judy Lauber.



L to R: Cathy Richards, Judy Lauber, Melanie Wegler, Sarah Thomson, Mona Mathis.



Tom Austin.



Carl Kuntz.





## GIVING BACK

Kuntz in the Community



# CORPORATE GIVING AND COMMUNITY INVOLVEMENT

Involvement in and giving back to the community has been part of the Kuntz corporate culture since its early beginnings. In 1998, Bob Kuntz emphasized the spirit of giving among family members and employees alike: “We’ve always felt an obligation to this community since it has given us so much over the years. We believe it’s important to give something back.” Being a responsible member of the business community and a supporter of charities is a goal that not only goes back to company founder Oscar Kuntz and his wife Martha, but is carried on through the KEI mission statement. When asked for the roots of the family’s spirit of giving, Bob and Paul both pointed to their mother: “That’s our mother Martha’s influence. We got it from her. She had the philosophy to give. And she taught us well.”<sup>29</sup>

The company’s commitment to supporting the community is reflected in the great number of organizations and initiatives Kuntz has supported over the years. In February 1991, KEI sponsored its first Red Cross Blood Donor Clinic, which has become a regular event since then. Kuntz has been a major corporate sponsor of the United Way for many years. In 1999, Paul Kuntz took on the role of United Way Campaign Chair, thus assuming responsibilities for the not-for-profit organization’s entire community fundraising effort during that year. Contributions to the United Way by Kuntz employees have increased each and every year. Since 1999 alone, Kuntz Electroplating has raised over \$1,315,379, thanks to the commitment of employees, management and the Kuntz family. In 2000, Paul Kuntz, in his role as 1999 Volunteer Campaign Chair, reflected on the contributions KEI employees had made to the United Way over the years: “For the past fifteen years we’ve had an active campaign at work. I’ve watched as our employees have

<sup>29</sup> Reflections January 1998, p. 2.



United Way Fire Truck Pull.

gone from giving \$5,000 fifteen years ago to \$200,000 today.”<sup>30</sup> KEI Public Relations Manager, Donna Diebel, having been awarded the first Joe Williams Award through the United Way for Outstanding Employee Campaign Chair (1993), the K-W Chamber of Commerce’s Community Leader of the Year Award (2000) and the Women of Waterloo Region Wow Award (2013) for her role in co-leading community efforts, is representative of the culture of volunteerism among KEI employees and the many volunteer hours they contribute to community causes.

Community organizations and initiatives supported by KEI include St. Mary’s Hospital, University of Waterloo, Wilfrid Laurier University, Conestoga College, Campaign K-W for the K-W Health Centre, and the Walter Bean Grand River Community Trail. In 1997, Kuntz Electroplating made a five-year pledge to Campaign K-W totaling \$250,000 towards its \$28.2 million capital fundraising goal to redevelop the K-W Health Centre and to purchase equipment for healthcare in the K-W region. In 2000, Kuntz sponsored one of the 16 access points to the newly created Walter Bean Grand River Community Trail. In recognition of the company’s contribution, the Doon Pioneer Tower area was named Kuntz Park. In 2002, Paul Kuntz and Kuntz Electroplating committed a combined gift of one million dollars to the One Voice One Vision fund

<sup>30</sup> Snapshots! Fifth Issue, Spring 2000, page 1.



Kuntz United Way Committee.





Truck donated by Preston High School and KEI to WRP Safety Village.



Early United Way Campaign.



raising campaign over the course of a seven year period. The proceeds of this campaign benefitted *Grand River Hospital*, *St. Mary's Hospital* and *Cambridge Memorial Hospital* by assisting with financing a new Cancer Center, a new Cardiac Center and additional mental health facilities.

Among the many groups supported by Kuntz over the years are the *Waterloo Region District School Board*, *Waterloo Region Separate School Board*, *Catholic Family Counseling (Mosaic Counseling)*, *Hospice of Waterloo Region*, *Canadian Cancer Society*, *Parkinson's Society*, *Alzheimer's Society*, *Multiple Sclerosis Society*, *St. John's Soup Kitchen*, *SAPHRRI (Substance Abuse Prevention, Health Recovery and Research Institute of Waterloo Region)*, *K-W Foodbank*, *Salvation Army Toy Drive* and *Family Services*, *One Voice One Vision*, *Kitchener Conestoga Rotary Club*, *The Food Bank of Waterloo Region*, *Free the Children*, *The Salvation Army*, *Make A Wish Foundation*, *Operations Christmas Child*, as well as many Catholic parishes and other local churches.

