Building Excellence:
How Die Technology Partnered with Larson Building

by Melissa DeBilzan

Die Technology and Nanotech Precision headquarters in St. Michael, Minn.

Founded in 1988, Die Technology Inc. has been a lean operation from the start. As its name infers, the 25-person shop designs and builds precision stamping dies – primarily for the medical and electronic industries – using thin and ultrathin materials.

Several years ago, the company began incubating a second manufacturer, Nanotech Precision, under the same roof. Nanotech Precision specializes in manufacturing micro-sized components for the medical, aerospace and electronics industries.

"Our niche is to build small components with micro features in high volume," said Dale Skoog, president and general manager of Die Technology. "So we put a lot of effort into staying current and continually investing in new technology."

The partnership has allowed both companies to leverage knowledge, capabilities and equipment. But with Die Technology growing at an annual rate of 15 percent, and Nanotech Precision growing much faster, floor space for additional employees and technology became a challenge.

The chiller loop system that served the shop's high-end wire EDM equipment, for example, had reached its capacity. It had become difficult to add more equipment.

"We strive for excellence in high precision," Skoog said. "But we knew we couldn't stay in that space and continue to achieve excellence. We needed to re-organize our layout so we would be positioned for our next phase of growth."

STAY OR GROW?

A few years ago, Skoog began thinking about whether it made sense to lease, buy or build. He reached out to several reputable building contractors, including Andy Larson with Larson Building, who was recommended by a friend. Larson is also an MPMA member who has worked with several manufacturers.

"I really wasn't sure where to start," Skoog said. "We had never made a big move like this before. How much would it cost to buy an existing facility that could be modified to meet our needs versus build a new facility? Larson helped me crunch the numbers to determine which option made the most sense. Once I made up my mind, Andy and his team walked me through the entire process from start to finish. They took care of everything from city permits to construction management, which allowed me to focus on the company."

Although Larson works primarily in the construction industry, he has maintained his real estate license for over 20 years, so he has a foot in both markets. He advised Skoog to think about location before anything else and showed him several existing facilities in and around Osseo, where Die Technology had been leasing space since 1997. All of them would have required significant remodeling and buildouts, however. And all of them would have required the company to move again a few years later.

Land was looking like a better option.

In the end, Skoog decided to buy 12 acres in St. Michael, Minn., a rapidly expanding community with a pipeline of young, skilled workers. A purchase agreement was signed on the site in March of 2020 – just as the country

began shutting down from the COVID-19 pandemic.

Although unemployment had skyrocketed and business had slowed, Skoog never wavered in his decision to sign the purchase agreement. He knew it was just as good a time as any to build – maybe even better because construction costs were low.

Rather than blend into an industrial park, Skoog chose to be on the corner of Highway 241 and Naber Avenue, where thousands of vehicles pass by each day.

"We wanted to be a visible part of the community," he said.

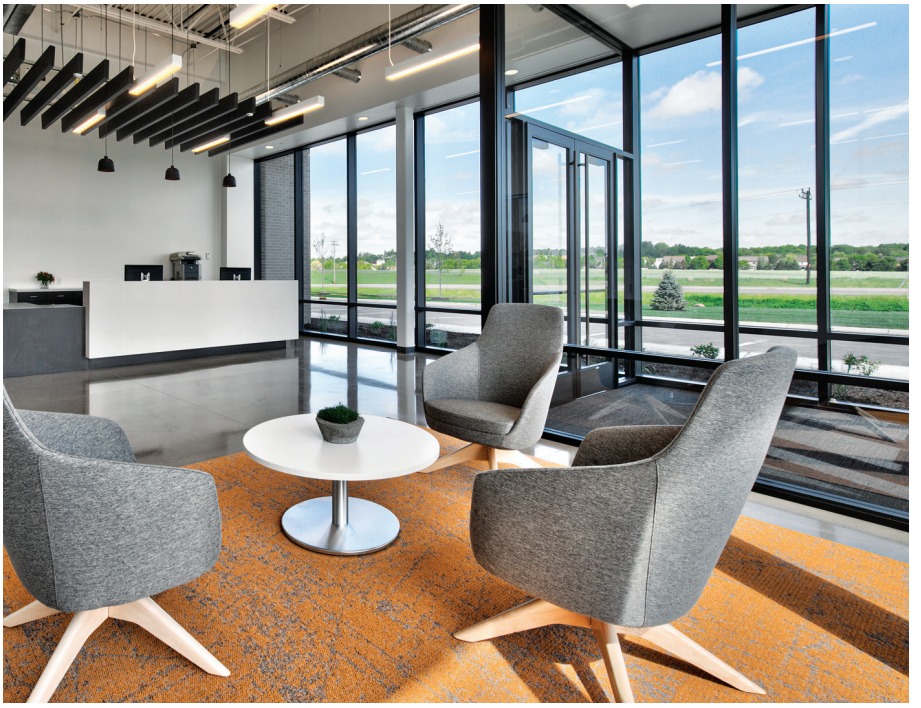
Once the purchase agreement was in place, Larson assembled a team of architects and engineers to design the inside and outside of the building. The goal was to make it appealing to both employees and community members.

"We put a lot of thought into how both the exterior and interior would look," Skoog said. "Larson Building was instrumental in spearheading that process. Although I was involved in the design decisions, at the end of the day, they were the project managers, which was a relief."

By May of 2021, just nine months after purchasing the land, the entire project was complete.

