

## Precision Custom Coatings—adapting to industrial markets

**John W. McCurry talked to key executives at Precision Custom Coatings to learn how the company from New Jersey, USA, is adapting to changing global markets and what is driving its growth of 20% a year in the industrial sector.**

**P**recision Custom Coatings (PCC) is rapidly gaining a reputation as an up-and-coming name in US industrial textiles. Its ability to develop customized machinery, having all of its processes under one roof and manufacturing flexibility are among the drivers propelling growth at the New Jersey-based manufacturer of nonwovens and coated fabrics for apparel, as well as industrial markets.

With nonwoven production, coating and laminating processes all under one roof, PCC differentiates itself from producers of commodity nonwovens, assisting the company in landing some key customers. Adjusting to the changes in the global textile industry, the company has evolved through the years, but growth has been rapid: PCC exceeded \$110 mil-

lion in sales in 2005; company officials predict that figure will top \$200 million within five years.

PCC's chairman Peter Longo started the company in 1987, which initially served only apparel markets. "We evolved from a very small company to about 500 employees today with two production facilities in the USA and one in Asia" Longo says. "We've diversified from 100% apparel to a 50-50 mix of apparel and industrial. About 1996, we realized that the apparel trade was headed offshore and we went on an aggressive mission to open offices around the world to provide apparel customers with products wherever they are manufacturing. We have 35 locations to sell the products we make to our traditional customers [those] we've had since we opened."

## Industrial Markets

PCC serves a diverse group of markets on the industrial side of its operations. These include:

**Filtration**—liquid and air filtration products predominately associated with needlepunched and chemically bonded non-wovens.

**Automotive**—facings for hood (bonnet), dash, and transmission panel insulators; acoustical nonwovens incorporated within headliner composites; dust barriers for carpet underlay; and seating trim components.

**Home Furnishings and Bedding**—hypoallergenic mattress and pillow encasements; non-skid fabric for bedding and furniture underlay; fire barrier components including high loft and needlepunch nonwovens for the new *Federal Regulation CPSC 1633*; a stiff nonwoven with fire resistance for buckram (curtain header support).

**Wipes**—facial and body wipes with surface characteristics for exfoliation; all-purpose household wipes with dual surfaces for multifunctional uses (such as the Brillo Scrub 'n' Toss, see main text); and bathroom surface scrubbers with cleaning aids.

**Cured in Place Pipe (CIPP)**—CIPP is a sock that is basically inserted into old, decaying underground piping before being cured/hardened *in situ*, essentially forming a new pipe within the old one and circumventing the arduous process of digging up and replacing underground pipes.

**Footwear**—moulded parts for stability with a shoe or boot.

**Aerospace**—bleeder/breather cloth used in the manufacture of lightweight composites for the aerospace industry.

**Medical/Healthcare**—wound care bandages and wraps with excellent fluid transport characteristics.

**Roofing Substrates**—support membranes for roofing materials.

Longo, whose background is in mechanical engineering, says PCC has established a large distribution system to facilitate sales throughout Asia and Europe.

Growth has also come through acquisitions. Last December, PCC acquired the assets and operations of GlobeTec Inc, a needlepunch nonwovens manufacturer based in North East, Maryland, and renamed it Precision Textiles, a division of Precision Custom Coatings. The new facility is central to the company's strategy for growth in industrial markets.

PCC's future growth will come on the industrial side of the business, according to President Scott Tesser. The automotive trade accounts for about 50% of the company's industrial market. The

wipes market is another important and growing PCC business; wipes, healthcare and home furnishings account for most of the other half of PCC's industrial market.

The acquisition of the Maryland facility has allowed PCC to greatly broaden its product offerings. PCC has added a needlepunch line at the plant, giving it two in total, with plans to add a third. Currently, the plant is operating six days a week, 24 hours a day.

The company's headquarters is in Totowa, New Jersey, just outside of New York City, where PCC has a 2.04 ha (220 000 square feet) production facility; the plant acquired in the GlobeTec deal is about 0.46 ha (50 000 square feet).

PCC recently entered the potentially lucrative market for flame retardant (FR) mattresses with Precision Flame Protection (PFP), a nonwoven FR product that meets the stringent standards of *California Technical Bulletin 603* and is compliant with the Consumer Product Safety Commission (CPSC)'s new national open-flame standards for mattress flammability and fire-resistant furniture, set to take effect in 2007<sup>1</sup>. These standards require that all new mattresses provide protection against an open flame that could otherwise cause the product to ignite and burn intensely.

PFP fabric can be wrapped around the foam core of the mattress and can rest behind the outer layer of fabric, effectively cutting off the fire from the main fuel source. PCC's management believes this product can be the cornerstone of a major market. Industrial Development Sales Manager Keith Martin estimates the total US fire barrier mattress market to be worth about \$20 million, at present, with sales mostly in California. When the strict California guidelines are applied nationally in 2007 those market figures are set to



Industrial Development Sales Manager Keith Martin: "We have some technology here for producing high-loft that no one else in the world has at the width you need to supply mattress manufacturers."

explode, he believes, and PCC hopes to claim a sizeable piece of prize.

