

Alliance Industries

# Tier 1 Torque



After assembly, converters are seam welded and then sent on for additional quality-control checks and inspections.



The Alliance facility occupies about 46,000 square feet.

“The reason our company isn’t well known in the aftermarket probably stems from the fact that we have, to this point, supplied one family of remanufactured converters exclusively into the Mopar/Chrysler service-parts channel,” says Brenda Ryan, Alliance Industries president.

Situated in Springfield, Mo., Alliance remanufactures 10<sup>3</sup>/<sub>4</sub>-inch converters used in DaimlerChrysler’s light trucks. Further specialized, Alliance is the supplier providing “loose” converters – those that are used or sold by DaimlerChrysler dealerships separate from a remanufactured transmission. Alliance also remanufactures and supplies Mopar’s high-performance torque converters.

Ryan explains the company’s startup years: “DaimlerChrysler has had a strong Diversity Development Initiative in place for many years; by encouraging the development of minority-owned companies, DaimlerChrysler can then purchase parts and services from the people who buy a large percentage of their vehicles. It is intended to be a win-win situation, and there is undeniable proof that it is working to the advantage of both parties. Aaron’s served as our mentor during the formative years, helping us to master both the technology and the business of working with an OE like DaimlerChrysler.



Brenda Ryan, Alliance president, is proud of the converters remanufactured by her company and is eager to take advantage of growth opportunities.

“In our first year we were a Tier 2 supplier, remanufacturing the 12.2-inch BorgWarner torque converter. At that time, we were subcontracted for that remanufacturing by Aaron’s, and they shipped the units to DaimlerChrysler. Then, the following year, we became a Tier 1 supplier to DaimlerChrysler with our own direct contract. Since that time, we have taken our orders and shipped the remanufactured units directly to DaimlerChrysler’s parts-distribution centers. The current contract is for the rear-wheel-drive 10<sup>3</sup>/<sub>4</sub>-inch DaimlerChrysler converter.”

Ryan has extensive experience in the automotive arena. An engineer by training with degrees from Michigan Technological University and The University of Virginia, she previously worked for





Alliance Industries' management team (from left): David Handley, purchasing and operations manager; Michele Breece, safety and quality manager; and Jim Hines, finance and human-resources manager

General Motors and Hayes-Lemmerz before launching her first business in Michigan in 1995, Ryan Industries. Ryan Industries specializes in packaging, light assembly, warehousing and distribution, primarily serving segments of the automotive industry as both a Tier 1 and Tier 2 supplier to vehicle manufacturers. Ryan launched Alliance Industries in 2000 in partnership with James Wehr, former president and



Boxes of cores arrive from Chrysler's core-return facility in Memphis.



Once a core enters the remanufacturing process, it is cut open and disassembled.



Converter components are cleaned before reassembly.

owner of Aaron's Automotive Products. Ryan has been the sole owner of Alliance since April 2005.

Ryan offered an overview of Alliance's current operations: "In 2005, we shipped 24,000 torque converters to DaimlerChrysler. To give you an idea how this works, we receive our orders electronically from DaimlerChrysler and requisition our cores from the Memphis Core Center (MCC). That's the central facility where all warranty returns and other cores are shipped prior to shipping to the remanufacturing suppliers. Based on the number of units that we are released to produce, we requisition cores, by specific part numbers, from that facility and process them through our lines here.

"Remanufactured units can go into any vehicle that has been sold by DaimlerChrysler. Typically, there will be a two-year time lag from a converter being in-



To ensure that components meet dimensional and surface-finish specifications, they are machined and inspected.





New friction material is bonded to the converter piston.



Components that have been remanufactured and passed inspection are brought together for the reassembly process.

stalled on the production line and the time when we start receiving orders to supply the OE service-parts channel. When you look at a dealership parts catalog you'll see a two-year window. Right now, vehicles sold between '04 and '06 will get a converter from the OE assembly line, and those sold earlier than '04 will get a remanufactured unit from our plant. In the case where the OE unit is out of production, the remanufactured units will be the only ones available to the dealers."

Alliance employs 17 people; about a dozen work in production and quality control, and the remainder perform the management and administrative functions of the company. However, Ryan says she is looking for opportunities to build on the success of Alliance and to grow the company with other contracts. She points out that Alliance has earned both ISO/TS 16949 and ISO 14001 registrations for quality and environmental, respectively.

"Our interest is to supply companies that have need for a considerable volume of converters. We want to make our experience and quality focus available as a specialized supplier to those types of compa-



Units that pass post-assembly tests are identified, packaged and prepared for shipment.



Alliance converters are tested for balance and hub runout.

nies. We have developed some processes that are a little different from what may be common in the aftermarket. Serving the OE market makes a company very good at providing a high-quality product at a competitive price. We want to develop both converter and other aftermarket business as we grow.

"Last year, we looked very hard at a contract to manufacture standard clutches for an OE customer. We're interested in using the expertise we have in any way we can to get the value from our investment in the plant and machinery. We have also looked at packaging and kitting as a possible expansion business for us. We've explored the possibilities of electronic components as well – products like ECMs. The point is, while we want to grow our converter business, we don't want to limit our focus specifically to that one component."

Ryan embodies the entrepreneurial spirit as she concludes: "Alliance is small enough to be flexible and customer driven. We have a great team that is experienced and cares about our product and our customers. It's our reputation that's going out the door with every converter. I know that we're going to grow and become better known very quickly." **TD**