For many years, Kuntz has been involved in the community on the education side: In 1993, *Kuntz Electroplating* began participating in the *Waterloo County Board of Education's Partners-In-Education* program. As part of that initiative, *Kuntz* has provided the facility and support for employees and others in the community to gain their grade 12 or to further their education in other ways before and after work or by correspondence. A second education focus area has been *ESL (English as a Second Language)* in the workplace.

Community involvement extends to amateur sports: *Kuntz* has a hockey team and organizes dart and golf tournaments, as well as sponsoring a Minor Football Flag team – the *Kuntz Tiger Cats*.

Community events, such as the *Classic Chrome Parade*, and *Kuntz* participating in *City of Kitchener* events (such as *Motorcycle Rides*, the *Kitchener-Waterloo Santa Claus Parade* etc.) are appreciated by management, employees and members of the community alike and are used to help support important community causes.

## AWARDS

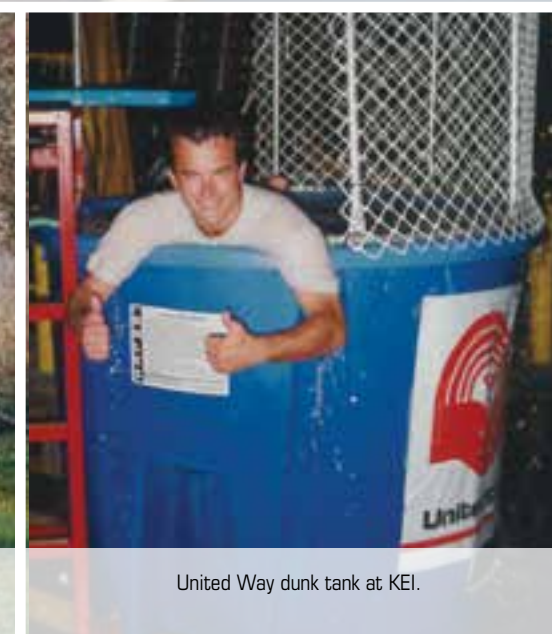
In 1996, *Kuntz Electroplating* received the *Family Service Canada's Leadership Award* for the company's contributions and training support to the *Catholic Family Counseling Centre* in Kitchener. *Kuntz* was also the first recipient of the *Waterloo Region Philanthropic Award*, presented by the *Waterloo Region Fundraising Executives*.



United Way Committee.



Bob Kuntz and Donna Diebel accepting a Kuntz Park recognition painting on behalf of the company.



United Way dunk tank at KEI.



KEI's first Chrome Parade.



On November 7, 1996, Kuntz was nominated for the Corporate Citizenship Award at the 12th annual Waterloo Region Business Achievement Awards.

Corporate responsibility extends to protection of the environment. Under Bob and Paul's leadership, Kuntz made many major investments into protecting the environment, including the installation of extensive filter systems, a water treatment plant and Co-Gen, all of which have a significant ongoing impact on reducing the company's environmental footprint. KEI's environmental policy is born out of the very same concern for the community that has guided the Kuntz family in its private and corporate giving.

On June 3, 1997, Kuntz Electroplating was honoured with the "Company of the Year" award by the Chamber of Commerce of Kitchener-Waterloo for its ongoing commitment to preserving the environment and for its commitment to ongoing research and development, innovative solutions and overall excellence.

On March 13, 1998, Paul and Bob's business accomplishments and generosity in the community were formally recognized during a pre-game presentation at the Kitchener Rangers game against the Owen Sound Platers at the Kitchener Memorial Auditorium. Following the presentation, Paul and Bob participated in the symbolic puck drop.

In January 2002, Paul Kuntz was awarded the Philanthropist of the Year Award by the K-W Community Foundation.

Since their passing in 2010 and 2011 respectively, Bob and Paul's generosity has become part of their personal and entrepreneurial legacy. The third generation of Kuntz family entrepreneurs and employees work together in keeping this, Bob and Paul's legacy, alive by continuing to contribute to the community both at a corporate and personal level.



Donna Diebel and Wendy Smith celebrating Bobby Kuntz Day.



Kuntz Sports teams.







