

# Submission to Productivity Commission – ACIS Review

Link between ACIS and Export of Polycarbonate Consumer Products

From Palm Plastics and Palm Tooling

By Robert Wilson, Owner and Managing Director

Date 10<sup>th</sup> May 2002

## **Description of Company**

The company has 3 areas of focus

**Palm Products** is a supplier of polycarbonate drinkware, plates and bowls to the upper end of the retail trade. All products are designed, developed, produced, and marketed in-house.

The Palm brand has over 30% market share in the local market, supplying leading retailers such as House, Barbeques Galore and Myer.

An export program, primarily aimed at the American market has commenced. Palm exhibited at the Chicago Housewares, Show - the largest in the US. This month, a TV shopping company, BSN, is putting a "Demtel" type advertisement to air reaching over 90% of the US, equating to 70 million households.

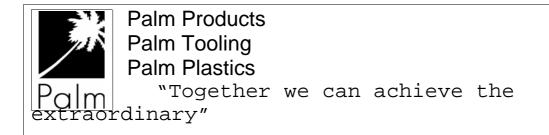
The aim for 2003 is to be stocked in one of the larger home-wares chains in the USA

**Palm Tooling** is a supplier of injection moulding dies to suit moulding machines up to 300g shot weight.

Most tools are made in-house utilising 3D CAD/CAM, CNC machining and CNC spark eroding.

A 3D-design service is available.

**Palm Plastics** is a supplier of small plastic injection moulded parts (to 300g shot weight) primarily to the Automotive Industry -70% of turnover, and to Palm Products - 20% of turnover.



## **Current Automotive Customers**

Autoliv Air International Bosch Dana Flexdrive PBR Mark 4 Siemans VDO

## Background of owner

Robert Wilson has a background in General Management, Marketing and Sales, and in Engineering. His corporate roles prior to purchasing this business were as General Manager of Herbert Adams (pastry and cakes) and as Sales and Marketing Director of Cussons (soaps and detergents). He has a Bach. Engineering (Industrial) from the University of Melbourne, and an MBA from Manchester Business School in the UK.

#### Support for ACIS

The ACIS scheme has facilitated Palm Plastics (moulding)

-To invest in new moulding machines which have more sophisticated computer controllers and hydraulics giving less process variation leading to zero rejects - and greater control leading to higher quality parts.

-To invest in Bar-coding and reading leading to less paperwork and greater accuracy

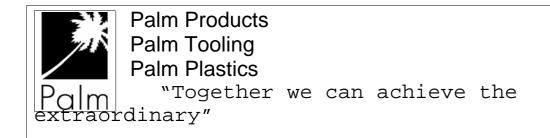
-To assist our customers in design and prototype development.

-To invest in a 2 shot moulding machine – there is currently little capacity and expertise for this type of moulding in Australia – some coming from overseas. We are currently working with several automotive suppliers in projects for 2003 and beyond. The capital cost and lead times before production means that we could not have invested in this technology without ACIS assistance.

Palm Tooling (Tooling) -To upgrade the CAD/CAM software and hardware

Palm Products (polycarbonate consumer products) -To use the upgraded CAD/CAM systems in the design and development of consumer products (all design and R&D conducted is in-house)

-To use advanced Toolmaking techniques developed to meet automotive requirements in manufacturing dies that give exceptional visual quality and zero reject capability at affordable cost.



-To use advanced production equipment and quality systems (QS9000) developed to meet automotive requirements for cost, quality and delivery to enables Palm to produce plastic drink and tableware products that are of superior quality and are cost competitive to Asian produced product in both the local and US markets. (A major achievement)

The results have to replace 30% of competitive imported product in this category (target of 50% for 2002/2003), and to develop a successful export market to the US and beyond.

For next year, the 2 shot moulding expertise is being used to develop a 2 colour, one shot wine and champagne glass – this we believe will be a world first – if successful. Without the assistance of ACIS, we would not have invested in this technology – which has the capacity to make our competitors obsolete, or ourselves obsolete if a competitor does it first. (A defensive as well as offensive strategy)