

OXYTECH INDUSTRIES

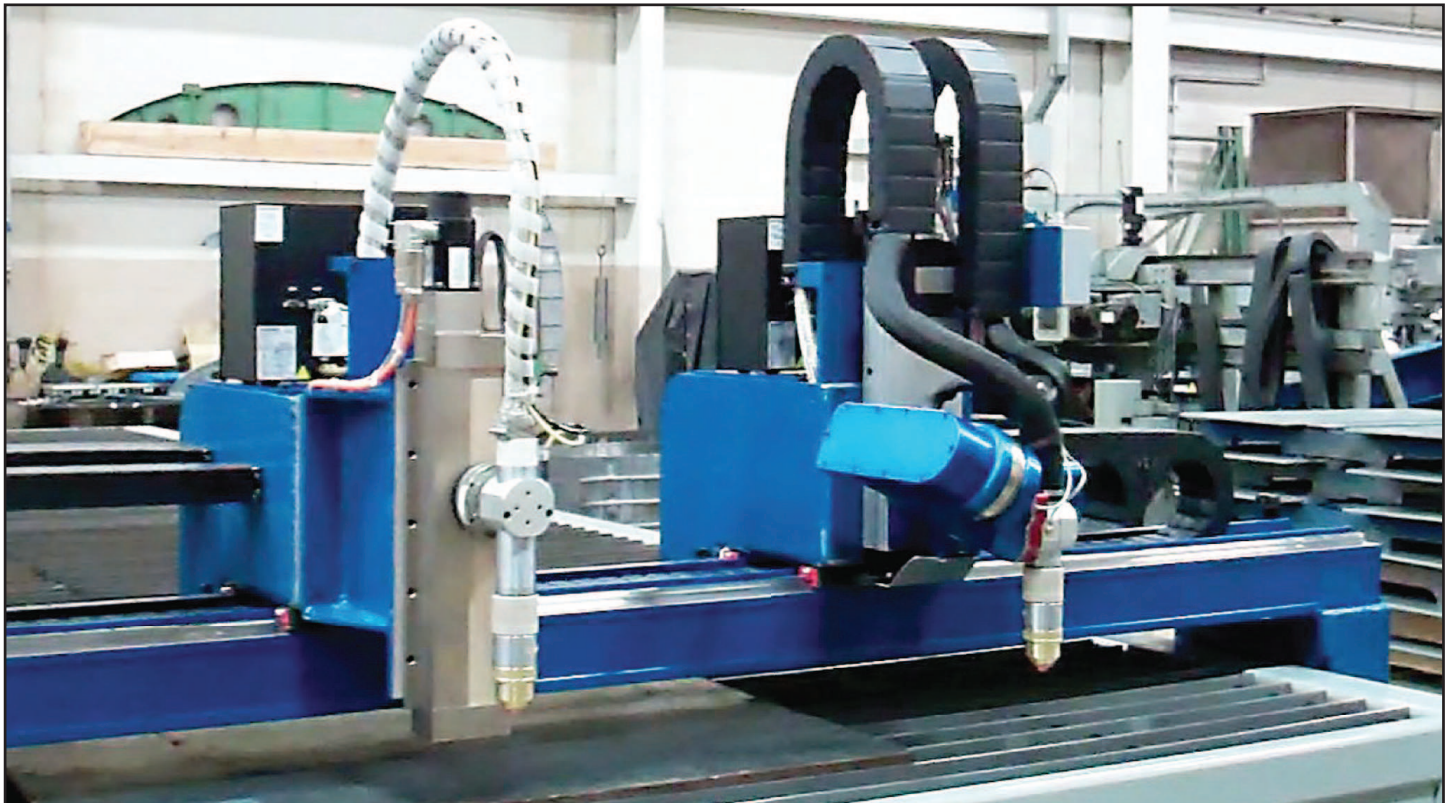
Cutting a New Path to Profit

Plasma cutting company Oxytech Industries (www.oxytech.ca) has grown steadily in the past 10 years from a shop of four people, to an operation that runs two shifts and currently includes 20 on its team, including five members of the Riordon family, the owners.

to OEM work we do is prototype jobs and production level work related to the solar industry, for an automotive parts supplier. This is exactly where we want to be in the industry."

