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Medical Industry Provides Healthy Demand for Butler Company

By Eric Decker, of SBT
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Most people in southeastern Wisconsin have never heard of Molded Rubber & Plastic Corp. (MRPC). Chances are, however, that they have been touched by the Butler-based company's products at some point in their lives. MRPC makes rubber and plastic components used extensively in the medical field. Some of the firm's most widely used products include molded rubber tips that go on the end of stethoscopes, designed so they're not cold on bare skin. The company also makes rubber, plastic and silicone pieces used in surgical tools, artificial joints and other medical components.

MRPC was founded in 1921 as the Unbreakable Button Co., making rubber buttons that couldn't be broken when put through ringer washing machines. In the 1930s, the company changed course and began making spark plug boots, breather tubes for small combustion engines and other industrial pieces.

By the early 1980s, those markets had dried up. Jobs were starting to move to Mexico and China, and it was time for MRPC to re-tool again.

"They decided to look to higher technology like the electronic, medical and food service work, where they use a lot of rubber and plastics," said Greg Riemer, vice president of business development.

Moving into those markets was important for the company's survival in the Milwaukee area because those markets don't always focus on low price, said Thomas Brunner, MRPC's president.

"The emphasis is not only on price - quality comes first," Brunner said. "There are higher (profit) margins. It also gives us a chance to find a niche for our business where we can have technical expertise."

The medical field was also attractive because of the focus on innovation, new techniques and new products.

"It's a fast-paced industry," Brunner said. "Anytime you're working on a product, the company is doing the next thing to follow it up."

One of the areas MRPC has focused on since the 1980s is the increased use of laparoscopic surgery. Laparoscopic procedures are less invasive than traditional surgery, and are generally done on the abdomen or torso. Using a series of specially designed tools, surgeons cut small holes into a patient's abdomen, inflate the body with air and insert specially designed tools to perform the desired procedure.

MRPC makes rubber seals and some plastic housings for laparoscopic tools. Making seals for medical tools, including those for laparoscopic procedures, have become a global market for MRPC, Brunner said.

"We market ourselves to OEM (original equipment manufacturers) medical device producers that market themselves around the world," Riemer said.

The medical field has been particularly strong for manufacturers such as MRPC because most pieces are designed to be thrown away after one use, making re-orders a source of steady income.

MRPC also makes intravenous feeding systems, stents, covers for medical device cables, surgical tool handles and silicone pieces used as replacement finger joints for patients with severe arthritis.

"The market is maturing as technology is allowing the devices to function," Riemer said. "As a result, there is a fast-growing market for things that require seals, components of rubber and silicone materials."

All of MRPC's components made for the medical field are manufactured inside "clean rooms" - manufacturing areas where workers wear lab coats, cover their shoes with netted covers and wear hairnets. Men with facial hair are required to wear hair nets over beards.

MRPC also makes toggle switches used in commercial and military aircraft. The metal toggles are sent to MRPC, assembled and then stamped by specially designed machines to put rubber and silicone gaskets and seals in them.

Rubber and silicone pieces made by MRPC are used for the food service industry as well, including kitchen accessories, spatulas, spoons, ladles, pumps and other tools used in commercial, institutional, and fast food applications.

The company's seals, valves, diaphragms and other pieces are also found in products involved in water softening, filtration, heating, cooling and ventilation, desalinization, swimming pools and sewerage treatment.

Since it was founded, the company has been making its own blends of rubber, silicone and plastic at its Butler facility. Working with 25-pound batches at a time, employees combine pre-measured recipes for the different materials, which are then tested on site. Aside from several engineers that help design new products and processes, MRPC also employs two chemists, who can help customers develop custom blends of rubber or silicone, Brunner said.

MRPC currently employs 85 people, working three shifts, up to six days a week. MRPC is planning to increase its production capacity this year without hiring new workers, by using more automation equipment. Some of the automation equipment will handle tasks such as measuring and packaging them.

"That's how you fight Chinese labor, by taking labor out of it," Brunner said. "It's the repetitive stuff you try to replace."

Automation will not work for some of MRPC's functions, such as installing rubber and silicone gaskets and seals in toggle switches for aircraft, Riemer said. Although the individual toggle switches look very similar, MRPC handles about 80 different types.

"Everything we do is custom," Riemer said. "Some orders are larger and some are smaller, and some jobs don't justify the investment in automation."

MRPC's revenues were flat in 2005, Brunner said, but the company is planning to increase revenues between 8 and 10 percent in 2006. The company's sales for 2005 increased 7 to 8 percent and are expectedto increase by 10 percent this year.

MRPC will achieve that growth through new projects such as cable jackets for surgical tools and machines, and other medical projects like orthopedic tool handles, Brunner said. MRPC recently signed a contract to make tool handles, used in knee and hip replacement surgeries, for a customer that is planning significant growth.

"There are more hip and knee replacements out there, and the market for surgical instruments is growing," Riemer said. "We're also working on some handles for surgical devices. In the next few years, we'll be making 30 different handles for several hundred different tool types. As the market grows, our customer is going into different markets. As they grow, we hope to grow as well."