

Custom Injection Molding for the Medical Device and Semiconductor Industries



Barry Hart
CEO
Caroba Plastics, Inc.

CEOCFO: Mr. Hart, would you tell us about Caroba Plastics?

Mr. Hart: Caroba Plastics is a custom injection molding company specializing in medical device manufacturing and products in the semiconductor industry.

CEOCFO: What do you understand about the area in which you work that perhaps others do not?

Mr. Hart: The key to our business is material science. The out-gassing of the used material in medical devices and semiconductor work is becoming more and more critical and that is where our specialty is in the material science area.

CEOCFO: Was that the concept from the beginning or did it develop over time?

Mr. Hart: It developed over time. We started thirty-five years ago as a basic custom injection molder and then we have specialized with our own extended companies and with our customers.

CEOCFO: What is an example of a common engagement and something outside the box?

Mr. Hart: When a client comes to us, the sooner we can become involved in the upstream CEO design of the product the better. Before you can actually begin the geometry design of a product, you really need to pick the material because that drives everything. That is what we try to do, we try to get up front as close as we can in the design stage and help in the material selection so that the design can conform with the material and then all the way through the process whether it is the semiconductor industry or the medical industry.

CEOCFO: Do your clients typically know what they want or are they turning to you for designing?

Mr. Hart: They come to us for a little of everything. Many times they will know the family of resin they want to use but they do not know the specific resin because many times they do not have experience with specifics. They do know if they want a TPU or if they want a propylene or a polycarbon, but they do not know the specific resin that they want to use.

CEOCFO: Is there much innovation in the industry?

Mr. Hart: There are so many compounders now that will take base resins and compounds and make a specialty resin for you. There are many new choices in customizing a resin for a customer.

CEOCFO: Is it relatively easy to stay on top of new ideas given that you have such a long history in the industry or is it hard to figure out where to focus?

Mr. Hart: You have to have a specialty and stay in that. Obviously, the internet helps tremendously and there is so much more information out there. You have to stick to your core industry, our core competencies.



CEOCFO: You have a family of companies is that correct?

Mr. Hart: Caroba is a base manufacturing company that has about 160 employees and 30 molding machines. Caroba is the hub; it is the center and is a plastic manufacturing operation. From the center, we have developed companies and products and services. One of our companies is Pozzetta Products and they make a line of photo mask carriers in the semiconductor

industry. It is the world's largest manufacturer of a specific product called Photo Mask Carriers. They sell them all over the world. We manufacture for them and they do the sales and service all over the world. We are kind of like a hub and spoke.

From that, those products have to be cleaned at another level of cleaning. We mold them in clean rooms but then they have to be cleaned in the same environment they go into when they are sold to Intel, Texas Instruments and Samsung. We have another sister company called Pozzetta Micro Clean that cleans the product before it is sold. They also sell that service of micro cleaning to the rest of the semiconductor industry. We have developed seven other companies in the same method. They are either product companies or supply businesses or services.



CEOCFO: *Why separate companies?*

Mr. Hart: I have been in business in the plastic arena since 1974. I have worked for a small company that was bought by a larger company and I saw the transition from large to small and how it went. I never wanted to have too many employees in an operation where they could not report to an owner and a manager and somebody who was in charge so that they had input to the top. I like breaking the companies off into smaller units so that the people can be associated with somebody who is a decision-maker. All of these separate companies are partnered with me. I own 51% of all the companies and the other owner owns 49%. Each owner has come from the business. They work here and at the right time with the right

business model we put the right person with it. All the other seven presidents used to be employees and now have become owners with me in the business. It helps keep the units smaller and more responsive to each other and to ownership.

“Out of every ten tours, I would say seven people mention that our people seem so happy and excited about what they are doing. That makes a difference. For me, that is what makes it fun and what makes us unique.” - Barry Hart

CEOCFO: *On your website it indicates that Caroba Plastics has exceeded the manufacturing needs for a diverse group of industries. How have you exceeded?*

Mr. Hart: I think the most important thing at Caroba is how much each individual employee cares. We have a little over two hundred employees. I know every employee and every employee knows me. We always tell the employees this how we compete with larger organizations. It is how much each individual employee cares. If we all work hard and care, we make a difference. That just does not happen very often in larger organizations. It is just part of our culture that to work here you have to have some passion about what you do and care about what you do. That is our edge in the industry.

