

Machine and tooling maker thrives in a tough economy

By Rose Simone, Record staff

January 18, 2012

CAMBRIDGE — The automotive industry was one of the hardest-hit sectors in the global financial downturn of 2008, resulting in numerous layoffs and plant closures in recent years.

But a Cambridge company, Upland Technologies, has shown that it is possible to survive and even grow in a tough economy, if you do what you know best and do it well.

Upland Technologies, which operates out of the MacDonald Steel plant on Avenue Road in Cambridge, designs and makes the tooling and machines, used in the automotive parts plants in North America and Mexico to make mufflers and exhaust systems.

Despite the downturn in the automotive sector, Upland, which was started by Mohamed Gharib as a one-man operation in 2000, now employs 15 to 25 people depending on the volume of work, and is gearing up to have a busy 2012.

“What happens in this type of economic environment is that although the market shrinks a lot, so do the number of suppliers,” Gharib explains. “In a way, our market has increased because the number of suppliers shrank, and now, we are seeing the market coming back and ordering big machines again,” he adds.

Gharib says a culture of innovation is a big reason that Upland survived while some competitors fell by the wayside over the years.

“We are an engineering-oriented company, and actually, we employ more engineers than shop people. What we do is an engineered product,” he says.

Even though the machines that Upland makes can look somewhat the same, each one has to be practically custom-built to handle a very specific job on the production line.

"We do not make the same machine many times, but if you look at the number of different machines we have built, and the size of the machines, we have done more than any other competitor in this business," Gharib says.

Gharib is a mechanical engineer, with masters degrees from both Cairo University in Egypt and the University of Waterloo. He worked for many years at a similar plant in Brantford, but after that company came under new ownership, he left and decided to start his own business in Cambridge. As it turned out, the company in Brantford eventually shut down, so Gharib was then able to employ many of his former co-workers.

Gharib says he's been in this industry since 1975, and when he started Upland in 2000, he decided to stick to his area of expertise. "This is what I know how to do," he says.

It is also a niche market, which is perfect for this type of business. "There are actually very few suppliers of this type of equipment and even fewer that have a lot of experience," he says.

All of the design and assembly is done at Upland, while the manufacturing of the parts is subcontracted to companies like MacDonald Steel. So the location of Upland inside the MacDonald Steel plant is very convenient. But as the volume of business at Upland grew, Gharib also had to feed some of that work to other companies in Ontario and the United States.

"We even had to go to places like Michigan and Ohio because of the volume of work and because we require specialized CNC machining and we had overloaded our subcontractors," Gharib explains.

The other reason that Upland survived the automotive downturn is that the reliability of its work keeps the customers coming back. "We have very few customers, but we have repeat customers. The customers who buy from us continue to buy from us," Gharib says.

With new materials now being used in making automobile parts, the machines and the tooling used to make those parts must be built to very rigid specifications, he adds.

"That is where our strength is, on the mechanical side of the machines and the tooling and we are totally up to date with the industry in terms of the automation and controls," he says.

"We are also able to comply with the industry safety requirements so that our customers don't have to retrofit or add safety features to the machines. We pay a lot of attention to that," he adds.

Right now, virtually all the sales are to automotive industries, mostly to plants that make the exhaust systems," he says.

But Gharib is thinking ahead, and adjusting his company to the new reality of a world in which a lot of manufacturing has already shifted offshore and where the high Canadian dollar has become a huge challenge for manufacturers here.

"The manufacturing centre is moving to Asia and that is affecting everyone," Gharib says. Upland exports more than 95 per cent of what it makes, so the high Canadian dollar "hurts a lot," he adds. "The biggest obstacle we have is the high Canadian dollar."

Gharib is now trying to expand his company's sales into China. He's recently made presentations to potential customers there.

"As the manufacturing in China increases, their demand for higher quality equipment will also increase. We are seeing that happening, so we are now trying to break into that market. It will take some time, but I think that will come. It is possible that our sales in China could someday be equal to our sales in North America," he says.

A lot of people tell Gharib he should diversify into other types of industries. He says that isn't entirely out of the question as the company grows, "but the reality is that the automotive industry is still the driving engine of the economy," he says.

Although it is a much more competitive environment than when he started the business 12 years ago, Gharib is confident the quality of the Upland products will help the company maintain its edge. Upland was recognized in 2009 with a Canadian Innovation Leaders award from the Canadian government.

"I cannot compete on a commodity product with manufacturers in China, but we can offer an engineered product that the market requires. This is our area of expertise and we have done well with it," Gharib says.

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