



CEG Assists Centrotherm with Plant Layout Maximization at New Waterford Facility



Overview

Since 2009, Centrotherm Eco Systems in Albany, New York, has been manufacturing venting systems and accessories for heating professionals. The manufacturer has experienced rapid growth in recent years. And in 2020, with support from a Center for Economic Growth (CEG) ValueProp Accelerator project, it expanded into the Canadian market with air distribution systems for heat recovery ventilation (HRV) and energy recovery ventilation (ERV) equipment.

The Situation

In 2022, Centrotherm had already run out of space at its 62,000-square-foot facility in Albany and partnered with Shaker Logistics to provide offsite warehousing. Space limitations led to a curtailed daily outgoing volume. The facility, which spread across three buildings, could not support a more efficient production layout, and a limited lot size inhibited further additions.

Initially, Centrotherm CEO Joel Dzekciorius wanted to build a completely new facility, but high construction costs made that option unfeasible. Next, Centrotherm considered leasing a building that would house its warehousing operations, but there was limited available space in the region, and the available options were not attractive. That prompted Centrotherm to consider leasing a larger space that would house all operations.

In March 2023, the manufacturer signed a lease for a 122,000-square-foot facility in Waterford, New York,



about 16 miles away from its Albany location. By having one location instead of two, Centrotherm would lower its operational expenses.

Solution

"Once we decided to move everything, we wanted a location that supported our five-year plan," said Dzekciorius. That would include incorporating lean manufacturing principles into the Waterford facility's footprint while creating room for further growth. Centrotherm partnered with CEG to secure a \$15,000 National Grid grant. That funding helped Centrotherm retain new plant layout maximization services from D-Riven Engineered Solutions.

For the plant layout maximization project, D-Riven made several site visits and developed 2D computer-aided drafting (CAD) layouts for the existing Albany and planned Waterford facilities. In collaboration with Centrotherm's manufacturing team, D-Riven created value stream maps for Centrotherm's production cells and outlined the steps involved, equipment required, and supplied electrical schematics of the new facility. D-Riven also reviewed the Waterford facility's layout to ensure it complies with state and federal regulatory requirements and aligns with Centrotherm's plans for growth.

In spring 2023, Centrotherm moved its warehousing operations to the Waterford facility. In the first quarter of 2024, the manufacturer, along with 65 local employees, will complete the full relocation of its production and office operations to the new plant.





CEG's Business Growth Solutions

Growing Manufacturing & Technology Companies

As a result of this project, Centrotherm reported the following impacts:

\$3,450,000 New Sales from New Markets, Customers, Products and Services *(in dollars)*

15% New Sales from New Markets, Customers, Products and Services *(as a percentage)*

\$2,300,000 Retained Sales *(in dollars)*

100% Retained Sales *(as a percentage)*

33.3% Lead Time Reduction *(as a percentage)*

\$360,000 Cost Savings *(in dollars)*

90% Retained Workforce *(jobs)*



Carlos Flores, CEG's Vice President of Business Development, did a wonderful job of supporting us in the grant process. Given the multi-million-dollar scale of this investment, the Center for Economic Growth and National Grid's support was truly appreciated. With our increase in capacity, now we're really in a position to achieve our five-year plan and continue our rapid growth.

- Joel Dzekorius
CEO, Centrotherm

About CEG, Business Growth Solutions

We serve small to medium sized manufacturing and technology companies (SMEs), helping them drive top and bottom-line growth. CEG BGS houses the regional Manufacturing Extension Partnership (MEP) center, which is part of the New York State MEP program funded by the National Institute of Standards and Technology (NIST) and Empire State Development Division of Science, Technology, and Innovation (NYSTAR).



To learn how CEG BGS could help your company, contact CEG BGS Senior Vice President, Don Wiesenforth at donw@ceg.org or call 518-431-1481.