

# CASE STUDY

## #09: Wedgelock Ltd

Building on trust



Wedgelock Equipment Ltd is a dynamic Kiwi company that's breaking new ground in more ways than one. The leading supplier of excavator attachments is also an export success story - having invented an innovative design that's still market-leading today. Wedgelock is a family-owned business with a history dating back to the 1960s, when their relationship with Easysteel first began.

Wedgelock is a specialist designer and manufacturer of excavator attachments for civil earthworks, general contracting and forestry industries. Its products are exported and manufactured under license all over the globe; including Australia, USA, Europe, Russia, Asia, Pacific Islands and South America.

The patented "I-Lock® Coupler" is the company's flagship product, and is used in dozens of countries around the

**"This arrangement reflects the high level of trust we have with Easysteel."**

world. The patented safety feature ensures the attachment is connected to the coupler immediately on first contact, reducing the potential for serious injury.

### Growing demand

From their headquarters in Upper Hutt, Wedgelock operates a fully-equipped manufacturing facility, which primarily supports the local Australasian market. This is also the R&D and engineering centre for Wedgelock products manufactured through its global networks and partner programs.

The company's revenues are approximately 40% export and 60% domestic. The booming domestic construction sector is resulting in a bulging order book, as their products are deployed across some of New Zealand's biggest infrastructure projects.

"Key infrastructure projects such as Transmission Gully and the recently-completed McKays to Peka Peka expressway have been significant for our business," says CEO, Matthew Calvert.

"Along with the Kaikoura earthquake work, this has meant a steady stream of domestic orders for attachments and quick couplers for new excavators. We see this level of demand continuing for some years."

### Long-standing relationship

Wedgelock was established in 1994, and is run by Matthew Calvert and his brother David. However the relationship with Easysteel dates back even further.

"As a family, we've been a customer of Easysteel since the 1960s, via our father's engineering business," says Matthew.

"Over the last 25 or so years, Easysteel has been our primary supplier of steel products - and more recently, also provides fully-processed steel for our manufacturing."

As well as supplying volumes of processed steel plate, Wedgelock consumes up to 3-5 tonnes of merchant steel each month. This includes medium-tensile round bar, as well as RHS, flat bar and other general merchant stock. The round bar is manufactured into pins, bushes, bosses and other components used to manufacture Wedgelock's extensive product range.

# CASE STUDY

## #09: Wedgelock Ltd

### Outsourcing for success

After many years of cutting their steel in-house, using their own plasma-cutting machinery, Wedgelock made the decision to outsource this to Easysteel in 2014.

The move was prompted by the need to manage the intrinsic peaks and troughs of demand, as well as eliminate the capital cost of replacing expensive machinery.

“To have a full-service cutting and forming process in-house requires significant space, capital and human resource,” explains Matthew.

“It made sense for us to eliminate the primary steel processing - and focus on our core business of design, heavy welding, machining and assembly. This allowed us to reduce our factory workforce by around 20%, and deploy those staff elsewhere in the business.”

The componentry is now supplied from Easysteel’s Auckland plant, with daily consignments delivered to Wedgelock in Upper Hutt.

“This outsourcing arrangement with Easysteel has helped us to increase output, without the complexity of having to scale-up the steel processing,” says Matthew.

### Information-sharing

Easysteel delivers product to an agreed standard lead time, which provides a high level of predictability for Wedgelock’s manufacturing schedule.



“Lead times are typically 5 working days, which fits well with our customer demand and lead times at our end. In certain circumstances, we will require urgent supply, and Easysteel will accommodate shorter lead times than our standard agreement.”

To ensure smooth order processing, the two businesses have an efficient system in place for workflow management.

### Snapshot on Wedgelock Ltd:

- a world-leading supplier of excavator attachments to global markets
- a privately-owned NZ company, with industry partners worldwide
- developer of the patented I-Lock® Coupler
- manufacturing and head office in Upper Hutt, North Island

All orders are received by a dedicated account manager at Easysteel. They forward the designs part drawings to the Auckland-based CAD team, who then draft the design program and schedule the job for cutting.

An important aspect of this arrangement is that Easysteel has direct access to Wedgelock’s database of drawings and CAD files.

“This arrangement reflects of the high level of trust we have with Easysteel,” says Matthew.

“Our engineering database is dynamic - it’s updated with revisions and new content daily - so this information is critical to ensuring accurate parts are produced and the correct engineering revision is being worked on.”

### Excellent service delivery

It is obviously a significant undertaking to transfer a large tonnage of plate processing to a third party supplier; and Matthew acknowledges it has not been without challenges.

“Together, we’ve steadily improved our systems and process over the last couple of years - and the result today is a stable and effective programme that is bringing benefits to our business. There is no longer a bottleneck in our processing, as there was previously when we processed our own steel.

Both companies have worked together on refining aspects of the supply chain, including logistics, packaging and waste reduction. For example, some of the large plastic sacks used to package smaller items are now returned to Easysteel for re-cycling - reducing both waste and cost.

Matthew describes the working relationship with Easysteel as “very good”, with a team of a team of enthusiastic and energetic people running the operations in Auckland.

“As we grow in future, we’re confident that Easysteel can respond to our increasing demand and meet our capacity requirements.”