

# COLUMBIA REGIONAL BUSINESS REPORT

November 23 - December 6, 2015

www.columbiabusinessreport.com

Volume 8, No. 24 • \$2.00

## Finding Future Solutions

*REI delivers custom, automated machines for manufacturing while building stable workplace*

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Fresh out of college, Paul Brown and Grant Phillips met while working at the GE Aviation plant near Cincinnati, Ohio.

The facility employed 20,000 people and Brown and Phillips were a couple of 23-year-olds rotating jobs every six months to learn how the company did business. One thing they learned, though, was that there was a lot of job instability at GE. After their first two years at the Ohio plant, some 8,000 positions had been chopped.

“Our idea was that we wanted to create a real stable work environment for our employees,” Phillips said. “We didn’t want them to experience what we had gone through as young men.”

Today, Brown and Phillips say they have achieved their goal and at the same time built their company – REI Automation – into a regional leader that designs and builds custom, single-purpose machines, assembly lines and robot cells for manufacturing plants throughout the world.

“We’ve had good, steady work,” said Phillips, who joined Brown in celebrating the recent expansion of REI’s Veterans Road location. “We’ve been able to do this because of great customers, great vendors, and great, great employees who’ve made this all possible.”

“We’ve strived to build robust, reliable machines over these many years. I think we’ve earned a reputation for being creative, that we care about what we do and we work with our customers.”

The expansion, which included construction of a 14,000-square-foot assembly hall, coincided with REI’s 25th anniversary.

Among those attending the event was Jack Horne, who founded REI in 1990 as a small shop specializing in reverse engineering, which involves studying another manufacturer’s product and then trying to reproduce or improve it.

In 1999, Horne sold his shares in REI to Brown and Phillips, who began to expand the company’s capabilities and project scale.

“They’ve taken it way beyond where I would have taken it,” Horne said.



REI owners Paul Brown and Grant Phillips. (Photo/Chuck Crumbo)

When Phillips and Brown bought REI, it had three employees and was based in West Columbia. They eventually moved the operation to an 8-acre location at 1240 Veterans Road in southeast Columbia, steadily adding staff as orders for custom-built automated machinery flowed in. The company’s campus includes three buildings totaling 40,000 square feet.

REI now has about 50 employees. Almost half are engineers, while others are assemblers, machinists, and support staff that handle accounting and sales.

Keeping employees is key to the company’s success, the owners said. “We hire smart people and teach them what we do,” Phillips said, noting that REI has “never had a layoff.”

Added Brown, “It’s hard to find people with the experience we need.”

Both Brown and Phillips are working partners, which helps to keep overhead down and the plant operation efficient. Phillips, 49, serves as president and Brown, 50, is vice president of operations.

REI’s machines handle a range of manufacturing assembly duties such as making transmissions or putting together electrical connectors.

REI also has entered the retail arena. Five years ago, the company landed a contract to manufacture blind-cutting machines for Lowe’s, a big-box retailer of home improvement products. REI designed the machine to automatically cut window blinds while still in the packaging box, Brown said.

In the process, REI employees were awarded multiple patents and the company built 540 machines for Lowe’s.

“We make all our parts here. We put it all together here,” Brown said. “We buy from local vendors. It’s American-made.”

While REI machinery is designed to do complicated tasks, the design is modular. “There’s a lot of reuse of design ... on many machines,” Brown said. “It makes for a more efficient process and keeps costs down.”

The price of a machine ranges from \$400,000 for a rotary assembler to \$7 million for assembly lines. “Our sweet spot is \$500,000 to \$4 million,” Phillips said.

Because of the money involved, the selling cycle for an order is around two years. REI typically has about 20 projects in the works.

REI Automation’s internal quality system is ISO 9001:2008, meaning that each project not only meets the requirements of the contract and referenced specifications and standards, but it also ensures that the company’s work is performed in an orderly manner.

In 2013, Brown and Phillips joined in the founding of REI Nuclear LLC, specializing in making equipment that can be used in the decontamination and decommissioning of nuclear power plants and facilities.

“We don’t know what kind of automation solutions we’ll be bringing our customers in the next quarter century,” Phillips said. “We do know we’re already looking forward to it.” ■