

WAGGA WAGGA BUSINESS PROFILE - AUTOMOTIVE PARTS MANUFACTURING



PRECISION PARTS

Competitive in one of the Most Competitive Markets

Precision Parts was established in Wagga Wagga in 1976 by Ken and Val Reynolds. In 1983 the company was incorporated and has grown to become the market leader in automotive harmonic balancers and engine pulleys to the Australian aftermarket with a market share of 85%. Sales have grown to \$14 million, and the company employs 65 people.

The Wagga Wagga Advantage

“Precision Parts was founded in Wagga Wagga and for over 30 years we have successfully competed in one of the most competitive markets in the world – the automotive market” says Daryl Day, Managing Director.

“I think the greatest asset we have in Wagga Wagga is our workforce. Many of our people are from the country, and everyone values their job and is extremely loyal. I have seen so many young people come to Precision Parts for their first job out of school, leave to travel and get some experience outside Wagga Wagga, and then they return. We have an attrition rate of 2% a year!”

“Logistics is central to our operation and is very cost effective from Wagga Wagga. For example, a pallet costs \$60 to freight to Sydney or Melbourne.”

“With our exposure to the USA market during the Global Financial Crisis, we had to adapt to an exchange rate that rose 50%. We were able to drive costs down through a combination of measures, remain competitive and maintain our customers. And this was all possible from Wagga Wagga.”

“I was brought up on a farm in this district. I love the quietness in the country, the Murrumbidgee, the big red gums, the clean air and pure water.”



*“I think the greatest asset we have in Wagga Wagga
is our workforce...we have an attrition rate of 2%!”*



Business Profile

Precision Parts manufacture one of the world's largest ranges of automotive harmonic balancers, and has developed substantial export sales to the USA. The company's rapid growth over more than 30 years can be attributed to constant range development, superior quality driven by substantial mechanical and process engineering capabilities, and constant efficiency improvements enabling low-cost production.

The bulk of Precision Parts product range is targeted at the standard replacement market but there is also a much smaller but highly profitable market for high performance balancers both in Australia and overseas. To cater to this market, Precision launched the POWERBOND

performance balancer range utilising advanced bonded dampening technology with instant market success both here and in the USA. POWERBOND is now the fastest growing balancer brand in the US performance market.

To diversify from the "single product" nature of Precision Parts business while still utilising existing production capabilities, the company introduced a range of heavy-duty engine idler pulleys to replace fragile plastic OEM (original equipment) units.

"We compete in the global automotive market, selling around half of our production to the USA, and a major competitive advantage for us is our location in Wagga Wagga." Daryl Day, Managing Director, Precision Parts.

Precision Parts key technologies include rubber bonding, CNC (computer numerical control) machining and design capabilities using Solid Works. The company has capabilities in component assembly and in-process measurement validation.

The employees include fitters and turners, machine operators, frontline management,

engineers, human resource managers, sales and warehouse logistics.

Castings, billet steel and rubber are supplied from Sydney, while other metal components are sourced from China.

For the future, Precision Parts will be launching the engine pulley

product in the USA market, and aiming to build a larger share of the harmonic balancer market there. The company also has a major objective of keeping its catalogue current with world engine types, which requires substantial expenditure on software and which will provide a significant new exposure to their key markets. Precision Parts also aims to expand its emerging market in the Middle East.