Martin says PCC recently introduced a high-loft fabric to its mattress barrier line. "I might be biased, but I think it's the best looking product in the marketplace right now. We have some technology here for producing high-loft that no one else in the world has at the width you need to supply mattress manufacturers."

Federal regulations go into effect next July and PCC's products are now being evaluated by major mattress manufacturers, according to Martin, adding that the mattress barrier market has great growth potential: "Before the regulation comes into effect, we are already seeing price erosion in the marketplace. But we are very competitive. I feel based on the reception we are getting in the marketplace, we are priced right. The volume projections we are seeing for next year are increasing."

PCC has also developed a line of hyper-allergenic mattress and pillow encasement products that are already in the mar-

ketplace. "With concern about bedbugs and dust mites, this type of product has [had] a nice reception and is already being sold at the retail level" Martin says.

The automotive sector has grown steadily for PCC. "With the growing number of transplant companies manufacturing in the USA – such as Honda, BMW, Mercedes, Toyota and Hyundai – the number of automobiles produced domestically has increased over the last few years" Martin says.

"For us, the market is growing well and we expect it to continue to be a large part of our industrial sales."

In an effort to foster growth in the sector, PCC recently hired Gunther Hoffman as Marketing Director for its Automotive Division. Hoffman, a native of Germany, is a 25-year veteran in the nonwoven and automotive industries. He was formerly president of HofTextiles' North Carolina Operations.

Hoffman will market PCC's current automotive fabrics and develop new products for the automotive industry to be used for applications such as sound deadening and heat insu-



*Precision Custom Coating's headquarters is in Totowa, New Jersey, just outside of New York City, USA, where the company has a 2.04 ha (220 000 square feet) production facility. Officials say one of the company's big advantages over its competitors is that it can do all of its manufacturing processes under one roof and it does not have to ship from one facility to another; some of these processes require three or four steps.*

lation for vehicle interiors and engine compartments, trunk trim and lining, as well as materials for interior A- and B- surfaces. He will work directly with automotive manufacturers (OEMs) and their Tier 1 suppliers to better anticipate needs and trends, and respond faster with custom designed products. "We're excited about the addition of Gunther" Martin says. "We are quickly gaining momentum in this market."

PCC officials say one of the company's big advantages over its competitors is that it can do all of its manufacturing processes under one roof and it does not have to ship from one facility to another. Some of these processes require

three or four steps. This capability recently allowed the company to gain a customer in the wipes business.

Tesser says Church & Dwight, one of the largest consumer product companies, approached PCC about making a new pad, Scrub 'n' Toss, for its Brillo range. PCC's ability to make the product under one roof, economically, for Church & Dwight, won the deal: "By coming to us, they were able to develop the product and bring it to market. We're finding this is a growing area for us. Larger companies need to find someone with the ability to put added value into products and bring [them] to market at [economical] costs. We are able to do that for them."

PCC's highly trained manufacturing personnel are a major asset, Martin says: "We are fortunate to have a great group of people. This group of line operators has been with the company a long time, some from day one. They are extremely loyal and extremely dedicated to producing quality products. We pride ourselves on having a very high quality product. I've been on a lot of sales calls to mattress manufacturers and many times a mattress company president has told us they are really impressed with the quality of our products."

Nearly all of PCC's industrial sales are to US customers, but Martin predicts that will change in the future because of the company's extensive global distribution network developed for the apparel side of the business: "We have 80 to 90 people working for us in Hong Kong and have a huge distribu-



*A nonwoven roll being cut to size.*

tion centre there, and offices around the world. We have channels laid out for us. The industrial market is still a relatively new market for us. We've just been involved in it for the last seven years and domestically we are still growing at a great rate. International growth will come, but we are keeping it close to home for now."

PCC's industrial market has been growing about 20% a year. With that growth projected to continue, it's likely the company will expand again: "We anticipate growing more, but how we're going to attack that is still in the air, whether it's through acquisitions or buying a new facility" Martin says. "We will need to grow further, there's no doubt."

Industry exhibitions have also helped the company grow. PCC regularly exhibits at the IFAI exhibitions, INDA's *IDEA* show and has recently become a regular at the International Sleep Products Association Expo.

While times are good for PCC, many challenges lie ahead. "The key for us is to stay ahead of textile trends in general" Martin says. "When a product is developed, it has a shelf life of being deemed innovative. After that cycle is over, it's really considered commodity goods. Once it's considered commodity goods, the Chinese and others producing commodity goods at lower rates will take that product away."

"For us, it's about keeping a line of innovative products in our portfolio and maintaining a level of being vertical as well. It's not about producing a nonwoven for company X, but it's about producing a nonwoven and applying a film or finish or some characteristic that gives it multi-functional characteristics so it's not considered a commodity."



### Further information

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### References

<sup>1</sup> US requirements for flame-resistant bedding boost Basofil, *Technical Textiles International*, January/February 2006, pages 37-40.

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\* 2006 figures

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