Oxytech does runs of anywhere from 1 to 30,000 parts on a job,

working in the company. "We cut parts, form them and have them machined for companies, if that is what they require. So we work on everything from loading docks, to dust collectors, forklifts to bucket work for excavating companies. As well we do work for the solar industry."



The recently installed AKS Accu-Kut plasma machine at Oxytech Industries.

Over the past 10 years, the company has created a niche clientele of smaller companies. "We run very custom jobs," says Jim Riordon, president of Oxytech.

"We don't do OEM work and have a customer base of roughly 100 companies. The only thing close

although the 30,000-part orders are becoming rare.

"Smaller orders are just the nature of the business now," Jim explains. "We offer smaller companies what you might call a Meccano kit of parts for them to build," says Eric Riordon, one of Jim's two sons

The company works most commonly in 44W, 50W, QT100, and AR400 steels in a range from 16 ga. to 1.5 in. thick.

The company moved into a new 15,000-square-foot building last year, and work is busy enough right now that Oxytech is updat-

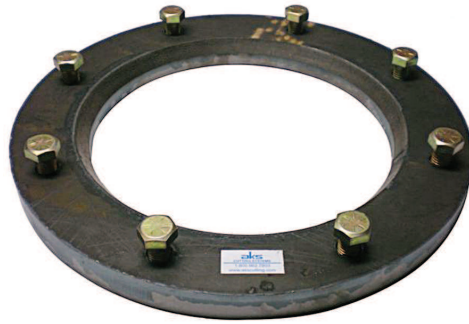
ing its equipment. The company has three AKS CNC high definition plasma cutting machines, each with two heads and with table sizes of 10 x 24 ft.

The newest machine was delivered in late January. With a 260 amp power supply, Oxytech can cut anything from 16 ga to 1.5 in. thick steel with standard tolerances of +/- .015 to +/- .040 in. depending on thickness.

"AKS builds beautiful machines," says Jim Riordon. "They are a family business, which I appreciate. And their plasma cutters are as strong as a horse and built with tight tolerances. AKS builds a unitized machine for us. Because it is unitized, rather than a rail system, you don't have to recalibrate it every 3-6 months, which is a plus. And there are other companies that offer the similar beveling head that AKS supplies, but so far this is the slickest version of that technology we've seen. The newer high definition plasma machines are faster, and that is what matters in this business. The quality is better as well. Holes come out a lot cleaner than older plasma cutters could manage."

Oxytech is planning on replacing its two older plasma cutters within the next two years. With that changeover, they will also be getting at least one larger table.

"A larger table will allow us to manage production better – we will be able to load stock on one end of a table while cutting on



1-3/8" mild steel with 3/4" bolt holes and bevel cut



4" x 7" – 3/16" wall tube with various cut-outs



4" x 4" – 3/8" wall tube with bevel cut

the other," says Eric.

To complement the highdef plasma systems, the team runs an Eremak 130-ton and a new Baykal 260-ton CNC press brake.

At this point, Oxytech also wants to add a CNC mill so that they can manage their own machining needs.

"We send out enough machining work now that we can keep one machine going eight hours a day," says Jim. "And that is simply work we are selecting to keep. We're not planning on chasing other machining orders. But this will save us time and allow us to control our production better."

To manage and maintain the company's growth, Oxytech is currently looking to hire two employees for the cutting and forming part of their business, and one to operate the CNC machine.

"Our challenge right now is getting projects out in the time sensitive way our clients are demanding," says Eric. "That's difficult to do when you've got a steady stream of orders. The challenge in hiring new guys is getting people who are experienced enough. We want people for the team that are flexible, can move from cutting to the press brake when necessary, and can adapt to orders as they come in. It is currently a real challenge to find those people in the marketplace."



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