

Twin Pines Manufacturing



“The SBDC helped us undertake an analysis of a capital improvement and expansion project at a critical time”

- Bob Kovalcik

Client: Bob Kovalcik
Business: Twin Pines Manufacturing
Address: Clarksburg, PA

Website: www.twinpinesmfg.com

Industry: Rubber molding machines & hydrofracking equipment

SBDC Assistance: Initially a Business plan & later assistance in new product development

Indiana University of PA SBDC

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Background

In 2001, when Bob Kovalcik moved his small manufacturing operation to Indiana County the IUP SBDC helped him obtain financing for the move by working with him to develop a business plan. At the time his main line of business was specializing in plastic and rubber molding equipment for the auto industry. Between 2001 and 2009 his business seemed to expand and contract with the economy. As the shale gas industry began to expand into Pennsylvania, Bob went searching for ways to diversify his product base and was able to identify some potential opportunities.

The Assistance

The SBDC discussed these opportunities with Bob and helped him analyze and implement a strategy to pursue them. One of the opportunities required a significant capital outlay. Financial estimates of capital costs versus potential returns were prepared, which led to further research and understanding of how the new industry operated and the likely extent of the drilling that would ensue.

Consequently, he partnered with a much larger company to make the molds for an opportunity he had identified. He then became a distribution outlet for the molded product he had helped design and the extended line of products made by his partner, Federal Mogul. In addition, to his machining work he now sells hydrofracking spare and replacement parts, e.g. cement plugs, and hammer union seals.

In fact, he has now designed a hammer union seal that can be sold at 1/3 of the cost companies are now paying. The new seal will also will yield better performance.

Interaction with the Marcellus industry combined with awareness of his company’s strengths in rubber molding have led him to identify a number of additional opportunities to replace out-of-state suppliers with local alternatives of equal or better quality.

Results

The client has:

- ✓ Diversified his product offerings smoothing out some of the economy’s volatility
- ✓ Doubled his employment from four to nine
- ✓ Has been able to invest in computer controlled equipment that offers the company additional capabilities and increases quality, and productivity
- ✓ Brought a higher level of quality and functionality to some of the products used in hydrofracking
- ✓ Now 80% of his business is from Gas & Oil and his traditional lines of business are picking up again.