

Weld's sales anything but flat since move

By Jim Davis. Kansas City Business Journal: January 27, 2006.

Business is rolling along for Weld Wheel Industries Inc. since it moved to Kansas City's East Side.

CEO Greg Weld said revenue increased 17 percent in 2005 from the previous year, though he would not provide figures. He said sales have increased in all but one of the past 22 years -- 2003, when the company moved out of the West Bottoms.

The manufacturer of high-end wheels improved its efficiency, Weld said, by moving operations that had been spread among different floors in its old building into a single level.

Weld Wheel invested \$15 million to buy and renovate its new home at 6600 Stadium Drive, the former Rival Manufacturing Co. plant, which had been out of production for four years.

Weld's 290,000-square-foot complex sits on 17 acres in the Blue Valley. Public incentives from Kansas City and Missouri steered the company away from busting out of Kansas City and across the state line into Kansas.

Kansas City Councilman Troy Nash, who hot-wired the city's \$3 million package, said it helped reclaim "ground zero of our industrial base."

The area has struggled to replace General Motors Corp.'s Leeds assembly plant, which closed in 1988. Weld Wheel has hired 80 people since moving and now employs 380.

The company's annual average salary of \$38,000 is nearly one-quarter higher than the average for Kansas City-area production workers, as reported by the U.S. Bureau of Labor Statistics in 2004.

Frank Lenk, research services director for the Mid-America Regional Council, said the economic impact of manufacturers is magnified by the suppliers they support.

But Lenk said Kansas City lost more than 13,000 manufacturing jobs during the six years that ended in 2004. The sector shrank during this time by 14 percent, to 83,700 jobs.

To meet growing competition from abroad, where wages are lower, Lenk said, American manufacturers must invest not only in equipment but also in labor to boost productivity.

"Workers become more like partners in the manufacturing plant of the future and are as responsible as managers for profits," Lenk said.

Weld said his company's forged wheels smoothe Chinese cast aluminum wheels that have overrun what he termed the commodity side of the custom wheel business.

Weld Wheel can charge as much as \$8,000 a wheel pimping the rides of rappers and other celebrities. Other buyers include race car drivers -- a market familiar to Weld, who competed in the 1970 Indianapolis 500 -- as well as tricked-out lifted trucks and street rods.

"There's no practical sense to what we're doing," said Weld, whose black Hummer H2 is outfitted with a set of Weld Wheels. "People don't buy what they need. They buy what they want."

And those purchases support a \$14.4 million annual payroll that Weld said is likely to grow if several "major contracts" he's negotiating get the checkered flag.