## KEI TODAY AND OUTLOOK INTO THE FUTURE

CHAPTER 11

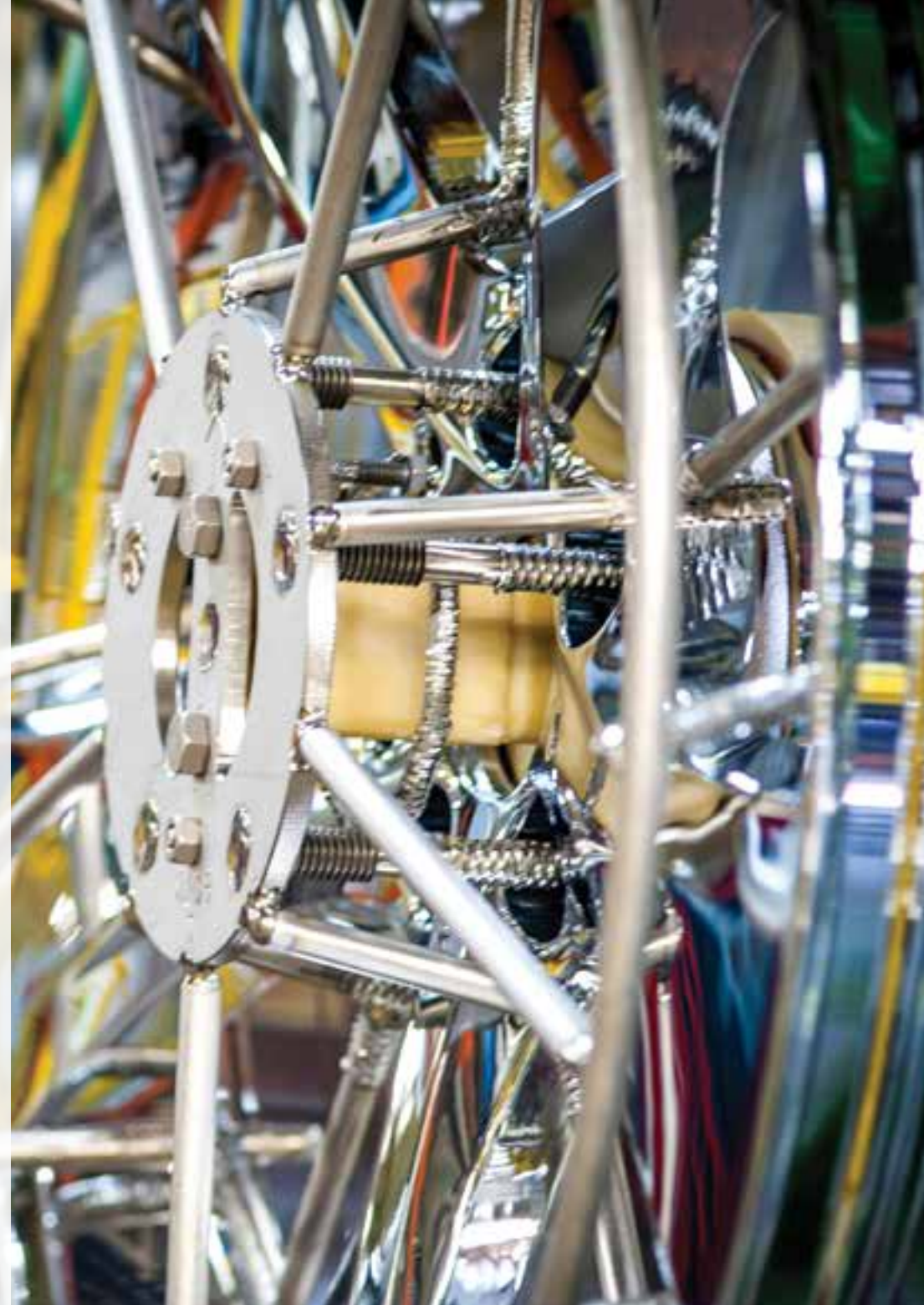


## KEI TODAY

KEI is back on solid ground. After several consecutive years of profitability and consistent growth in all areas of the business since coming out of the recession, the future looks great at KEI. KEI enters its 66th year as a company that has definitely beaten the odds as a third generation family enterprise and as one of a select few local survivors of a recession that has decimated the North American manufacturing landscape. The very fact that KEI is marking 65 years in 2013 as a market leader that continues to lead the way in an industry defined by constant change and volatility at times attests to the sophistication of the company's processes, its adaptability, the entrepreneurial vision behind the business and the strength of family entrepreneurship when done right.

