

After five years in Alabama, CRH North America Inc., remains happy with its site choice. "People [in Alabama] are very dedicated," says a company official. "They know how to work, and they're not afraid to get their fingers dirty."

BY SANDRA BEARDEN

Alabama's Chilton County is renowned for its peaches. In mid-summer, thousands of visitors flock to area roadside stands, and local growers ship millions of the luscious red- and gold-skinned fruits throughout the country.

This bounty is important, as evidenced by the swarms of sweltering buyers who descend on the area annually for fresh produce and creamy peach ice cream.

But while agriculture certainly is vital to the county's economy, there are now other leading sources of income. Several industries have brought new, well-paying jobs to the area.

Among such companies is CRH North America Inc., located in Clanton, the county seat. At the company's sprawling plant in an industrial park east of Interstate 65, some 450 employees manufacture high-end seat structures for

Best Seat in the House



CRH contracts for work with automobile manufacturers such as Ford or BMW, producing the metal frames, then shipping the complete seat adjuster systems, including back rests and head rests. Right: the pieces come together as a seat frame takes shape at the Clanton plant.

such automobile brands as BMW, Daimler-Chrysler, Ford and Hyundai.

The Clanton site is the major North American manufacturing location owned by C. Rob. Ham-

merstein Co., a family-owned company based in Solingen, Germany. In addition to its home plant, CRH also has manufacturing sites in Hungary, Romania and South Africa.

Research and development offices are located in Munich, Detroit and Solingen. Internationally, the company specializes in seat adjuster systems, steering columns and other interior



equipment. The Clanton plant produces only seat structures.

"We're primarily a Tier Two manufacturer," says Judy Benson, the Clanton plant's human

resources director, who also conducts plant tours. "That means we contract for work with automobile manufacturers such as Ford or BMW. We produce the metal frames and then send the

complete seat adjuster systems, including back rests and head rests, to large automotive companies like Lear or Johnson Control. They complete fabrication of the seats and ship them

to auto manufacturers for assembly."

Visiting the CRH Clanton plant is like touring a manufacturing version of a domed stadium. The vast 230,000-square-foot building is open and largely unpartitioned. Amazingly, the environment also is clean and relatively quiet. At the site, huge coils of steel enter through the door and, through a number of production processes, leave as metal seat structures.

Robotic equipment, guided and monitored by human operators, handles much of the welding and assembly process. The pace is rapid — it takes only seven seconds for a robot to complete the welding job for each frame. Each step of production is referred to as a "cell," and there may be several cells within each production department.

"We're a unique company in that we build all of our own capital equipment

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ourselves,” says Benson, pointing to an area in which tool and die-makers are at work. “We design and build everything from scratch.”

CRH literature explains the rationale for this vertical integration: It states that the company’s goal is to supply complete mechanical structures composed of individual components designed to fit perfectly with each other. With in-house design, extensive testing at every stage of production, and rigid manufacturing standards, CRH maintains tight control over the quality of its seat structures.

Benson says this means that the plant’s manufacturing and assembly operation is supported by a number of staff functions. These include supply and maintenance, tool and die, purchasing, quality engineering and logistics. “So we have a large professional staff of about 70 people (out of 450 employees) on site,” she explains.

CRH is a relative newcomer in Alabama, but it’s a familiar name in the automotive manufacturing world. Established in 1849 as a manufacturer of trunk fittings and umbrella frames, the company evolved as transportation modes changed.

“An old story is that one member of the Hammerstein family that owned the business was very tall and early car seats didn’t fit him comfortably. CRH was then still manufacturing umbrel-



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las,” says Guido Frohnhaus, vice president and co-general manager of the Clanton plant. “They took the telescopic concept of

umbrella operation to make the first adjustable seats. And that’s how we got into the automobile seat manufacturing business. That’s



the story. I never have known how much of it is true.”

Today, it’s seat frames, not umbrella frames, that dominate the firm’s global business. The company, still family-owned, earns \$500 million annually in revenue, selling its products worldwide.

Frohnhaus virtually grew up in the business, working in his teens as an apprentice tool and die maker. He left to earn an engineering degree, returning to the company in a management job. Later he became production planning manager.

When CRH officials decided to establish a manufacturing operation in North America, Frohnhaus was a natural fit to head up production for the new operation, even though he was then only in his early 30s.

Legal and business practices differ between Germany and the United States. So the company recruited a co-general manager, Dean Lenane. At that time, Lenane was working as a project manager for Magna, a leading global supplier of automotive systems and components. With this background in the automotive industry as well as a law degree, Lenane was another “natural.” He is in charge of sales, purchasing, research and development and legal matters for the North American arm of the business. Frohnhaus heads up operations and technical matters. “We’re a team,” Frohnhaus says.

Frohnhaus has been involved with the Clanton

facility since its inception. “I was the one who chased the horses off the field,” he laughs, describing the process by which CRH selected the central Alabama site.

“We started our survey of 50 potential U. S. locations in February 1999,” Frohnhaus says. “Of those, we actually visited 30 sites. We honed those down to three finalists — Anderson, S. C., Auburn, Ala., and Clanton. At that point, we brought over our wives and families so they could help us examine the communities as well as the business climate of each location.

“We selected Clanton because of the selling job they did. It was not just the dog-and-pony shows we saw in quite a few other places. Our feeling was that Clanton wanted the facility more. There was no other comparable industry here, and Hammerstein had the chance to be the big fish in the small pond. Also, the labor market wasn’t as stretched as it was in some locations.”

After five years, Frohnhaus remains happy with this choice. “People [in Alabama] are very dedicated. They know how to work, and they’re not afraid to get their fingers dirty. This is very important, as it’s not the easiest work to assemble critical components in our seat structures. We also

were pleased to find a good supply of skilled workers, such as tool and die makers and electricians.”

Alabama Industrial Development Training (AIDT), a state agency, has helped train entry-level workers, Frohnhaus says. “AIDT comes into the plant, using space we provide. They handle all the training and preparation of training materials. Most training is done here, though at first, we sent a few of our new supervisors and maintenance people to our plant in Hungary for training.”

There were other inducements for selecting Clanton. Frohnhaus says the

state offered some tax abatement for company expenditures that are growth related. A 50,000-square-foot building belongs to the city of Clanton, which is renting it to the company with an option to buy. The remaining 180,000 square feet, which belongs to CRH, has been added since the first building, underscoring the company’s rapid growth in just five years.

“The city has been very flexible in letting us grow in the most economical manner possible,” Frohnhaus says.

This support has paid off. Since 1999, CRH has increased both the number of employees and its building space fivefold, provid-

ing an enormous shot in the arm to the local economy. But the company contributes to the community in many other ways.

“They are big supporters of just about everything that goes on around here,” says Pennie Broussard, executive director of the Chilton County Chamber of Commerce. “They’re big supporters of the United Way, and give out prizes encouraging employees to donate. They also participate in the Heart Fund, the Cancer Society’s Relay for Life and local school projects. They’re more than happy to be involved in community events, and Judy Benson is on our board of directors. They’re

glad to be here and we’re glad to have them.”

Chilton County Probate Judge Bobby Martin also comments on the firm’s local involvement. “They’re very community oriented. They’ve jumped right in,” he says.

It’s a mutual admiration society.

“During the recruitment process, Alabama and local economic development officials told us that no matter what we decided, we had a partnership and they would help us in any way possible,” Frohnhaus says. “They’ve kept their word. They help us any time we call on them.” ■

