

Triad Talk

Motor repair company holds Triad crystal ball

Premium content from The Business Journal by Justin Catanoso , Staff writer

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Here on a lonely stretch of N.C. 135, about midway between Mayodan and Eden, it seems possible to peer inside the Triad's economy, a significant piece of it anyway, and assess its vitality.

"In the past six months or so, I've grown cautiously optimistic," says Peter Mitchell, his office window facing barren farmland across the road. "With each month that goes by, I sleep a little easier at night. I am not anticipating a doubledip recession. I could be wrong, but I think things are going to get better in a slow and steady way."

Mitchell has an MBA from UNCC Chapel Hill, but he's neither an economist nor a government analyst. Rather, he's the owner and president of a machine and motor repair operation, [TigerTek Industrial Services](#) in rural Stoneville. He has 39 employees and his company had revenues last year of \$3.5 million.

In a relative sense, it's a small operation. But given what TigerTek does, Mitchell believes he has an expansive view of the regional economy, particularly as it applies to manufacturing — in which one in five workers in the Triad is employed. His view? Manufacturing is on the upswing. It has to be, otherwise he would not have seen 16 percent revenue growth last year, with a better year projected in 2011.

"I am almost totally dependent on the health of the local economy," Mitchell says. "If manufacturing plants aren't operating, they are not tearing up motors and gear boxes, and there's nothing to send me."

TigerTek is plenty busy right now. By Mitchell's intuitive reasoning, his brand name customers — [Miller Brewing](#) in Eden, Procter & Gamble in Greensboro, [R.J. Reynolds Tobacco](#) in Winston-Salem — must be plenty as busy as well. So is Atrium Doors in Welcome, which makes doors and windows for retailers such as [Home Depot Inc.](#) and Lowe's.

But Mitchell believes that's just part of the story, the one that's easiest to see. He has hundreds of customers in central North Carolina and southern Virginia representing scores of different manufacturing sectors. Off the radar screen, yarn makers [Frontier Spinning](#) and McMichael Mills over in Mayodan keep calling in for repairs, as do a host of recyclers, injection molders and chemical makers. Not only that, but they want their motors fixed quickly, indicating that business is strong enough to pay extra for faster service.

For Mitchell, that's another economic indicator. A few years ago, at the bottom of the recession, repair orders — when they came at all — often carried a note that read

something like: Take your time. We're in no hurry to get the machine working again. Or pay the repair bill.

"There's a lot more urgency now," he says.

TigerTek's crowded repair shop offers other insights into manufacturing as well. Rush orders indicate that factories of all sizes are operating much leaner. There are fewer spare parts and backup motors, and fewer technicians on hand to fix machine problems as they arise. Also, a new type of computerized motors — called servo motors — are so highly mechanized that productivity is increased with far fewer workers needed to run the lines.

That insight helps explain a difficult aspect of this gradual economic upturn. Factory orders are rising, at least according to available national data, but employment is barely budging as the so-called jobless recovery continues.

That's not the case at TigerTek. Mitchell, who bought the company a dozen years ago, added seven repair technicians last year. While he had to lay off eight workers a few years ago — "The first time I've ever had to do that" — he's now at an employment peak. He says he can easily see hiring another 10 technicians this year if broken motors keep piling up at his shop's loading dock.

"Initially, when business returned, I wasn't sure how aggressive I wanted to get," Mitchell says. "Should I stay hunkered down? Should I start hiring again? You don't want to overcommit if the work isn't there. But if it is there, you want to be able make repairs in a timely fashion, or that can cost you."

Interestingly, TigerTek itself stands as a decent representative of the Triad's evershifting economy, particularly in regards to manufacturing.

When Mitchell bought the company, more than 80 percent of his business was from textile and furniture makers in Rockingham County alone. One customer, Eden Yarns, accounted for half of his revenues. That plant is long gone, as is Tultex and Burlington Industries, other big customers. Today, legacy manufacturers make up just 5 percent of TigerTek's revenues, as Mitchell's sales staff has hustled to find other engines and motors to fix.

Along the way, the company, and Mitchell, have had something of a frontrow seat in witnessing both the shrinking and diversification of the Triad's manufacturing base. It's smaller now (20 years ago, more than 30 percent of the regional economy was in manufacturing, instead of 20 percent today), but a lot of it is healthy. And apparently growing.

"I see a slow, steady climb," Mitchell says, as if consulting his crystal ball one last time. "Nothing dramatic. But I think it will continue to get better."