



Gill Industries buys Mexican plant

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By Julia Bauer

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PLAINFIELD TOWNSHIP -- Gill Industries Inc. is buying its first plant in Mexico from one of its best customers: Johnson Controls Inc.

The deal, expected to close by the end of the month, will add a 100,000-square-foot plant and 300 employees in suburban Mexico City to the Plainfield Township-based metal-stamping business.

It also will shift one product line from Gill Industries' plant at 5271 Plainfield Ave. NE to Mexico, affecting eight local employees' jobs.

The move is making room for new contracts coming into both the 465-employee local plant and the new one, said Richard Perreault, Gill Industries' president and chief operating officer.

"It's not going to reduce the (local) employee level," he said. "We need the space because we have additional programs to put in here."

Gill already has two new customers on deck for its Mexico plant.

"The real intent is not to produce products in Mexico City and ship them back to the U.S., but actually to serve the central Mexico region," Perreault said. "Nissan, VW, Ford, GM, DaimlerChrysler are all looking for good suppliers like Gill, and we can provide them."

Research and development for Gill's products built locally, in Trenton, Ga., and Mexico will stay here, along with the corporate headquarters.

Johnson Controls, which is based in Milwaukee, approached Gill about the Mexico plant in October, Perreault said. The Mexican plant was running at only about 40 percent capacity, and Johnson Controls was looking for a solution short of shutting it down.

Products at the plant, called Eansa, expand Gill's capabilities. Besides metal stamping, welding and assembly, the plant has equipment for tube-bending and wire-forming, processes used to make automobile seats and furniture.

"Our intent is to fill it to 80 to 90 percent capacity in 12 to 24 months," Perreault said.

The Mexico plant is on that track because two programs on deck will require 25 percent of the Eansa site.

Gill has more flexibility to serve Johnson Controls competitors, a limiting factor for the larger auto supplier. The firm also believes it is bucking a trend toward downsizing and shutdowns.

Last week, Gill opened a sales and development office in Hellendoorn, the Netherlands, to serve European customers.

Employees at the Plainfield Township plant learned about the latest acquisition this morning.

Look for more international destinations for Gill.

"We've been asked for the past three to five years, when we are going to become global?" Perreault said.

"Asia certainly is an attractive area."