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More Converters = More Space

- Top 10 Tools
- Top 10 Products
- Solenoid Restriction

More Converters — More Space

Three remanufacturing lines turn out passenger-car, heavy-duty, high-performance and industrial converters.

CVC President Julie Maynard-Turner examines a component headed down the conveyer to the converter-rebuilding area.

Activity surrounds us: Cleaning machines, lathes, hand tools and balancers make up remanufacturing lines at the Consolidated Vehicle Converters (CVC) plant in Dayton, Ohio. Tim Prugh, general manager, explains that crowded conditions at the facility soon will be relieved as the company moves to much larger quarters. The company remanufactures an average of just more than 10,000 converters each month in this 22,000-square-foot facility, he says.

Prugh is part of the family-business management team that includes his wife, Marcia, who is vice president; sister-in-law Julie Maynard-Turner, president; and his father-in-law, John Maynard. The senior Maynard was the founder and operator of MAMCO converters until that company was acquired by ATC in 1994 (see *Transmission Digest*, April 2004, page 24).

"John is our experienced adviser and consultant across a broad area of business operations," Prugh explains. "He spends the most time overseeing quality assurance and advising us on the financial operation of CVC.

"Business is good," he says." We have been very fortunate in the first half of 2007 to see our business expand through the roof. At one point, we were open 19 of 21 Saturdays with full production crews for an entire eight-hour shift. We chose to add the sixth day of operation as opposed to trying to speed up our work because we don't want to be in a position where our quality suffers because we grow."

After 35 years of converter experience, John Maynard is a consultant and adviser to the family business his daughters founded in 1999.

Marcia Prugh directs the efforts of the production-line staff.

Before going to the rebuild area, converters are opened and machined to specification.

CVC office manager Lisa Brandt.

CVC soon will relocate to this 82,000-square-foot building, nearly four times the size of its current facility.

In fact, the three say they understand that growing demand is a validation of the quality product they produce. "In order to maintain the higher production numbers we must be very conscious of maintaining the level of quality that attracted the additional orders," Julie said.

CVC supplies a network of customers that includes transmission-parts distributors, traditional automotive-parts distributors and transmission production rebuilders. The long relationship between the Maynards' MAMCO and Kenny Hester's HTP, both of which were acquired by ATC, is reflected as Hester's new company, Whatever It Takes Transmission Parts Inc. (WIT), is CVC's largest customer. Prugh is quick to point out that WIT, like every other customer CVC serves, is not a given. "Quality and reliability are crucial to every one of our customers. It's quality that makes every sale for us. Over the first six months of this year, we were seeing a defect rate of 0.025%, or 1 in 400 converters. That's what we have been striving for since the day we opened our doors here in 1999."

To illustrate the focus on quality, Prugh explains: "One of the important aspects of our finished unit is getting the balance right. We worked for a couple of years, getting it exactly right, with the people who make the Hines computer-controlled balancers we use here. We're adding fluid, doing the balance procedure

Tim Prugh worked with converters at MAMCO and ATC before joining CVC in 2000.

Each converter gets a fluid balance before being painted and boxed.

Finished converters get a fresh coat of paint.

and then draining as much of the fluid out as is possible. Leaving a little residual fluid keeps the unit lubricated and fights corrosion. We like to have fluid on the bearing before it's fired up, and we very much like having a film of fluid protecting the friction material.

"We don't try to address any builder fluid issues here. We have considered the addition of an anti-shudder additive. However, the converter we'd ship would have but a few drops, and that wouldn't really help anybody. Where a builder wants to add something like that, the time to do it is when he installs the rebuilt transmission. Moreover, the updates he's incorporating into the unit often mean the anti-shudder compounds aren't necessary."

CVC's management team recognizes that putting out a quality converter requires more than proper remanufacturing procedures and quality checks. "I really appreciate all our vendors," Prugh says. "The major three – Sonnax, Tri-Component and Raybestos – have all three stepped up to the plate and become better operations, better at serving our needs, over the past several years. They've helped us technically and have bent over backward to help us be and stay successful."

John Maynard Jr. lends a hand as finished converters are given a final inspection and then boxed for inventory or shipment.

Marcia Prugh adds: "We realize how vitally important it is for those companies to continue to be successful. We wouldn't be here if we weren't able to get parts or if those parts weren't up to the standards of reliability our customers need to be successful."