CEOCFO: *How do you know when you are bringing on new people that they are not just giving lip service to your corporate culture?*

Mr. Hart: How it works is there is a screening interview with me and the president of the organization before anyone is hired. Once they pass that interview, they get out on the floor. When they get out on the floor or their cube, they are part of a team and part of a group. Because it is cultural from the top to the bottom, if they get with a group of people, say in the tool room or on production, if they do not match the efforts of the other people in the group, they end up just going away because they do not fit in. It is not as though we have to fire them because they just leave because they do not fit in. We do not have any slackers and everybody cares about the company and what they are doing in their unit.

CEOCFO: *Did you realize passionate people were from the beginning that passionate people were key?*

Mr. Hart: It started from the beginning. I started at the bottom when I was seventeen working in a plastic factory and worked my way up to the plant manager. My whole thing is about people; I do not care about money. It does not matter to us the product as long as what we are doing is honest and a good product and service. You have to work with good people. You have millions of dollars worth of equipment but if you do not have people who care and have passion it is for naught. My whole focus is on quality of the people in our organization and it has always been that way. It basically comes down to as simple as I believe that you treat people how you want to be treated and it works.

CEOCFO: *Does it surprise you that so many businesses just do not understand?*

Mr. Hart: It does not surprise me because I worked in organizations that were like six people that grew to a couple hundred and I worked in union shops that had five hundred people and I have seen human nature. There is a good side and a bad side of human nature and if you just bring out the good and respect and have a culture of the good; it collects

together and the bad side just goes away. There are givers and takers out there and people who want to give and work hard and strive and there are those that want to work for a union and take. You just collect a group of people that want to all have the same thoughts about working with each other and treat each other a certain way, it is not brain surgery. It takes management as well as effort, and basically most places have lazy managers who just want to keep doing what they have been doing and do not want to work and strive to create a new culture. Once you have it flowing and have it going well, it is not that difficult but it is hard to get started.

CEOCFO: *Why is it interesting to work in manufacturing?*

Mr. Hart: It is a challenge now. In the seventies, we competed with people in our local area or in our state. In the eighties, we started competing with people in four or five states. In the nineties, you had to compete with people in the world and now it is a worldwide competition, so it is difficult. Just because it is difficult does not mean it is not rewarding. It is not like making software, and it is not as profitable as some other industries, but it is rewarding because you see products from the conception, sometimes from people's idea on a napkin, to success out in the marketplace and that part is rewarding.

CEOCFO: *How is business today?*

Mr. Hart: Business today is better than it has ever been but it is not without a lot of work. We are having record sales the last three years. We see stuff coming back from overseas. There used to be about forty injection molders in our state in Colorado and now it is down to about a core of fifteen. A lot has migrated out of state and out of country. We see stuff coming back and we see the good suppliers and the good manufacturers are staying in business but you have to work harder at it.

CEOCFO: *How do you reach out to potential customers or do the people know you at this point in time?*

Mr. Hart: In the old days we used to have the standard of a couple of sales guys that went out and called on the people that were manufacturing or producing other plastic items and we could produce a component for them. With all of our companies combined, we probably have twenty-five sales people but they are all out in their little niche like one of our companies sells clean room supplies such as hair nets, gloves and booties because they are used in semiconductor clean rooms and medical clean rooms. If they are out selling those supplies, they naturally come across people that need the molding services. What we do is cross selling. With all our seven companies, we are out selling a diverse product line and services to the industries we serve so naturally the work flows back. We do not have to have a specific salesman to sell plastic because all of our sales force is out doing their daily activities selling their companies and products and they are cross selling the other seven companies.

CEOCFO: *Why is Caroba Plastics a noteworthy organization?*

Mr. Hart: I would say because we are small and we care. In my mind, I always consider us small. Some people think a couple hundred employees is a medium-sized business and maybe it is but I always look at it as small and nimble and open to change and aggressive. Everybody matters and everybody is in customer service. When customers walk through and look at the plant, they say it is a clean operation and looks organized. When we sit down to talk, they tell us the thing they noticed about walking through the plant is everybody is happy. Out of every ten tours, I would say seven people mention that our people seem so happy and excited about what they are doing. That makes a difference. For me, that is what makes it fun and what makes us unique.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



Caroba Plastics, Inc.

www.caroba.com