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Employee-owned Lampin is investing in Uxbridge

By Peter S. Cohan Wall & Main

Lampin Corp., an Uxbridge-based maker of precision parts for high technology companies, is investing \$1.3 million in its future. Chief Executive Officer Bill DiBenedetto has created a new culture for this old company since taking over nearly three years ago, based on employee-ownership and innovation.

Worcester County could benefit from more executives like Mr. DiBenedetto.

Mr. DiBenedetto has impressed Applied Interactive CEO Steve Rothschild; they are in the same CEO group. In addition, Lampin is a client of Applied Interactive, which developed a website for Lampin and continues to work on Lampin's online presence.

"Bill has embraced the ESOP (Employee Stock Ownership) culture and simultaneously changed this more than 50-year-old manufacturing company into a growth company using the committed employee owners," Mr. Rothschild said. "Having observed the culture first hand, I am bowled over by the can-do, empowerment culture embraced by every employee."

Mr. Rothschild pointed out that Lampin is investing in new manufacturing equipment that will boost its productivity considerably.

"Lampin is spending \$1.3 million on two state-of-the-art machining systems that will enable Lampin to radically increase production capacity and move to 24-hour lead times. I have heard them say the new equipment can produce more than the entire company can produce now," Mr. Rothschild said.

Moreover, Mr. Rothschild said, he believes Lampin will announce excellent financial results at the end of January and is a great example of how to revive some of our area's old-line manufacturing companies. "Anyway, after a year of extraordinary growth which will be announced in late January, and what I believe is record profitability too, they are rocking the boat with new equipment that will change everything. It is a manufacturing story about an older company owned by employees who are employing the bleeding edge of technology to thrive in Massachusetts making precision parts for high tech companies," he said.

Let's look at ESOPs — a corporate form first established in 1974.

The U.S. Department of Labor defines an ESOP as a retirement plan in which the company contributes its stock or money to buy its stock for the benefit of the company's employees. Within an ESOP, an employee does not hold stock directly while still employed with the company. An employee is entitled to the stock when the employee retires, is terminated, becomes disabled or dies, at which time the ESOP distributes the shares into the employee's account

Small and medium-sized businesses like Lampin's chairman see ESOPs as a responsible, financially efficient way to exit their firms.

Lampin's history goes back about 53 years. According to Lampin's website, "In 1962, the Laminated Pinion Gear Company was started in Ashland by Harold Fairbanks, formerly with Telechron Clock. The company was recognized as an innovator in the clock and timer industry for their unique process of cutting metal and plastic laminated pinion gears."

Harold Bushnell of Upton bought the company in the mid-1970s and moved it to Scott's Woolen Mill complex in Uxbridge. A few years later, Chuck Battersby bought the company and renamed it Lampin Gear Division of Battersby Ltd.

Its current chairman, Scott Rossiter, bought it from Mr. Battersby in November 1982 and adopted its current name — Lampin Corp. — to reflect "the evolution from laminated pinions to precision components, and the company's journey to a full service

engineering and machining supplier specializing in precision turning and instrument quality gears."

Lampin moved to its five-acre site in 1985, expanded to meet demand from its original 4,000 square feet to 22,000 square feet of "networked Computer Numerical Control (CNC) equipment operating 24 hours a day."

In 1990, Lampin purchased the assets of Johnson & Bassett of Worcester, "including the line of MITRPAK Spiral Bevel Gear Drives that are now manufactured in Uxbridge."

In 2001, Mr. Rossiter sold a portion of Lampin to the employees through an ESOP, and the company became 100 percent ESOP owned in December 2006, when he sold his shares to the ESOP.

In May 2012, Mr. DiBenedetto — after "18 years with Digital Equipment Corporation, responsible for Worldwide Product Operations" and having "also successfully served as President for three other small and medium sized companies" — took over as president.

On Dec. 29, Lampin announced that its board had approved a \$1.3 million capital expenditure for "state-of-the-art machining systems that will add to Lampin's production capacity to satisfy its clients with fast and efficient lead times."

This investment reflects Lampin's culture of embracing "change and continuous improvement." As Mr. DiBenedetto said, "Our employee owners use state-of-the-art machine process software and systems to reduce waste. This has resulted in productivity and profit growth. Our ability to invest in high-quality modern equipment is a testament to our rapid growth and commitment to customer service leadership."

Lampin is also adding to its workforce and training its talent. "We are hiring the best young students as interns and providing them with classroom and on-the-job training necessary to support our client needs well into the future," Mr. DiBenedetto said.

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