

Cast Nylons Limited

A Success Story Written by Angela Clements Cattell

Cast Nylons Limited started from its humble beginnings as a joint venture between Cleveland industrialist, John D. Thorp, partner Robert E. Warren and a cast nylon technology partner from the U.K. At the formation of the company, Jack Thorp, the son of John D. Thorp, was hired as the General Manager. They leased a 7,000 square foot facility in Wickliffe, and by March of 1980 Cast Nylons went to market with four grades of nylon including the first oil-infused grade introduced into the US market, trade named Nyloil. During the next two years, Cast Nylons encountered a number of manufacturing



setbacks as the technical support from the UK partner was lacking. So in 1982, Jack Thorp traveled to Germany where he developed new sources for activator and catalyst which are two key components for the successful production of top quality cast nylon materials. With this new supply of critical components, Cast Nylons began to see its first profits in the fall of 1982.

By early 1984 the joint venture had dissolved, and in 1987 Mr. Jack Thorp became the sole stockholder of Cast Nylons Limited after purchasing the last remaining shares. The company moved in 1993 to its current headquarters on Hamann Parkway in Willoughby, and the growth has continued to accelerate ever since turning this company into the success story it is today.

Although still considered a small business, Cast Nylons Limited is anything but small when it comes to current production and plans for growth. The company offers 42 standard and customer product formulas to meet the needs of the most demanding applications. The company's product offerings include cast nylon sheets, rods, tubular bars, rectangular bars, nylon sheaves, elevator buckets, discs, rings and custom cast components. Their products are used in various industries including mobile and crawler cranes, agricultural machinery, pulp and paper, mining equipment, marine, material handling, automotive production, printing construction and bottling equipment, water treatment, canning & packaging equipment, textile, oil field equipment, food processing and the gas industry. Some of the benefits of Cast Nylons' end products include excellent wear resistance, functions exceptionally well with or without lubrication, is resistant to high impact, brittleness, and deterioration. Cast Nylon products are used in various industries as replacement for bronze, brass, steel, aluminum and other metals, and are considered one of the universally used "mechanical plastics" in the industry.

In 2010, Cast Nylon's sales had continued to rapidly increase. They added 11 new jobs to help fill some of the needs of the company bringing the employment total to 74 people on three shifts for five to seven days a week. Cast Nylons Limited was constrained for production and needed additional space. The business was already selling products to Canada and abroad, as well as gaining significant domestic market share. Monthly sales had been steadily increasing, and without this additional space the company anticipated trouble meeting their customers' delivery requirements which is one of Cast Nylons Limited strong advantages. That is when the President of Cast Nylons Limited, Dennis Pesek, contacted the Lake County Ohio Port and Economic Development Authority (formerly The Lake County Port Authority) in search of help to allow for expansion by purchasing and renovating a second building on Hamann Parkway to house the warehousing and shipping operations of the company.

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Mr. Pesek was later assisted by Mr. Gareau, Director of Public Finance for the Port and counselor for the Ohio Small Business Development Center (SBDC). He was able to help guide Cast Nylons Limited from the original loan application through securing loans with their bank, FirstMerit. With help from Mr. Gareau at the SBDC, Cast Nylons Limited was able to obtain an SBA 504 loan to purchase a new building and new processing equipment to expand their manufacturing capacity. According to Mr. Pesek, “the process of securing the loans through the SBA 504 program takes a lot of support and guidance to make sure the process moves along smoothly...” By 2011, Cast Nylons Limited had already added an additional 20 new jobs. “It’s rewarding to see how our loan programs help fuel economic development and employment growth. It also shows how effective the SBA 504 loan program can be for those purposes,” said Mr. Gareau from the SBDC. As of 2014 the number of employees at Cast Nylons Limited has increased to 99.

“The expansion we’ve had in the last couple years since adding the second building has been phenomenal,” Mr. Pesek said. “If we hadn’t had that second building, we wouldn’t have been able to stay in Willoughby. We’ve been here in Willoughby since 1993. We’ve probably taken over Hamann Parkway. We like Willoughby.” (According to Lundblad, Elizabeth. Willoughby City Council OKs tax incentive for Cast Nylons Limited. *The News-Herald*, 19 February 2014. Online.)

In 2013, Dennis Pesek and Cast Nylons’ CFO, Mr. Bill Wolf, once again got in touch with Mr. Gareau of the SBDC in search of help to expand even further. The business was seeking financing support to purchase a third building and more equipment. Based on the past experience that Mr. Gareau from the SBDC had with helping them find and obtain previous financing, he felt strongly that Cast Nylons Limited would once again be an excellent candidate. The third building, which is located across the street from its current facility on Hamann Parkway, is needed to expand the production areas. In the last three years the company has expanded its sales internationally into Mexico, Canada, Australia and China. Eventually they plan on expanding even further into Japan among other international locations. Mr. Pesek explained that the business needs both more manufacturing space and more casting equipment since they cannot keep up with current production. With the help of the additional financing, Cast Nylons Limited would be able to stay competitive and growing.

Mr. Gareau of the SBDC was able to secure the additional down payment financing through the Lake County Economic Fund. He is currently working with Cast Nylons to secure the additional funds needed through the SBA 504 program. With this latest expansion, the company estimates adding another 25 jobs over three years, and 35 jobs in five years. “With this new project, we will be more than double our size since 2010, and most importantly, we’ll have added more than 50 well-paying jobs in all areas of our company,” Mr. Pesek stated. “This is a prime example of what positive things can happen between government / private industry partnerships when you work towards a common goal...”



Both Mr. Thorp and Mr. Pesek advise other entrepreneurs to “always have your eyes focused on re-investing and growth. To be competitive, you have no choice but to

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grow.” Mr. Pesek further adds “Jack (Thorp) gave us the ‘ok’ to spend money on quality people and infrastructure because he had the vision.” Cast Nylons Limited has grown from the smallest of four manufacturers of cast nylon in the U.S. to the number one producer of cast nylon in North America.

In addition to investing money back into your business, Mr. Pesek also urges business owners to be cautious and not foolishly waste profits on personal expenses beyond their means no matter how profitable the business may seem. “Run your business like the next recession is always around the corner and always be prepared”, states Mr. Pesek.

Owners of established small businesses should consider reaching out for help when they face changes and challenges in their business such as an increase or decrease in sales. “Reach out to support groups,” says Mr. Pesek. The Ohio Small Business Development Centers provide many different types of technical assistance to both small businesses and aspiring entrepreneurs at no cost including help on financial packaging and lending assistance. Whether you are a start-up business owner or have owned a business for a long time, the SBDC is there to help you every step of the way on the path to success.