As KEI looks towards exciting new opportunities in the future, the company continues to be built on the same foundations, value propositions and entrepreneurial imperatives that have been at the heart of the *Kuntz Electroplating* success story for decades. These include a successful management model of shared leadership; strong relationships in the automotive, motorcycle, and recreational vehicle industries; great expertise among *Kuntz* associates (with many having been with the company for over 30 years); a lean structure that makes KEI highly competitive in a changed business environment; plus a reputation as global market leader serving the North American and European markets and as a company that rises to the occasion and that can do things that no other player in the industry can.

At the present time, about 70 percent of the company's overall volume is automotive and 30 percent motorcycle business. Dee Zee maintains its outstanding role as *Kuntz's* single-largest customer followed by Harley-Davidson. In the automotive business, running boards continue to go strong and roof rails are quickly becoming a significant contributor to overall volumes as well. Today, KEI is the go-to operation for chrome plating tubular products of any kind. On the motorcycle side, business with *Polaris* and *Bombardier* is quickly



growing too: *Kuntz* is plating parts for Bombardier's Can-Am Spyder project and for Polaris' Victory line and Indian brand of motorcycles. *Ground Effects* (running boards), *Jac Products* (roof rails and running boards), and *Magnum* (roof rails and running boards) complete this core group of *Kuntz Electroplating* customers.

In 2012, *Kuntz Electroplating Inc.* was rebranded KEI. Although the family name remains part of the company's corporate identity, the new name and logo puts the company's character as *the* premium plating company into the centre of the brand. While the brand has changed, the underlying values and entrepreneurial imperatives that have guided *Kuntz Electroplating* throughout the company's history have remained the same.

With a view to the future, there is additional growth on the horizon in new areas related to *Kuntz's* core expertise. Both the decorative metal finishing industry and the functional metal finishing industry promise growth and opportunities for expansion for a company the size and with the expertise of KEI. At the present time, management is exploring possibilities in plating on plastic (POP) and zinc alloys. POP has been identified as a potential new growth area due to the growing popularity of plated plastics in both automotive manufacturing and in the motorcycle industry. Japanese manufacturers, in particular, use a lot of plastics as an alternative to plated aluminum parts. Growth through acquisitions and exploring strategic partnerships are also strategies the company is exploring to secure the future of the business.

The newest production systems *Kuntz* has built for polishing and plating motorcycle parts and automotive tubular products points to the future of metal finishing. These new production lines incorporate state-of-the-art robotics and automation, and the shareholders and management team of *Kuntz* understand that this is the way of the future for advanced manufacturing in Canada. Mike Kuntz explains: "We are a global company, with global customers. Our competitors are low-cost global competitors. To survive and thrive we must continue to innovate and automate. Lean is a way of life now." Production lines of the future are going to be built with the highest level of automation possible using cutting-edge technology. In 2012, KEI shut down the HS line and today the company has started the process of rebuilding it for future use. The new line, when completed, will not only incorporate the latest technology, but will further afford KEI increased capability for many different types of plating.







*Kuntz Electroplating* has traditionally been a tier two supplier, meaning that *Kuntz* has always plated somebody else's product and thus relied on other suppliers to grow and sustain the business. As the market has become more globalized and continues to change, there is a growing demand among globally oriented customers for value-added one-stop solutions for fully assembled components as an alternative to individual chrome plated parts. In this particular area as well, *Kuntz's* motorcycle business seems to lead the way into the future. On the motorcycle side, *KEI* currently procures stampings, die castings, forgings and other components. In some cases, *Kuntz* helps the manufacturer in the design of these components, finishes them, subassembles them and then ships them directly to the assembly line, adding significant value to the customer. There is a growing sense among members of the leadership team that value added-business is the way of the future. With strong capabilities and technological knowhow to support these kinds of integrated programs, *KEI* is in what Mike Kuntz describes as "that growing up phase of expanding our range of services to our customers." According to Mike, globalization and the fact that many of *Kuntz's* customers are operating and thinking globally makes it imperative "that tier two suppliers like us grow up a little bit as well."

