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Horst Engineering Returns To State From Mexico



Scott Livingston, president and CEO of Horst Engineering, South Windsor, inside the company's new shop that contains 18 CNC Swiss Screw Machines. Horst produces precision metal aerospace components. The company opened a plant in Mexico in 2006 and this year closed it and expanded in this South Windsor plant. (STEPHEN DUNN / Hartford Courant)



[Dan Haar](#)

By Dan Haar

Horst Engineering brings work back from Mexico after none years south of the border.

SOUTH WINDSOR — The new Horst Engineering factory on Burnham Street, just over the East Hartford line, looks like a lot of other Connecticut shops making aviation parts.

This is Horst's fourth location, a compact floor of 16,000 square feet, home to 18 long, computer-operated Swiss screw machines — multi-axis lathes — in two rooms, the largest of which has a cluster of older machines in one corner for making tools.

Most of the 20 employees in the brightly lit space were hired this summer as Horst, like a lot of aerospace contract plants in Connecticut, is prospering.

But this was no typical expansion. Horst opened the factory after closing its 9-year-old plant in Sonora, Mexico, joining the rarified ranks of manufacturers that have "reshored" work to New England.

In Mexico, Horst had 50 employees doing a variety of work, not just screw machining, and it was looking to expand further.

Labor costs were one-quarter to one-third as much as wages in Connecticut, but other expenses were high, and the supply of skilled workers was scarce.



One of the Horst precision components, a spring seat for an aerospace application, is inspected on an Optical Comparator. (STEPHEN DUNN / Hartford Courant)

"In the end, we decided that it wasn't a big enough advantage," said Scott Livingston, the Horst CEO and grandson of the founder, Harry Livingston (born in Germany as Horst Liebenstein).

"We would have had to invest even more in order to sustain the growth and we were challenged to find the workforce skills that we needed there," Livingston said. "We decided to turn our attention to the U.S. and expand, and focus on technology and lean enterprise."

Migration of manufacturing jobs to Mexico accelerated after the North American Free Trade Agreement took effect in 1994, but has never been as brisk as NAFTA opponents — led by independent presidential candidate H. Ross Perot — warned it would be. Companies have returned work to the United States, but mostly to the South.

When Horst announced the move in May, The Courant reported that since 1997, U.S. manufacturers had reshored 5,700 jobs from Mexico, according to Reshoring Initiative, a nonprofit. Moves are rare enough that Horst was featured as a cover story called "Bringing It Home" in Cutting Tool Engineering magazine in July.

Horst, with two locations in East Hartford and a subsidiary in Lynn, Mass., specializes in aircraft hardware — the hinges, sleeves, fasteners, bushings, pins and the like that hold an engine and other parts of the aircraft together. The company has 105 employees in Connecticut and 45 in Massachusetts.

Livingston said the company expects to hire 10 to 15 more by mid-2016, "depending on customer demand and orders."

No workers from Sonora made the move. Nine of the 18 large screw machines, and several machines from the tool area, came from Mexico, and there are more coming back, Livingston said.

All of that is good news for the Connecticut manufacturing base, which has seen a gain of 2,500 jobs, or 1.6 percent, to 161,400 in the 12 months through September. On Wednesday, the company will celebrate the reshored factory amid optimism that the current uptick in aerospace work will survive the normal business cycles, as Pratt & Whitney, General Electric and other large manufacturers sell a new generation of equipment.

Livingston, 43, took over as CEO in 2001 from his father, Stanley, who is still with the company, in sales. Roots matter at Horst, where Livingston races bicycles and the company sponsors teams. Livingston has a picture in his office of his grandfather in Germany, in a bicycle factory, where he learned machining.

Scott Livingston makes the point loud and clear that the company never moved work to Mexico, but rather expanded there.

"I would describe it as a venture that taught us a lot and gained us a bit. We turned our attention back to New England and we're proud of that," he said.

The folks at Goodwin College, with a robust manufacturing program of 150 students in East Hartford, were among those glad to see the move.

"I wish more manufacturers would follow suit," said Guy LaBella, director of college relations, who reaches out to manufacturers. "If it makes sense and if it's feasible ... work will come back to Connecticut and I think Horst gets it."

"I commend Scott," said Michael Polo, CEO of Adchem Manufacturing in Manchester, which expects to double its workforce of 65 employees in Connecticut.

He commends Livingston for trying a bold expansion in Mexico or for coming back? Both, he said.

If the Sonora expansion had made the company stronger in Connecticut, then it was commendable. The return is an unqualified plus for the Connecticut economy, all the more so because it was done without state aid.