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Equipment supplier on the right track

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Rite Track expanding remanufacturing business

WEST CHESTER - Tim Hayden likes to joke that his Butler County company, Rite Track Inc. is a high-tech company in "Silicorn Valley."

But Hayden doesn't crack corny jokes about Rite Track's rapid growth - and its plans to expand early next year.

The company is a major supplier of equipment used in the manufacture of semiconductors.

Founded in Hayden's garage in 1993, Rite Track last month won a 2004 Ohio Department of Development Emerging Technology Award.

The honor recognizes the innovations and significant accomplishments of small technology companies in Ohio.

Rite Track was cited for improving track-system equipment used in producing computer chips.

"Our job is to extend the life cycle of a mature product - that's our specialty," Hayden said. "We take an older machine, upgrade it with today's technology and extend the life cycle to make its cost of ownership lower for our customers."

Spending \$1.5 million

Rite Track, which also serves the solar cell, disc drive and micro-electro-mechanical industries, is on track to double the size of its business.

Hayden said the company will invest about \$1.5 million to add 30,000 square feet to its existing 35,000-square-foot building at Rite Track Way and Union Centre Boulevard.

The expansion, expected to be finished next summer, will give Rite Track the capacity to ship more than 100 remanufactured units annually over the next several years, compared to about 41 this year. But those units fetch a pretty penny. Hayden said the average cost of a unit is about \$500,000 and they can sell for up to \$1 million.

"We like to say we're not Wal-Mart, the low price leader," he said.

About 70 percent of the expanded space will be used for production and storage operations. The remaining 30 percent will provide room for a new state-of-the-art technical training center, which will replace Rite Track's existing training center at a nearby site.

Hayden said the move could help Rite Track add another 50 jobs here during the next two years and boost sales. Rite Track now employs about 75 people in West Chester.

He said the privately owned company will hit \$20 million in sales for the first time this year and could exceed \$50 million over the next five years.

"The big thing is that it (the expansion) will help us handle the expected growth that we're seeing in our industry," Hayden said.

The expansion will enable Rite Track to supply remanufactured units to a larger customer base in the United States, Europe and Asia through its alliance with Tokyo Electron Limited/Japan, the world's largest manufacturer of track systems.

Rite Track recently entered a three-year contract extension with TEL, allowing it to sell semiconductor manufacturing equipment made by TEL to customers worldwide.

Providing services

In addition to the latest TEL deal, Hayden said Rite Track hopes to boost sales by providing services to the customers it picked up last year when it acquired some assets from the track division of ASML, a Netherlands-based semiconductor equipment company.

That deal allowed Rite Track to expand its sales of new and remanufactured track systems and components, and offer more service support in the semiconductor industry.

For example, Rite Track has developed a business relationship with Intel Corp., the world's largest semiconductor maker.

Matt Hartmann, a senior manufacturing engineer at Emerson Process Management in Minneapolis, said his company buys coding equipment from Rite Track to help it make pressure sensors used in industrial process control applications.

Emerson is a supplier and manufacturer of industrial process control measurement instruments.

He said though Rite Track provides high-tech equipment to larger companies such as Motorola, it also provides his company with less-expensive options to make its products. Hartmann said he has worked with Rite Track for about four years.

"Rite Track has provided us with cost-effective equipment and world-class service," Hartmann said.

With all of its growth, the biggest challenge for Rite Track might be deciding whether to stay independently owned. Hayden said selling is an option Rite Track one day might have to consider as a way to get the resources needed to maintain its growth.

But he does not see that happening anytime soon.

"At this time, we're very happy with where we're at," Hayden said.

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Rite Track Inc.

Headquarters: West Chester.

CEO: Tim Hayden.

Employees: About 160 worldwide, including about 75 in West Chester.

Primary business: A supplier of machines that other companies use to make integrated circuits and computer chips that can be used in everything from kitchen appliances to computers to stereo equipment.

Revenues: Projected at \$20 million this year.