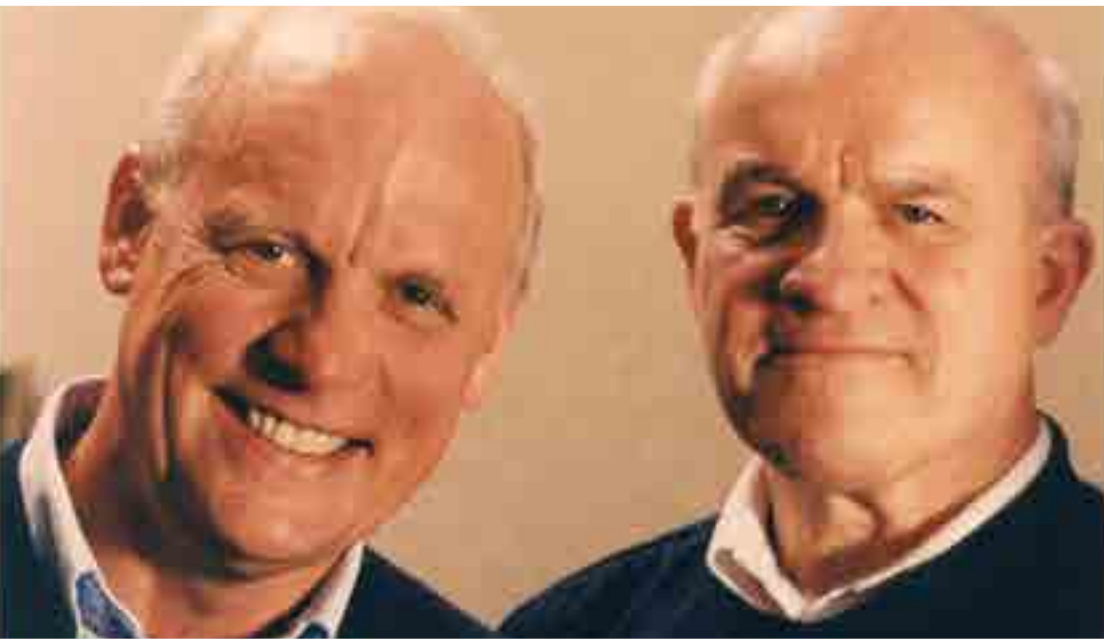
*RealChrome*, *KEI's* first foray into the direct-to-consumer aftermarket industry has started with the company's first heavy truck forged wheel product. It has the potential of turning *KEI* wheels into a globally recognized brand of its own. The current focus is on growing the brand and building brand recognition in the heavy truck wheel aftermarket. From there, the ultimate goal is to eventually expand the *RealChrome* brand into the Original Equipment (OE) market. Dave Kuntz explains: "Our goal is to grow that truck wheel in the aftermarket until the actual truck manufacturers notice it and want it as one of their original equipment options. That possibility makes *RealChrome* a huge potential growth business for *KEI* in the future."

Looking forward based on a 65-year-long history of perseverance, innovation and community, the personal and corporate legacy of Oscar, David, Bob and Paul Kuntz provides a roadmap and mandate for the future. Shared family leadership, unconditional commitment to quality processes, respect for and strong relationships with employees, constant innovation, corporate citizenship and giving back to the

community have stood the test of time as key elements for successful entrepreneurship in the 21st century. Dave, Robert Jr. and Mike have accepted their fathers' – and, by extension, their grandfather's legacy, as Mike explains: "Our fathers were generous to the community, the local hospital, the various charities, the United Way, and the list goes on. That philosophy of corporate citizenship and of giving back resonates with our generation as well. That is the environment that we grew up in and the recipe for success as we understand it." Dave Kuntz adds: "It's a different world today from 20 years ago, but we are trying to operate and manage the business in the spirit of Bob and Paul." Mary Kuntz, who is the only remaining representative of Bob and Paul's generation in *Kuntz Electroplating Inc.*, concludes: "We were and are lucky to have had such great people in the company. We are so proud of our employees and of our family and how they have all stepped up to the plate. We are fortunate to be where we are today. And we all appreciate it. THANK YOU TO YOU ALL."



# KUNTZ, CHROME & COMMUNITY



## Our Mission "To Be The Best At What We Do"

KEI's corporate philosophy was originally defined by company founder Oscar Kuntz. By pursuing the corporate goal "To Be the Best At What We Do", he set the standard that continues to guide all of Kuntz's operations.