

HISTORY - The 1990's

The 1990's, the first decade of our "second" hundred years brought significant turbulence to the world, the U.S., and the Akron Porcelain & Plastics Company. In the scope of world events, we witnessed the Persian Gulf War first-hand via CNN and the national T.V. networks. The Soviet Union collapsed and the threat of Communism was reduced to China's existence within the world marketplace. Cuba remained as a relic of Communism in the Western hemisphere and the U.S. embargo against Castro's regime remained intact.

The technological age via the Internet began a sweep of the world in a revolution far more dramatic than any war ever fought. The melding of technology with world economic markets resulted in a "shrinking" of the economic planet and created a complete globalization of markets. The economies of the world remained strong and most major economic markets prospered.

In the United States, the country mobilized and was successful in the Gulf War, thus redeeming the stature of the U.S. military machine and its respect for the veterans of the conflict. The country remained riveted to the news networks as the increase of violence in our schools and the terrorist attacks against the World Trade Center and the Murrah Federal Building in Oklahoma City, OK occurred. Enhanced communication and reporting of the O.J. Simpson murder trial and the Clinton's Whitewater and personal scandals brought the lurid details of personal lives into the living rooms and computers of most Americans.

Economic growth in the United States in the decade of the 90's resulted in unprecedented gains in the stock market (Dow and S & P and Standard 500 up 300%, NASDAQ up 800%). These gains were as a result of low inflation (2.8% per year for 10 years), reduced unemployment (from 7% to 4%), and a doubling of the Gross Domestic Product.

The city of Akron continued to prosper even in light of the significant changes within its core manufacturing sector, i.e. the rubber industry. The end of the 90's saw the rubber industry in Akron reduced to one major player, the Goodyear Tire & Rubber Company. Goodyear continues to headquarter its corporate & research functions in Akron. The remaining original rubber companies, i.e. General Tire, B.F. Goodrich, and Firestone have all been sold to other firms that have moved the majority of their operations out of Akron, OH. However, the city continued to evolve and has aligned its growth strategies with the University of Akron to help make Akron the new "polymer capital of the world".

The 1990's saw considerable growth for the Akron Porcelain & Plastics Company. During this period, corporate sales doubled and employment was increased by 35%. The company doubled the amount of space at the Barberton Plant with an addition of the distribution center necessary to accommodate the inventory needs of our customers as a result of just-in-time requirements. In our Plastics division, the ashtray business in the automotive center saw several peaks and valleys:

- The early part of the 1990's saw sales growth with new "mold and ship" products.
- The middle of the decade saw the evolution into "value-added" assemblies and the beginning of direct design involvement for molded parts and assemblies.
- The end of the decade pictured a market trend in the reduction of ashtrays and passenger vehicles due to anti-smoking campaigns in the United States. Ashtrays were becoming "dealer-installed" options as opposed to original equipment offerings, thus reducing company sales.

The Plastics division increased its press capacity from 44 to 52 molding machines during the decade. The plastics division continued running 5 - 24 hour days to stay competitive within the marketplace.

The Ceramics division maintained its market share in the early 1990's and has continued to develop new product lines. The company purchased a decorative ceramic coaster line and attempted to service the promotional marketing industry. This plan was worked for approximately 3 years at which point it was decided to sell the line due to its low return on investment and the difficulty of penetrating the promotional marketing industry with one product. Late in the decade, it was decided to aggressively pursue the investment casting industry for the supply of ceramic pouring cups for use within the "lost wax" process. This niche will be an area of strong potential growth for both domestic and international sales in the future. The investment casting industry is a growth market world-wide and is divided into commercial, medical, and aerospace markets.

In the late 1990's the company pursued several key objectives to the future operations of the business:

- **Strategic Planning** - the Directors of the company have embarked on a formalized planning process that will ensure the future viability of the business. It has already been determined and authorized to:
 - obtain ISO 9002 registration for the plastics division. This task was completed and certified on 02/09/99.
 - proceed with the selection, analysis, and acquisition of another business within the ceramics area with a contiguous technology to that which is current. The company has been aggressively pursuing attractive acquisition candidates.
 - review and analyze the feasibility and development of new markets able to be serviced with existing technology and equipment.
- **Board of Directors** - In the 1990's , four new members of the Board were elected:
 - Robert W. Briggs - Chairman, Buckingham, Doolittle, & Burroughs. Buckingham has been the legal counsel for the firm for many years.
 - David W. Lewis - Vice President of Operations (and son of the Chairman, George H. Lewis III)
 - Kenneth F. Burkins - Vice President/Sales &Marketing
 - Michael B. Dunphy - Vice President/TreasurerIt is planned that this team will provide the catalyst for the Company's progress and transition into the new millennium.

The Company continues to foster harmonious relationships with its labor union, now represented by the United Steel Workers. The 1990's saw three (3) multi year contracts being ratified with a team concept with both management and its plant workforce. The Company continued to upgrade and maintain state of the art computer systems and to invest in new e-commerce technology. The end of the 90's saw the introduction of internet auctions that have allowed a customer to receive quotations from around the globe simultaneously, which requires the Company to instantly become competitive on a global basis in order to survive. The Company maintained its strong commitment to the local area through its management staff being involved in numerous volunteer organizations as well as a very significant commitment to the local United Way.