A BRIGHT, NEW SPACE

Die Technology's new 30,000 square-foot facility stands tall. The dots and arrow of the Die Technology logo can be seen from over a mile away as you head south on Naber Avenue towards Highway 241. Columns of windows cover the building from side to side. Guests arriving at Die Technology can't help but comment on what a beautiful facility it is.

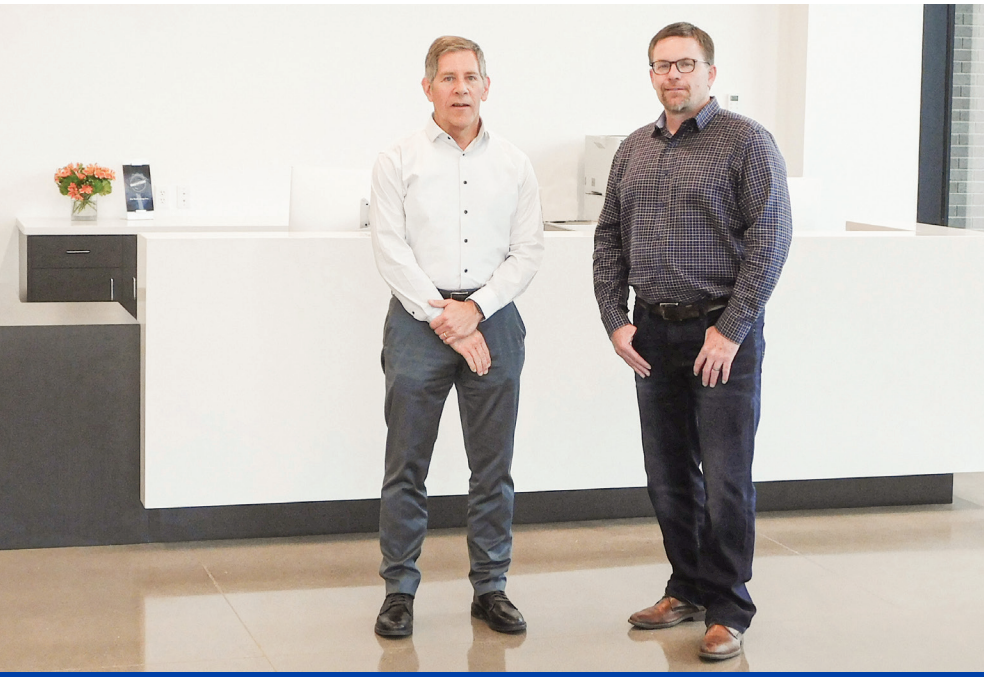


Die Technology front office and lobby area. (Top); Nanotech Precision breakroom.

"Material costs have increased significantly in the last year; lead times are getting pushed out further and further. And yet we're not seeing business slow down." -Andy Larson

The inside of the building is incredibly clean, bright and well organized. Light streams in from an abundance of windows, bouncing off soft white walls and floors. Machines are grouped together, rather than lined up in rows, making workflow more efficient. The open floor plan incorporates glass to section off some rooms.

More importantly, the shop's high-end EDM equipment is kept in a segregated area to maintain strict control over air quality, temperature and humidity. In terms of sound, the facility is much quieter and conducive to high precision work.



Dale Skoog (left) and Andy Larson (right).

"Our motto is excellence in high precision," Skoog said, "and I think the new facility reflects this."

Although they've been separate companies for some time, Die Technology and Nanotech Precision now look like separate companies under one roof. Each has its own distinct space, branding, color scheme and feel. While Nanotech Precision occupies just under half the space, it is expected to grow more quickly. The facility was designed to be expandable by another 15,000 feet in the future to accommodate a third tenant or growth from either company.

A TRUSTED PARTNER

Larson Building has worked with a variety of manufacturers, including Metro Mold Medical in Brooklyn Park, Spectralytics in Dassel, and Ultra Machine Company in Monticello. Some have needed a buildout or clean room; others have needed a completely different facility.

Although lack of space can hinder growth, there are many manufacturers that are hesitant to build or move due to the time and energy involved. "We can't take the whole burden away, but we can carry a lot of it," Larson said. "Further, we understand the environments in which manufacturers work, so we know what teams we need to pull together in order to build successful project."

It starts with understanding a company's needs for space. From there, a plan is developed to either add on, identify new property or buy existing property. That plan eventually accounts for details such as humidity, temperature, lighting, sound, air quality and security – all of which can affect parts and performance.

Larson Building met with Die Technology on a regular basis to discuss the project at a high level. Behind the scenes, however, Larson Building scoped out land options, wrote the purchase agreement, hired the design consultants, handled the city permits and approvals, hired the subcontractors, oversaw the budget, handled the scheduling, and managed every detail from start to finish.

Generally, the earlier a construction partner is brought in, the better, Larson said. That's because builders are constantly pricing construction projects – data that is helpful to factor into business decisions. And with costs going up, it's even more important to initiate these types of conversations sooner rather than later.

"Material costs have increased significantly in the last year; lead times are getting pushed out further and further," Larson said. "And yet we're not seeing business slow down. My recommendation is to start planning your project two years before you're aiming to have the project complete."

Larson said he prides himself on the fact that he runs a small company, just like many of the manufacturers he serves. "There's something to be said about the personal touch of a small business." PM

DIE TECHNOLOGY
HIGH PRECISION TO MANUFACTURING

NANOTECH PRECISION
EXCELLENCE IN MANUFACTURING

LB
LARSON
BUILDING