

# Growth Standard

It's always a pleasure to make a return visit to an aftermarket transmission or drivetrain business and find that the walls are moving outward, the

real 'day of transition,' and he remains very active in management meetings and setting of overall directions for the company."



**Leah Schoenfelder is responsible for sales and administration at Midwest. She is most often accompanied at the office by her four-footed friend Jaxxon.**

staff is increasing and the business is growing. We discovered all of the above during a recent visit to Midwest Transmission Center, Zumbrota, Minn., as the company has built one addition to the facility, had another in the planning stages and has grown to employ 24.

Midwest was founded in 1996 by industry veteran Ray Schoenfelder. The company began as a supplier of rebuilt manual transmissions and transfer cases for the area surrounding Minneapolis/St. Paul (See *Transmission Digest*, November 2000). Today, Schoenfelder's participation in the day-to-day business is minimal as a younger generation steps up to take over those responsibilities.

"After the growth and development we've experienced for the seven years since we opened, Ray has phased himself out to an extent," said his daughter Leah. The elder Schoenfelder spends time now at an Arctic Cat dealership in which he has an interest and at the drafting table, where he designs aftermarket parts under the name of Global Automotive Supply. "It has happened gradually so there hasn't been any



**Midwest Transmission Center founder Ray Schoenfelder is often a few miles up the road at an Arctic Cat ATV and snowmobile dealership in which he owns an interest.**



**Dan Schoenfelder pulls a transfer case from inventory at Midwest Transmission Center.**



**Scott Schleck, production manager, plans who needs to be doing what to make sure that orders are filled quickly and that ready-to-ship inventory remains at the correct levels.**

Leah describes how she came to find a career in the transmission business with the company: "I wasn't planning on this or anything like it 12 years ago when I set off to college. After I finished school, seven years ago, I came to work here just as Dad was opening the doors; I've never really looked back. It seems we just keep growing, getting bigger, and that there's always more activity and more to be done."

Joining Leah in Midwest Transmission management roles are her two brothers, Jeff and Dan Schoenfelder, and Scott Schleck, production manager, who joined the firm about a month after it first opened. Dan and Scott form the operational



**Designed by founder Ray Schoenfelder and made to his specifications by Axi-Line, two dynamometers allow transmission testers to sit in a cockpit and control the transmission while observing the test parameters.**



**Another addition will soon increase Midwest Transmission Center's main facility to nearly 60,000 square feet, bolstered by a couple of other buildings used for core storage.**



**One of nine individual builder stations housed in the company's facility.**

center of the company. Together they plan and supervise the operation of the rebuilding and parts operations. They determine a schedule of who'll be building which units and which used parts need to be retrieved from the company's parts inventory or, if none is in the inventory, to be removed from one of the hundreds of cores in the Midwest inventory.

Schleck describes the multifaceted tasks that he and Dan take on in overseeing operations: "We both spend most of our time in the shop. We're scheduling, planning and, lately, handling quality control as well. Dan's brother, Jeff, is typically in charge of quality control, but he's been away at school enhancing his skills as a machinist lately. In addition, Dan and I are pulling parts to fill orders and handling technical and warranty calls. It's hectic!

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"Sometimes it's hard to stay focused in the shop, because at some point Dan or I end up involved in nearly every task. We have to be able to understand and do it all in order to oversee things in such a way that everything runs right."

Dan continues: "Including the two of us, who still lend a hand in rebuilding units, there are a total of nine rebuilders. There is also a person who does the teardown and cleaning of units and components, and another person who oversees the operation of the company's unique dynamometer room. We're producing about 25-30 rebuilt transmissions a day here. In addition, we handle a few differentials for local customers and a relatively small number of bench building jobs for local shop customers of ours. When we take one of those units we will pick it up, bring it in and rebuild it, test it on the dyno and then deliver it back to our customer shop.

"When we first opened, we concentrated on complete rebuilt units. Now we're selling more replacement parts all the time. One of the reasons we're



**The company's extensive inventory of cores and remanufactured manual transmissions will necessitate another expansion in the near future. There are two additional storage buildings primarily used for core storage.**

planning an additional 7,500-square-foot addition is to create space to house a more-orderly parts operation, something like the parts department at a dealership. Organizing our growing inventory of parts means less time to locate stock and to fill orders. Keeping things better organized should make us more efficient in inventory and parts-ordering functions as well."

Schleck is quick to point out that everyone in the company, from the office staff to the rebuilders to the people who assemble outbound orders, is aware of the importance of serving customers well. "We've tried to develop alternatives that would benefit our customers and make it easier for them to be profitable. A few years ago we might have had a part available from the OEM channel that sold for around \$50. Today, we often will have found an aftermarket



**Making a decision about what needs doing next are Wayne Simonson (left) and Dan Schoenfelder.**

source for that component or will have designed and manufactured one ourselves so that we are able to offer that part for \$7.75. To our customer who is rebuilding a unit, it means he can bid a lower price or make a better profit, or both.

"Still, it isn't all about price; we often find that somebody somewhere is offering a lower price on a specific component than we are. Often that competitor will be able to guarantee shipment within a week or two. We will usually have just about any part we can get our hands on ready to ship today."

Schleck and the Schoenfelders agree that price matters, but other important demands are placed on suppliers like Midwest. They point to the support customers have come to appreciate and expect from the company, noting that in the course of a normal



**Loading a disassembled unit into the parts washer.**

week of business Scott and Dan each handle between 20 and 30 calls for technical assistance. Schleck said it was difficult to describe the value of being able to talk a customer through a difficulty on the phone. He says it's more experience than any formal knowledge, the ability to know what is confusing the customer by having worked through that same problem before.

"There are some that have gotten into a unit they haven't seen before and they have a disassembly question, a parts question or maybe both. We have to be able to lead them through the process by having done that process before ourselves. It isn't uncommon for a customer to have a leftover part and to call us. They're describing the part, and we're visualizing what they're looking at. The experience and knowledge become an asset that our customer can depend on to back him up.

"We depend on that same knowledge when we're selling. We realize that if the customer describes the symptoms a unit is showing, we'll be able to know the problem and which parts are needed to rebuild that unit. We're called on to do that quite a lot.

"Our customers are widely varied – transmission shops, general-repair facilities, auto dealerships, salvage yards and anybody else who wants to purchase transmissions or transmission parts."

Scott says the wide variation of technical skills found in the customer base means they will be called upon to support everything from the most basic of installation issues to the truly bizarre puzzlers that crop up from time to time.



**Before reassembly, many components receive a fresh coat of paint.**



**Jeff Schoenfelder was away during our visit. This file photo was taken during one of our previous visits.**



**Salesperson Connie Rude**



**Salesperson Jake Anundson**

Midwest continues to grow by its ability to anticipate and fulfill the needs of its customers, Leah concluded. Last year, she said, the company took on a project for a government fleet customer. Even with what she described as the massive paperwork, that's an area that will be of interest to them in the future. A new product line of automatic transmissions purchased as surplus has been well received by Midwest customers as well.

"We continue to get bigger, to provide our customers with good products and good service. As a result, we gain more business from current customers, and we gain new customers as well. I believe that is how we've continued our growth year after year. That, I believe, is how we will continue to grow in the future." **TD**