

Sale of Computech fits tight specifications

BY JAMES DORNBROOK | STAFF WRITER

Melton Machine and Control Co.'s purchase of North Kansas City-based Computech Manufacturing Inc. was a matter of fit, officials with both companies said.

Two of Computech's three owners wished to retire, but owner Charlie Barton wanted to continue on. They sought out a strategic partner that didn't wish to assimilate them into a merged entity.

"The challenge was to take care of the ownership situation, while preserving the company and ensuring it keeps a bright future for the employees," Barton said.

An 11 month search ended with the May 10 purchase by Melton for an undisclosed sum.

"Melton was one of the best strategic-fit buyers we spoke to, and we talked to over 100 interested acquirers," said Tim Skarda, president of Overland Park-based Allied Business Group, which represented Computech in the sale. "They were looking to diversify and expand their capabilities. Now, they've acquired a ready-built, (quality-control) certified, aerospace-capable machine shop."

Melton's main product is an automated welding machine for the automotive industry. Computech designs and makes automation systems and other products for the pharmaceutical, military, aerospace, automotive, and general manufacturing industries. Its products include aircraft ignition systems and person cooling devices used by NASCAR drivers, the military, and NASA astronauts.

Randy Folkmann, president of Melton, based in Washington, Mo., said Computech is the company's first acquisition.

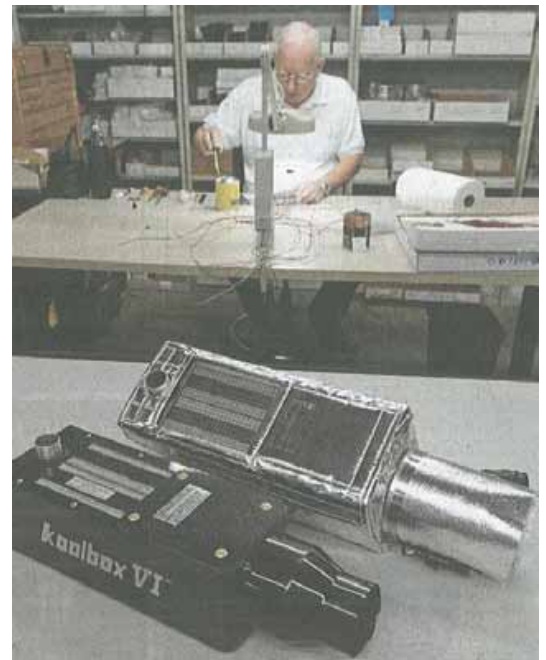
"We're a lot like Computech in that we design and build things," Folkmann said. "We're not a holding company or a group of investment bankers. We're a company that was started by an engineer, and our executive team all have engineering backgrounds."

Barton said that engineering capability is a function Computech lacked and had to outsource. Computech has machining and tooling capabilities that Melton lacked and previously had to outsource.

"So we complete each other in many ways," Barton said. "They are there to help us where we need help, with capacity, engineering, or whatever we need. We'll be able to provide our solutions in a more timely and cost effective manner."

Melton is 100 percent employee-owned. Folkmann said Computech will not be incorporated into Melton but will remain a separate entity and retain its brand identity. Barton will remain president of Computech, and all 35 employees will be retained. Folkmann said Computech customers should not expect radical changes.

"They've been a bit held back by limited resources, and we want to provide those resources to help them focus on business development," he said of Computech. "What I'm referring to is that when you are a small business, the key people tend



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NASCAR drivers use these cooling units fabricated by Computech Manufacturing to keep their heads cool under their helmets. In the background, assembly technician Lou Ramsey works on making more.

to wear a lot of hats. We can take some of those routine administrative duties of the key people and allow them to focus on their core business."

Computech will remain in its 30,000-square-foot facility at 1701 Iron St. in North Kansas City. Its new ownership signed a new lease on the property.

Melton has a 150,000-square-foot production facility in Washington — about 50 miles west of St. Louis — and has no plans to move any operations to the Kansas City area.

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