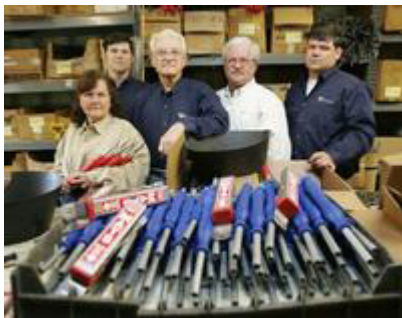


## Piracy drives firm to keep competing

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You don't have to be Microsoft to fret about Chinese piracy.



Hamel Manufacturing has stayed in the family for three generations. Above, from left, Carol Hamel; her son Mark; founder Hod Hamel; Mike Hamel, husband to Carol; and Chris Hamel, another son. Left, among the carwash products the company makes are mat holders. Top, a foam application gun is another self-serve carwash staple.

Hamel Manufacturing Inc., a nine-person concern in Waterloo that makes carwash fixtures, has spent the last two years battling a competitor that uses a Chinese outsourcer to produce a knockoff of its signature product, the flex wand.

Although Hamel Manufacturing doesn't have a patent for the flex wand - basically a bendable tube with a gripper for spray-washing cars - the company does hold a trademark on which the competitor was infringing.

"It was using our name, our literature, almost everything," said Mike Hamel, 52, the president of the small company. "We were offended. It was like one of your family members had been assaulted."

That may not be too big a stretch: Hamel's family pretty much is the business. Mike runs the company with his wife Carol and sons Chris, 29, and Mark, 25. Although the company has expanded over the years, the main offices lie in the same faded yellow corrugated steel building built by Mike's parents in 1978.

The factory is to them what the dinner table is to most families.

Chris Hamel, the talker among the bunch, could be the prototypical Midwestern small businessman. Like his father, he obsesses over the family business and works up a lather when he gets going about it. He admits to dragging his fiancée into every small carwash they come across.

Hamel  
Manufacturing

Location:  
Waterloo, Neb.

Products:  
Fixtures for self-serve carwashes

Annual  
Revenues: \$1 million

Units sold  
annually:  
450,000

Employees: 9

Owners: Mike  
and Carol Hamel

History: Founded  
in 1972 in Betty  
and Hod Hamel's  
basement;  
originally called  
B & H  
Manufacturing.

"I only work half days," Chris said, pointedly accentuating the "only" in anticipation of the punchline: He literally means half days, as in twelve hours at a time.

For thousands of small businesses like Hamel Manufacturing, counterfeiting represents yet another threat to their often tenuous survival. Bill Primosch, director of international business policy for the National Association of Manufacturers, said that by some estimates, the global trade in counterfeit goods eclipses \$500 billion a year.

"China is the global center of counterfeiting," Primosch said. "It started off years ago, mainly computer software and movies and music. Now it's virtually every manufactured product."

Even if firms have intellectual property protections, enforcing such regulations can be prohibitively expensive, said John Passarelli, an intellectual property attorney at Omaha's McGrath North Mullin & Kratz.

"In the U.S., pursuing legal remedies can be much more cost-effective," he said, "but once you go overseas, it's safe to say you're easily dealing with expenses in the six figures."

Hamel Manufacturing generates sales of about \$1 million a year and doesn't even patent its products because there's no way the company could afford to enforce the patents.

Mike Hamel said the competitor has since stopped using the trademarked name, but rather than trying to fight the copycats through the legal system, the company primarily focused on competing through automation, innovation and renewed attention to its strong customer ties.

First, the company developed a version of the flex wand that used lower-quality materials than its standard model so that it could compete in cost with the import. The company also streamlined its manufacturing process to more efficiently produce its other product lines, purchasing new machines that have allowed it to cut its workforce from 14 workers to nine while increasing productivity.

With financial assistance from the Rocky Mountain Trade Adjustment Assistance Center, the company also has partnered with Omaha's Tri-V Tool & Mfg. Co. to develop new products, like a debris bucket for large carwash vacuums and knobs and feet for casino tables.

And perhaps most important, Mike and Carol telephoned major customers. The carwash industry is mostly mom and pop shops, and family connections in the industry go back to the dawn of the automobile era.

It was, after all, one of the company's best customers that let Mike know about the knockoff in the first place, highlighting the loyalty Hamel Manufacturing has won over the years.

"We don't sell carwash parts," Mike said in a voice that's almost sudsy. "We sell passion."