

NH's #5 BEST SMALL COMPANY TO WORK FOR

Graphicast Inc.



In photo from left: Kirk Barrett, regional sales manager; Mike Alexander, toolmaker/CAD technician, Chris Gregory, CNC setup/operator; Christine Boucher, plant manager; Mark Kramer, casting; Edie Kemp, shipping/CNC operator; John Harris, designer; Val Zanchuk, president; Joe Hahnl, CNC setup/operator; Barry Charron, casting/CNC operator/shipping

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hen Val Zanchuk took the helm of Graphicast a few years ago, he inherited a manufacturing company with low morale and employees who felt underappreciated. He knew

growing the company and making it successful would require creating a culture of pride, trust and appreciation. So he went to work involving employees in developing company policies and improved the benefits package.

Employees now share in the success of the company through both a profit sharing and gainsharing program. Through gainsharing, if year-end actual cash on hand exceeds budgeted cash on hand, the company shares 50 percent of that gain with the employees. Graphicast is also an ESOP (Employee Stock Ownership Plan) company, with employees owning 35 percent of the business.

Some of those gains come from empowering employees. Graphicast struggled with 16-week lead times. The company invested in software to assist with scheduling projects, and charged manufacturing with implementing a new schedule. "People loved it," Zanchuk says of the new system. "It gave them power. They know what jobs to run on which machines." Graphicast first aimed to cut lead times in half. Instead, lead times shrunk to four weeks within a month of instituting the new process and the company paid back its investment in two months.

Employees also have a say when it comes to scheduling. At the employees' request, the

company switched hourly employees to four 10-hour days to give them three-day weekends. The company also allows employees to adjust their start times to accommodate family needs.

Graphicast has absorbed annual increases in health insurance premiums during the past five years so employees pay the same premium as they did in 2004, saving them thousands of dollars. It also elected to pay the difference between the medical deductible of its new health plan and that of its previous plan so employees wouldn't bear the brunt of the switch.

Because Graphicast practices open book management, employees could see the backlog of work shrinking. When the recession hit, Graphicast came up with a multi-step plan for dealing with the downturn and presented it to the employees so they would know exactly what would happen if sales continued to decline, starting with adjusting some benefits and reduc-

ing hours to reducing the workweek to instituting furloughs. Once furloughs became a necessity, the company asked for volunteers. "Within minutes we had volunteers," Zanchuk says. To make furloughs as painless as possible, Graphicast, which typically

pays 67 to 76 percent of health care premiums, covered 100 percent of premiums of furloughed employees. "We didn't want to lay people off," he says. "It costs you money in the long run."

Zanchuk credits employees' morale and loyalty during hard times to the goodwill it has built with workers. And business is now on the rise again, so much so the company may reintroduce overtime options. "We were able to keep the company intact even though business was shrinking. We were still responsive and

getting orders out on time," Zanchuk says. "The big advantage is everyone cares about the business, quality and customers. Our people are passionate." ■

Graphicast Inc.

36 Knight St., Jaffrey
www.graphicast.com

President: Val Zanchuk

Years in Business: 31

NH/Total Employees: 28

Years on List: 1

Company Description: Manufacturer of precision machined zinc alloy castings

Benefit Highlights: Four-day work week, profit sharing, free meetings with financial planner, contributes \$500 annually to employees' flex spending accounts, employee stock ownership program, "good idea" bonuses for suggestions outside the norm, tuition reimbursement up to 100% for classes related to work