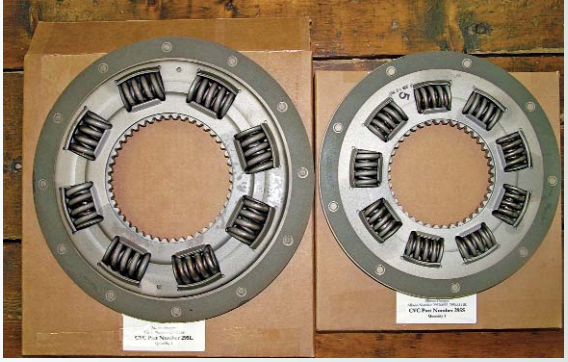
Beyond maintaining standards while the company's output volume grows, CVC's mission includes maintaining those standards across an ever-growing line of converters. "Anybody in the converter business, like most in the transmission business, are reverse engineers," Tim Prugh observes. "We take a look at what was done by the OEM from a design and operation standpoint. At that point we make a determination of whether a given unit should be rebuilt to the original specifications or if it requires improvements to the original design or materials in order to address issues of service life. We take on these tasks with the objective of figuring out why a failure, particularly an early failure, took place. Then we ask ourselves the question, 'What, if anything, can we do to make this unit better?'

"When we encounter a new unit we photograph every part of it and develop a complete set of specifications for our rebuilding process. Once we've acquired a supply of parts, and a complete specification and procedure is in place to rebuild that unit, we add it to the next catalog. In May, we released the 2007 catalog.

"We've already added a number of 2007-model-year converters, specifically Saturn, Volvo, BMW and GM units. Most often the process of adding a new converter will start with a telephone inquiry asking if we have a particular converter. We will find one if we don't already have one on hand, open it up and rebuild it.

"Sometimes it gets more complicated. For instance, if you need a turbine hub, you may find out that nobody in the aftermarket is making that available yet for a late-model converter. At that point, we call the junkyards and core suppliers to purchase whatever units we can in order to be able to fill customer orders."

A small parts counter facilitates local sales and will-calls.



Building on the company's expertise with bonding friction material, a new CVC product line is relined clutch dampers for Allison transmissions.

Surprisingly, the company's sales growth isn't always tied directly to the most-recent units or even converters from vehicles that are approaching the expected life of the transmission. There has been, in recent years, increasing interest in some very early converter models.

"We're selling a large number of early-'60s converters again," Maynard-Turner observed. "Those have returned to being hot items now. Powerglides are moving like crazy. Bolt-together Powerglides are jumping out the door. We've sold over a dozen '57 T-bird units during the first half of this year."

The ability to supply converters on demand, and at a competitive price, depends greatly on attention to cores, she said. Each time a converter remanufacturer has to go out and find an inventory of cores, it costs time and money. "Core situation is getting to be very difficult, particularly where we're supplying converters to the traditional aftermarket parts distributor who is delivering them to installer shops. We have a terrible time getting those back. At this time, we include the core charge with units sold into that segment. In the case of a specialized transmission distributor, we typically run a core bank account. So, let's say an order comes in for 50 converters and the customer's core bank shows a balance of five converters. We ship the 50 converters with a core charge applied to the 45 that weren't covered in his core bank balance.

"Every time the customer returns cores to us, his account is credited with that number of cores, and with a positive balance that's something against which he can then draw when placing future orders. We tell our customers that it's not a sin to buy a core once or twice. When something new is there, the customer is probably selling an overhaul kit and other parts and can invest in a core.

"It is, however, a sin, something not good for business, to purchase a core every delivery. Many times a deliveryman gets a little forgetful or lazy and just doesn't pick up the core. Not having cores increases the cost of doing business, something that nobody wants to have. We remind customers that often those cores, if not picked up immediately, will be sold or picked up by a competitor. We find that in nearly every instance the converter has been removed by the time the replacement is delivered, and that's the time that the delivery man should insist on picking up a core.

"Our philosophy has been to lend a helping hand with initial inventory to someone starting out a new distributor store. After that, the responsibility of core returns is in the hands of that business, and we have to charge for cores that aren't returned."

Within a few months, CVC will move to a building nearly four times the size of the current facility. The building has a total of 82,000 square feet of warehouse and manufacturing space, and the company is constructing offices before making the move. Plans call for CVC to occupy about 50,000 square feet while leasing, for now, the balance.

Three production lines are in use to supply automotive, high-performance, heavy-duty and industrial converters. One line is used primarily for General Motors units and handling some Ford converters as well. Another line is split between Ford and Chrysler converters, and the third handles everything else, including low-volume runs where only a handful of units are needed. Plans call for the addition of a fourth line shortly after the relocation.

In addition to returning to high-performance converter work, CVC recently applied its expertise to relining Allison clutch dampers. "This is a natural application of our expertise in surfacing work and then bonding friction material to a clutch facing," Tim Prugh explains. "We aren't simply stripping the old paper off and gluing some new on. We sandblast each of those and do a complete job of machining before bonding the friction material to those units."

The owners of CVC say they are facing a number of challenges but, all the same, challenges that result from a successful and expanding business. As the relocation takes place and the business further expands, Maynard-Turner and Marcia Prugh, who work as line supervisors, realize they will be hiring and training some additional people with remanufacturing experience to help keep quality products moving through the processes. The pride and optimism are apparent as the family contemplates a future of continued growth for their company. TD