My background runs deep in the precast concrete industry. In 1917, my great-grandfather began producing concrete products in the midwestern United States and my grandfather carried on that tradition; ultimately with his sons building one of the largest precast machinery businesses in the world. I’ve had the good fortune of a front row seat to the highs and lows of four generations devoted to both the manufacturing of concrete products and the machinery used to do so. As the newly-appointed CEO and fellow-architect of the Afinitas group of companies, I feel compelled to share a snapshot of our collective vision for the future of our company and the broader industry.

Afinitas is a global, comprehensive infrastructure equipment and services company with a primary focus on the precast concrete industry and marketplace. We have no interest in a short-term financial exit, in fact, we have no intention of selling the business, ever. Our leadership is sharp, young, aggressive and we understand that the decisions and commitments necessary towards building long-term success within the inherently-cyclical infrastructure market are fundamentally compromised when viewed and pursued through a short-term lens. We’re all in and focused on a long-term vision for the industry.

As we’ve begun to shape Afinitas over the last several years, we created three distinct sub-platforms: HawkeyePeder-shaab|BFS, a pipe and manhole machinery division; New Hampton|Spillman, a wet-cast forming division; and CAM Products, a consumables division. Each business unit has its own distinct leadership, engineering, sales and service teams dedicated to innovation and technical expertise. At the same time, from an operational standpoint, we closely coordinate across our divisions. As time progresses, we intend to continue this growth into new and expanded business units under the Afinitas umbrella, with a common theme of maintaining innovation, expertise and entrepreneurialism at the divisional level while coordinating operationally at a platform level.

The driver of our investment in the build-out of Afinitas is a fundamental belief that there will be massive ongoing public and private investments in the physical infrastructure of the world around us, both in developed and emerging economies. In the emerging economies, as the population continues to boom, these investments in infrastructure are necessary and fundamental toward providing a standard of living that most of us in the developed world have taken for granted. Significant infrastructure investments simply cannot be avoided if our economies aspire to maintain their growth. In fact, Oxford University’s Global Infrastructure Outlook is predicting an additional $19T in infrastructure investment by 2040 - on top of what spending is already projected - will be required to meet the UN’s Sustainable Development Goals with respect to clean water and sanitation for the emerging markets. Similarly, infrastructure investment increases are needed in the world’s developing markets to replace and upgrade a crumbling and decaying existing infrastructure. To use the world’s largest economy as an example, the American Society of Civil Engineers has given the US physical infrastructure a D+ rating. The estimated investment required to bring it up to a B rating is approximately $4.5T. A similar situation exists within the EU where, even though their physical infrastructure spending gaps aren’t as draconian as the US, large incremental amounts need to be invested on an ongoing basis to maintain current levels of economic growth. Our team at Afinitas is convinced the future is bright and are excited to continue building an organization that can better serve this critical infrastructure industry.

Having established our belief in the long-term, ongoing global infrastructure investment, the question remains how best to serve the precast infrastructure industry through products and services. It is impossible to predict the emergent technologies of tomorrow, in fact, experts would say that 65-85% of the jobs that will be required by the year 2030 haven’t even been imagined yet. But even without the ability to pre-
dict the future, it is clear that there exists a scarce, depleting and increasingly expensive resource that is today critical to many facets of the precast industry: labor, especially that of the skilled, efficient and affordable variety. Regardless of what technological advances may come our way over the coming years, we will be largely implementing them through mechanical and electrical means rather than biological. With birth rates dropping in both developed and developing countries and political headwinds against open immigration policies in the world’s largest economies, the ability to staff a precast concrete manufacturing facility with manual laborers doing the bulk of the work will become increasingly challenging. I have the privilege of spending a significant amount of my time with precast manufacturers across the globe and they are battling the effects of a challenging labor market. Without question, the number one complaint our customers raise is an unreliable labor market and the impact that has on their ability to consistently and efficiently manufacture their products, whether this customer is based in Germany, Canada or India. In the increasingly digital and high-tech world in which we live, fewer and fewer A-level workers are choosing careers involving manual labor. Today’s and tomorrow’s workforces prefer to sit in front of a control screen or computer and manipulate a touch screen rather than physically engage with the world around them. The labor challenges faced today will only exacerbate as time moves on. The reality of this problem, 10 to 15 years down the road, will become crippling to those who don’t adapt. Those who automate their production facilities and build a staff capable of overseeing and maintaining
the robotics and associated control systems will largely immunize themselves against the labor challenges and will ultimately build a large competitive advantage against those who don’t. Not only will they be better off from a labor market standpoint, but they will also manufacture at a lower cost basis and maintain higher and more consistent quality.

At Afinitas, we have a fundamental belief in an automated future and we are strategically building an organization geared toward providing automation offerings to the broader precast marketplace and -- equally as important-- providing a responsive service capability to support the market toward this end. Our vision and focus is to continue to create step-change advances within our existing automation offerings but potentially more importantly, innovate and create automated production and process solutions for areas of the precast manufacturing industry that haven’t yet been automated and are still wholly reliant on manual labor, allowing these businesses to compete and thrive over the long-term. In the not-so-distant future, I believe the standard for concrete precast manufacturing will involve an internet-connected, fully-automated equipment suite outfitted with monitored IoT actuators and sensors, supported by an imbedded engineering and maintenance team tasked with maintaining optimal up-time on around-the-clock production. The byproduct of such a reality would include eliminating labor challenges, maximizing product quality and minimizing input costs. In essence, optimizing the manufacturer’s ability to successfully compete in the marketplace, no matter what the precast product being produced.

