

Member Profile: Peterson Tool Company

Peterson Tool Company is the world's largest designer and manufacturer of inserted form tools. It pioneered the inserted form tool and continues to develop new products, improve existing ones and explore new processes.



The company was founded in 1958 by John L. Peterson Sr. With a growing family, he decided to quit his job, borrow \$500 from the bank and set up his new shop in Murfreesboro, Tennessee. He started out by selling tools during the day and grinding them at night. In less than a year, he moved the company to nearby Nashville.

In 1964, in response to a customer's need to get more production out of some existing machines, Mr. Peterson proposed replaceable cutting edges for dovetail form tools. That was the beginning of Thriftedge inserted form tools, Peterson Tool's signature line.

Unfortunately, Mr. Peterson died of cancer in 1979 at age 45. His widow, Nancy Sanders Peterson, assumed the leadership of the company. Afraid that the company

might lose business, she waited 6 months before telling customers about her husband's untimely death.

"I had worked in the office so I knew a little about running the business," explains Mrs. Peterson,

the company's current president. "The employees were willing to take a chance on me, and I'm still here almost 30 years later."

Peterson Tool Company continued to prosper under Mrs. Peterson's guidance. "In 1982, we moved the business to a new 20,500-square-foot manufacturing facility," she says. "And within 5 years, we acquired an adjacent 15,000-square-foot building to accommodate the continuing growth."

Today, Peterson Tool Company has 135 employees and serves customers in the aerospace, automotive, farm equipment, home appliance, defense, welding and medical industries. Helping Mrs. Peterson run the family business are two of her six children: company Vice President John Peterson Jr. and

Diane Peterson Edwards, director of human resources.

Through the years, the company continued to expand its product offering by developing the Thriftchange quick-change tooling system, Thriftform quick-change form toolholder and Thriftshave quick-change shave fixture.

"Most of the new products we've developed started with a customer problem," says company Sales Manager Cliff Garcia. "We have a large engineering staff, so there are a lot of ways we're able to help customers."

Peterson Tool has been a PMPA member since 1994, according to Mr. Garcia, who also serves on the PMPA marketing committee. "To me, the most important thing about PMPA is the networking at the shows, national meetings and district meetings.

"You not only have the opportunity to learn something new," he continues, "but you can help member companies with solutions to their problems. That's what I enjoy most



about the PMPA. There's no other association I've seen where the members help each other as much as in this one. It's really remarkable."

(Continued on page 6)

PetersonTool continued

Mr. Garcia attends all of the national meetings as well as several district meetings, depending on where he is at the time. "Our salespeople also attend a lot of district meetings," he says. "If they are in an area and there's a district meeting, they'll normally attend."

Mr. Garcia points out that PMPA provides members with a wealth of information to help them run

their companies. "PMPA offers economic reports, weekly newsletters and surveys," he says. "There are so many things that they do. But if you don't participate, you tend to miss out on a lot. If you do participate, you'll find out the value is huge."

Peterson Tool Company is located at 739 Fesslers Lane, Nashville, TN 37224 or 37210. Phone: (615) 242-7341. Fax: (615) 242-7362. www.petersonstool.com

Value Added continued

"no," but I say "yes" in one circumstance. The tool room is value added if you can show how it gives you an advantage that serves the customer by bringing in the order at a higher price per part than you would otherwise be able to get without it.

Having a tool room that just hands out setup kits or sharpens and checks tools is not value added. It's overhead and fixed cost — a cost that is an integral part of doing business.

Having a tool room that can make the special tool in-house so you can quote 1-week delivery and get the order at your price instead of quoting 4 to 6 weeks using an outside vendor proves that the tool room is adding value.

Or, if the tool you make is significantly more accurate, less

expensive or longer lived than a purchased one (thus, giving you more margin than the purchased tool or fixture), it could be considered added value.

Only the tool room functions that give you that advantage are value added. The rest are overhead, fixed cost and burden. They may be necessary, but they aren't value added.

You could say that the tool room puts together the lean setup kits and that reduces setup by 2 hours so that particular task is value added. I would agree. But the routine or traditional functions of a tool room that do not reduce the setup by a measurable amount of time aren't value added in my mind.

Thanks for the questions.

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PMPA Calendar

Below is the calendar of upcoming conferences and events scheduled for the 2008-2009 program year. For the latest district/chapter meeting information, please view the Calendar of Events at www.pmpa.org/calendar/. If you have questions about PMPA conferences or regional meetings, please contact Rob Kiener, director of marketing and communications, at (440) 526-0300 or rkiener@pmpa.org.

PMPA Annual Meeting
75th Anniversary Celebration
October 17-21, 2008
Waikoloa Beach Marriott Resort & Spa
Waikoloa, "The Big Island," Hawaii

PMPA Management Update
Conference
February 26-28, 2009
The Westin Tampa Harbour Island
Tampa, Florida