

ANN ARBOR BUSINESS REVIEW

Square

Footage

Development
heats up at
Miller/Maple
intersection

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Square Footage

Miller/Maple: big changes afoot

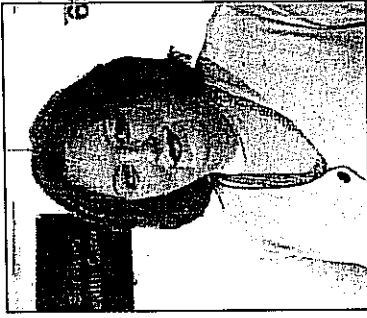


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Howell firm adds to line, finds markets overseas

BY DAN WEISLER
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Howell-based ARMOR Protective Packaging's newest product is meant to destroy what its existing line of packaging tried to prevent: rust.

Metal Rescue is billed as able to remove rust from any piece of metal in from 20 minutes to 24 hours, without the toxic chemicals sometimes found in rust removal agents.

Vice President Dave Yanchos said the company wants to expand and diversify its base of customers from the automakers it has traditionally served to overseas clients — and to what he called the “other side” of customers’ businesses. That is, what happens to their metal parts and tools once they’re delivered.

For nearly 30 years, the company has specialized in “volatile corrosion inhibiting” or VCI packaging, which protects metal machine parts from rust during shipping.

“We’ve always been in corrosion prevention, never in the removal side,” he said. “Even if people use our (packaging) product, they still have on their shelf tooling and molds that may have rusted.... They have a whole other side of their business that gets rusty, and we wanted to capture that side of things.”

Globally, the packaging industry has been on a downswing, according to the Standard & Poor’s rating agency. In a July 2007 report, the industry was given a negative credit outlook and its performance was found to be uncertain, depending on the cost of raw materials and the pace of consumer spending.

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Yanchos said that the decline of the automakers hurt his business. While the company’s revenues have increased more than 80 percent in the last five years, its profit margin has been shrinking, he said.

“It’s more of a challenge,” he said.

The search for new customers has taken ARMOR to Mexico, South America and India, in search of industries that aren’t necessarily thinking about corrosion prevention.

“There are new plants, and they don’t know how to protect them,” Yanchos said. The overseas expansion “has helped offset what we’ve seen domestically.”

The packaging continues to be manufactured at the 1.5-employee plant in Howell, and a five-person facility in Stoney Creek, Ontario.

He said ARMOR has been able to add “a couple” employees in the Howell plant each year, but has been cautious about expanding too rapidly. ■