In addition to providing solutions to our customer base to mitigate their exposure to a dwindling manual labor pool, we also stand ready to provide the precast manufacturing industry with the ability to expand their portfolio of precast product solutions. We want to enable our customers in one precast market segment to leverage the growing scale of the Afinitas companies to give them ready access to product and technical expertise in other precast market segments to support end-product diversification. As Afinitas expands its focused business units across the precast industry, this ability to support a customer’s diversification efforts will expand as a byproduct of the scale and growth. The more challenging task related to our vision to support the industry isn’t related to market diversification but rather to partnering with the precast customer base and industry to drive and support new, innovative precast product solutions within existing markets. While we can’t predict what new solutions and technologies might look like in the future, what we can do is create an organizational vision focused on identifying, developing and recruiting top-tier technical talent who can move the innovation needle, while fostering an internal culture across our companies to nurture and retain this talent. We want to be a model of that kind of culture for the rest of the industry.
Spillman Company joins
with Afinitas’ New Hampton Metal Fab

New Hampton Metal Fabrication LLC (NHMF), an Afinitas company, is excited to announce a combination with the Spillman Company, a leading designer and manufacturer of custom wet-cast concrete forms. The company is also a provider of precast accessories relating to plastic spacers, magnetic products and automation solutions. This transaction strengthens and expands NHMF’s product portfolio for the wet-cast concrete industry.

Spillman, headquartered in Columbus, Ohio, is led by President and Chief Executive Officer Ted Coons, who will continue with the combined business.

“We are incredibly excited to partner with New Hampton, and the larger Afinitas organization, and are confident that the combination of our two companies will position us well to provide enriched value and support for our customers,” said Coons. “We have always taken great pride in growing our brand and reputation in the industry, and we strongly believe that this partnership presents an ideal opportunity to expand our business to new markets and customers.”

Afinitas was formed to build out the vision of creating a global, comprehensive, customer-oriented infrastructure equipment and services platform through organic growth and acquisitions. Currently, the platform has three divisions, each with distinct brands, capabilities and leadership teams: HawkeyePedershaab and BFS (dry-cast equipment), NHMF (wet-cast forming) and CAM products (consumables). Spillman represents the second addition to the wet-cast division.

“Spillman offers a premium brand of products that are a natural extension of our current portfolio, while also enhancing the breadth of our offerings to our customers,” said Jamie Wegner, NHMF President.

“Coming together allows us to formulate and execute on a vision of building a leading global supplier to the wet-cast industry through a more comprehensive set of solutions.”

Added Nick Wegner, NHMF Vice President: “We are honored and thrilled to welcome such a respected company and team to the New Hampton family. We are excited about the opportunities of leveraging.

All of us working in non-sexy, trade-based industries such as ours know that attracting and retaining the best and the brightest can be a challenge. In the US, for example, there has been an attrition across all industries over the years in the quantity and quality of engineers as the lucrative lure of the financial and professional services industries has siphoned off many bright technical minds who otherwise may have chosen careers in engineering. Even within the technical field, the boom of the global tech industry and the promise of big paydays has pulled many sharp minds away from the traditional fields of civil, electrical and mechanical engineering toward emergent technical disciplines such as computer science, computer and biomedical engineering, etc. As these industries have grown, their demand for top-quality engineers has been almost insatiable and therefore have created incredible workplace cultures for their people as means of attracting and retaining the necessary talent. With unpredictable disruptions in the future related to factors such as autonomous transportation, climate change, AI-driven technological advances and others changing the face of our infrastructure needs, we need to be prepared to innovate. This will only come through a concerted effort of building the kinds of cultures and companies that attract and retain innovative technical minds. If we are to attract the kind of technical talent that can generate ongoing, sustainable innovation, we need to be focused on building exciting and inspiring workplaces. At Afinitas, we are fully committed to this vision.

I am excited to lead Afinitas into the future and serve this great and promising precast infrastructure industry. As outlined above, our vision to support our customers and the industry moving into the future can be summarized in three overarching points. One, insulate our partners from the realities of a depleting labor market by providing efficient, next-generation automation solutions that optimize their market competitiveness. Two, use the scale and leverage of our Afinitas companies to assist our customers in growing and diversifying their businesses into new areas of precast manufacturing and three, build a dynamic internal culture and stockpile our company with bright, innovative minds who are capable of providing tomorrow’s solutions to our customers and the industry at-large.

None of us know what the future holds but with all the tailwinds behind it, it is almost impossible to imagine a scenario where the precast industry as a whole doesn’t thrive. Our sights are set far into the future and our vision is to support and service all the stakeholders of this industry toward this bright tomorrow.

FURTHER INFORMATION

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