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Dana and Kathy Schnepf,
owners of D&K Powder
Coating. Photo by
Pat Christman



Going strong

Manufacturers bullish on year ahead

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Cambria has added several additions to its Le Sueur plant that now totals more than 1 million square feet. Photo courtesy of Cambria.

Bright outlook

Manufacturers optimistic about year ahead

By Tim Krohn | Photos by Pat Christman

Manufacturers in the Mankato area and across Minnesota are optimistic for 2022 despite ongoing supply chain issues, higher costs and hiring challenges.

The latest State of Manufacturing poll finds 87% of manufacturing executives surveyed expect their firms to do well this year.

In addition, 51% of Minnesota's manufacturers expect their gross revenues to rise this year, a big jump from the 21% in the previous survey, which is done annually by Enterprise Minnesota (enterpriseminnesota.org).

Brian Scoggin, chief manufacturing operations officer at Cambria countertops in Le Sueur, said the company took a hit for a while early in the pandemic as construction slowed and the lockdown was in place.

"As the markets came back, we brought our people

back and everyone navigated through it well. We came back strong," Scoggin said.

"Construction is still booming. We are fortunate to be in a market that has been growing."

Dana Schnepf, owner of D&K Powder Coating in North Mankato, saw the company grow fast. The business started in 2013 on North Riverfront Drive and built a larger facility in North Mankato in 2015.

"From 2015 to 2020 we saw very rapid growth, then about 3% growth in 2020. We're expecting a 50% to 60% increase this year. Things are going crazy," Schnepf said.

Cambria

Owned by the Davis family and headed by Marty Davis, Cambria's quartz countertops are used in

Cover Story



Jake P. Sukalski powder coats a rack of metal boxes at D&K Powder Coating.



Brian Scoggin, chief manufacturing operations officer at Cambria.

residential and commercial construction worldwide. Beyond their main facility in Le Sueur and offices in the Twin Cities, they have other production facilities and two quartz mines in North America.

The Le Sueur plant has grown steadily over the years with additions in 2008, 2013, 2014 and 2015. "We were poised to do another one until China started dumping products here," Scoggin said.

"China copied us and had been dumping quartz products and avoiding tariffs. So when the



Nick Petersen pushes a rack of parts into an oven.

tariffs were put in place, we've seen a decline in what they were bringing in now that they have to compete fairly. We don't mind competition, but we want fair trade."

The company started building another 70,000-square-foot addition last year that will bring

the plant to over 1 million square feet.

"We like doing business in Minnesota, and Le Sueur has been good to us."

Scoggin said that while the company faces hiring struggles they have upped their recruitment and retention efforts and have

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been filling jobs. "We have an English learning program we're very proud of. It absolutely helps with attracting and retention. They do it while they're on the clock," he said. "Overall we've fared pretty well even though we're looking to fill positions, professional and production. We have a lot of technical jobs here."

He said they also have been successful in recruiting college students into their internship program and then hiring them when they graduate. "We get them in sales, marketing, operation, HR — all levels." Scoggin said new designs have spurred Cambria's growth and created demand.

"We have a strong research and development team that Marty leads and that's our main initiative to create new designs for the marketplace that no one else is doing. The number of designs we've made is over 250. Trends change. Back in the day it was the browns, now it's the whites and grays."

Scoggin said freight costs have soared, but the company has been successful in getting and shipping out what they need. "We're partnered with good suppliers and good trucking firms here locally. We've worked hard on those issues and have been pretty successful. And having our own mines helps. But it is challenging. He said demand looks like it will remain strong for the year ahead as more commercial construction comes online and housing construction remains robust.

D&K Powder Coating

Schnepf said the company's diversity has been key to its continued growth.

"Our biggest areas are agriculture and power generation for companies like Blue Star and MTU."

Powder coating paint is 30 times more durable than the best liquid paint, Schnepf said, and it's more environmentally friendly. "But there are some things you can't do with powders; you can't blend colors or change colors. If you need to touch up something, you have to do the whole thing

over — you can't touch it up." He said their biggest problem has been getting the resins and pigments they need. "It's across the board from all our suppliers. That's mostly in the last six months. And the price increases are nonstop. But our customers aren't shocked. The pain is widespread for everyone."

D&K has about 50 employees. "We have been very successful in getting employees, except in the last six months. People apply and don't show up for the interview, or we hire them and they don't show up for work."

"We get a lot of referrals from employees who know someone and we've done pretty good at retaining employees. We have lunch brought in every day for employees at our cost, so things like that help."

The company does a variety of unique work including a fair amount of artwork.

"We have one of the largest capacities in the country so anything that can go on a semi, even oversize loads, we can get in and paint."



Adam Krueger, left, and Nick Petersen push a powder coated trailer out of an oven at D&K Powder Coating.

D&K built an addition last year and bought 5 acres of land next door with the idea of building another building there.

Schnepf said a slowdown in the supply chain is affecting them. "We're really seeing things change in the supply chain. There

wasn't much inventory the last couple of years, and now we're seeing hoarding when people can get their hands on things. So I think that's going to stretch the supply chain problems out even longer." **MV**

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