

One on One: Discussion with a Global Industry Champion: Dukane – Global Leader in plastic welding technologies

Each quarter we sit down with industry executives and thought leaders to discuss the trends, challenges, and best practices that are transforming their businesses.

Today, we are with Mike Johnston, President and CEO of Dukane to discuss how Dukane's rich legacy and culture of being customer focused and market centric has positioned Dukane as a world leader in plastic welding and laser cutting applications.



Mike, can you please introduce Dukane?

Dukane is a 98-year-old company founded in Chicago by J McWilliams Stone SR. who invented the first portable radio. Since then, the company has evolved quite a bit, adapting to the needs of the markets and its customers.

In WWII, the US government asked Dukane to develop a communication system for battle ships. The relationship with the military evolved and started the SEACOM division which positioned Dukane as a market leader in underwater locating devices. After the war, we started an industrial sound division for hospital communication systems. The company was structured as a shared resource organization and divided into multiple divisions. Over time, we evolved and transitioned to plastic welding, manufacturing products to help customers bond plastics together.

Over the years we developed a unique ability to work with our customers to help them innovate and together create new solutions. One of the fun projects we had was helping Kodak solve the bonding issue they had for the plastic casing of their underwater disposable camera for which we developed a new plastic welding technology relationship to ultrasonic bonding.

With no third generation taking over the business, the family sold the business to management. Today, we are a stand-alone company, owned by private equity and a management team invested in the business. The ultrasonic division took over the Dukane name and to this day proudly carries on the Dukane name, legend, and culture.

What are the problems you solve for your customers?

As a company, our plastic bonding applications serve a wide range of industries from automotive, to medical devices, packaging like resealable disposable plastic bags, and with a recent acquisition, we strengthened our presence in the hygiene industry. We have developed innovative technologies that allow to bond elastic to material instead of gluing it which brings

Dukane and its customers in the forefront of the rapidly growing diaper market. Initially, Dukane only offered plastic ultrasonic bonding, but as a highly innovative company we rapidly expanded our breath of plastic bonded products to offer new technologies from laser welding, to vibration welding, rotary ultrasonics and hot gas technology.

Can you speak about the impact Dukane has had helping fight the Covid crisis?

Over the years, most of the manufacturing of PPE products left the US. When China was hit full force by Covid-19, demand for equipment to manufacture face masks and PPE grew significantly. Having a strong presence in China, Dukane has been able to capture a significant amount of the demand for face masks and PPE production equipment in China, producing in the US and exporting highly productive PPE equipment to China.

As the pandemic reached North America, demand for PPE rapidly strained what was left of PPE manufacturing in the USA. In response to the US Government push for ramping up the production of PPE, Dukane was able to assist companies like Honeywell by providing our bonding equipment, which is critical to the production of the N95 masks.

We were immediately identified as an essential provider during the pandemic lockdown. We worked relentlessly with our vendors to step up to the plate and meet the exceptional demand. Very early in the US pandemic one Sunday, one of our customers called us with an urgent order, which our team was able to deliver by Tuesday so they could start production of face masks on that Friday.

Can you speak about Dukane's internationalization strategy?

As manufacturing is becoming more global, we realized that our customers were looking for global collaborations. Supporting our customers globally became a big competitive advantage for us, helping bring design to production sites of our customers around the world. More recently we realized we had a gap in our international footprint and particularly our presence in Germany, and in 2018 we made our first international acquisition in Germany.

Which opportunities and challenges do you anticipate for the future of Dukane?

Now that we have a global infrastructure in place, we realize that we have new opportunities to globalize our resources. We need to figure out how to better utilize our global infrastructure to increase our capabilities, our capacity, and ultimately better meet our customers' demands. Our leadership team is now focusing on developing our future growth strategy to maximize our customers experience worldwide by developing a highly integrated and highly performing organization. In that process we enjoy the Altix experience and support.

What kind of challenges do you see leading and managing change throughout a global organization?

Our biggest challenge today, especially during Covid time is communication. In the past, we would jump on a plane to meet with our customers and our foreign entities. Adapting our

communication style to new technologies has had its challenges to keep all our entities aligned to our objectives and goals.

We have a very good leadership team and when we saw the pandemic coming, we were able to immediately put the necessary processes and technologies in place to work remotely effectively. Agility, speed and flexibility are key characteristics we need to nurture as an organization to remain competitive. As much as we need to permanently innovate with products and technology to keep our customers at the forefront of technology and automation possibilities, our organization needs to permanently evolve and innovate with culture, process optimization, organization and best-in-class knowledge and talent management.

What learnings did the global business trigger in regards of people and culture?

Understanding how different regions of the world conduct business is a key element. As well for a US company understanding how to successfully lead talent in Germany or China is key for successful business growth. The acquisition of KVT in Germany was a key learning and being surrounded and supported by experts with intimate business acumen but also country specific culture and language as well as industry relevant expertise is critical. While the acquisition of KVT was a major success for our first international M&A, developing stronger synergies and a post-M&A integration path will be our next challenge.

What is you most important take-away after leading Dukane successfully over decades?

Our experience has shown that a strong market and industry segment focus puts us in a good competitive position. We were recognized as subject matter experts and were able to accelerate the development of highly customized solutions. Listening to customer needs and, technical challenges they need to solve, defines us as the partner they want to work with. The food industry is another good example where Dukane took the time to learn to know the industry and its needs intimately and to work with its customers to identify their core needs for ultrasonic cutting applications. Today we are the largest supplier of ultrasonics cutting equipment for the food industry in the world. We are now looking at building additional industry segment specific application knowledge and expertise in medical, electronics, packaging to reach our next milestone.

Thank you very much Mike for sharing with us and our readers the story of Dukane. We wish you and your team continued success.

ABOUT DUKANE:

Dukane is a global provider of plastic welders for the welding of thermoplastic materials. A standard line of heat staking thermal presses, ultrasonic, vibration, hot plate, spin and laser welding systems are used to provide solutions that meet the unique requirements of each customer's application. www.dukane.com

ABOUT ALTIX:

Altix is the middle-market international industrial champions' management consulting partner, providing business strategy, technology and innovation, and operational excellence support, in the world of advanced manufacturing and international supply chain. www.altixconsulting.com