

# Passaic redefines itself as niche firm

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WAYNE, N.J.—Many companies in the rubber industry try to expand by providing a huge number of products to an endless list of customers.

Not Passaic Rubber Co. In the late 1990s, the Wayne-based company reduced its focus, dropped some operations and tried to be the best in the business in three core divisions.

Passaic specializes in manufacturing belts, rubber rollers and calendered rubber goods. Between 50 and 60 percent of the company's sales are belting-oriented, according to J.D. Mathey, vice president of sales and marketing.

The 80-year-old company began as a garage shop in Passaic, N.J., slitting rubber for the cable tape industry. It became a diversified business over the years, growing through the addition of many rubber product lines, Mathey said.

By the late 1960s, Passaic had moved from Passaic to nearby Clifton, N.J., to its current 7½-acre, 70,000-sq.-ft. site in Wayne. In 1986, it entered the belting business at a "heavy-duty" level when it purchased Trenton, N.J.-based Goodall Rubber Co., an endless belting firm, Mathey said.

But after periods of growth and pros-

perity, Passaic found it couldn't handle the demand, he said. So after several years of flat-lining sales in the early 1990s, the company decided to better define its core areas and re-focus its growth in markets within those divisions.

For example, the belt segment targets endless belting offered in a variety of types, including feeder, capping, strip coiler, slicing and labeling belts. Feeder and capping belts are among the company's "bread-and-butter" belting products, Mathey said.

The belts are available in different compound types, including neoprene, Hypalon, fluoroelastomer, SBR, urethane, nitrile, natural rubber and EPDM, the company said.

The focus within calendering is on the uncured rubber market, including elastomeric materials for the roofing and hose industries, he said. The company also reinforces calendered rubber with fabric and provides slitting and curing services.

The rubber roller division concentrates on large industrial rollers, with lathe tolerances of up to 66 inches in diameter and 273 inches in overall length, the company said.

The resolve to "do fewer things but more of them" has made sales grow the



Passaic Rubber vice presidents J.D. Mathey (left) and Jeff Leach have been the driving force behind the company's re-focus on its core markets. The two also own 100 percent of the company's stock.

past four years, Mathey said. New business in 1998 generated more than 10 percent in sales, and Passaic has set records for new accounts during the past two years.

"We look at it as trying to do a few things better than anyone else," Mathey said. "If you own a Ferrari, do you want a specialist or a general mechanic working on it?"

Passaic, which employs about 50 people, has dropped some product lines, plus a large mixing operation, in the process of specializing. That decision enabled the company to devote capacity and money to other areas, Mathey said.

"We'd still have the capacity to do the mixing if we wanted to," he said. "We release some control, but the rubber is guaranteed. If we don't like it, we send it back. We're happy and the mixers are too."

As of the start of 1999, Mathey became a major stockholder of the firm, which his great-grandfather helped found in 1919. The great-grandfather of Jeff Leach, the company's vice president in charge of production and product development,

also co-owned Passaic at the start.

The company has been owned and operated by the families ever since. Mathey and Leach own 100 percent of the stock, though J.D.'s father, John, remains Passaic president.

"We're doing business in California, Texas and Oklahoma now," Mathey said. "We have a top rubber roller customer in India, and Mexico has been a very hot area."

"A big key is the Internet. He who learns to market first on the Internet wins in a global economy," he said.

In the future, Mathey believes the company will expand steadily, with possible growth in silicone endless belting and a potential venture into high-end treadmill belts. But whatever the job, Passaic will remember the niches it has developed.

"The keys to our recent success have been to be upfront, honest and have the ability to say no," Mathey said. "You can't swing at every pitch when you're a niche player and you don't have to hit a home run every time. Solid hits win the game."



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