

### BUSINESS PROBLEM

Randy Kaas is an inventor. In a past life in the kitchenware business, and as a baker since childhood, he was aware of what he considered to be serious flaws in the design of kitchen products that he used and sold. He envisioned a better way and decided to do something about it.

As a dealer and distributor, Kaas knew that the lead-time necessary for importing products was a severe limitation, especially for a small company with little money to fund large inventories combined with the difficulty in forecasting new and unique products. He suspected, however, that domestic suppliers may not be able to meet the needed price points to make the products affordable and profitable.

### SOLUTION

Kaas did a thorough analysis of costs and found that the total cost to manufacture in the U.S. was no more expensive than sourcing overseas if all costs and risks are considered. "When you consider the cost of holding inventory, plus the time value of money, it's not such an advantage as the difference in unit cost might suggest," Kaas says. "Over the last 10 years, too, U.S. production costs have been coming more in line with costs to produce in Asia and even more so for smaller quantities."



The key to success for Kaas has been almost complete elimination of the need to carry inventory. "Our main products, including the POURfect bowl, can be made in a number of colors, often to match the color of the mixers they are used with," he says. "We might need a few hundred at a time in each color. If I had to try to forecast demand over 90 days or more and buy it ahead of time in each color, I'd have a lot of inventory and a lot of risk." Instead, he can call on his domestic suppliers to make just what he needs and get it in a couple days. "I have producers that hold a couple of weeks worth of finished inventory for me," Kaas says, "at their expense. I give them an idea of how many I'll need and they make and hold them, then ship them when I get the orders."

When you add in the freight costs, duty, inventory costs, and the risk, it's far more cost-effective to do business with domestic producers. It also provides more control and more flexibility;

important factors for meeting the notoriously variable demands of the consumer product industry.

To keep costs in line, however, Kaas needed an

## ABOUT DYCE LLC

An avid baker and former kitchen utensil dealer, Randy Kaas recognized the need for better designed bowls, measuring cups and other kitchen utensils and started Dyce LLC to design, make and supply them to manufacturers and distributors world-wide. Working alone, Kaas designs the utensils, procures the tooling (mostly from China) and contracts the manufacturing to domestic U.S. manufacturers.

Recently, Kaas has designed and is starting production on a radically different mixer beaters that overcome some of the biggest limitations of traditional designs used in Kitchen Aid counter-top mixers as well as commercial mixers. "These beaters will change the way mixing is done," Kaas proclaims. "The labor savings (in commercial operations) will pay the cost of the new beaters in just a few months." The beaters will cut mixing time in half, eliminate the need to stop the mixer and scrape the bowl as is currently required, and a new whisk design will work 3 times faster than traditional whisking attachments.

affordable source for tooling and here's where MFG.com entered the picture. After being semi-retired for a few years, not introducing new products, Kaas came up with some innovative new products and suddenly needed to invest in tooling. He did an Internet search and found the MFG.com online marketplace but was a bit leery at first. "I was afraid it might be just another agent," he says. But after further investigation, he realized that he could enter a request for quote once on MFG.com and receive multiple quotes for suppliers all over the world. He decided to give it a try and entered one request.

He did, indeed, receive multiple quotes and went to his primary manufacturer for advice, since he was unsure how to evaluate the responses. The manufacturer was glad to help and even pointed out that one of respondents was a company that they (the manufacturer) had worked with before. Since that first good experience, Kaas has been using MFG.com as the primary source for tooling suppliers.

## BENEFITS

- Enter a request for quotes once and get quotes from suppliers around the world
- Supplier ratings help in selecting the best supplier
- Easy-to-use site and great customer support