

## Farmington Manufacturer Seeks Quality-Management Goal With Help From MEP

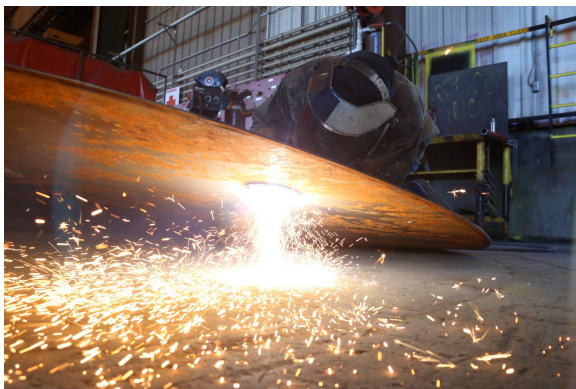
*By Sandy Nelson and Taura Costidis for Finance New Mexico*

Brothers Kyle and Jim Rhodes have big ambitions for the family business they've owned since 1970. It's not enough that their Farmington company Process Equipment & Service Company Inc. (PESCO) has a solid reputation as a manufacturer of natural gas and oil production equipment and that the company continues to grow even as gas prices rise and fall, employing more than 300 people and serving national and international customers.



Courtesy photos

The Rhodes brothers want to earn their place among the winners of the Malcolm Baldrige National Quality Award, which Congress established in 1987 (and named for a former Commerce Department secretary) to recognize American companies with exemplary quality-management systems.



To that end, and to find inspiration and ideas, the co-owners send a delegation of PESCO employees each year to the Quality New Mexico Learning Summit, where recipients of the Baldrige award describe what led to their recognition. Kyle and Jim Rhodes hope to learn from these top achievers what more they can do to make PESCO a better place to work, to expand its profile in the industry and to continually improve its products.

Recognizing that more improvements are needed in the company's manufacturing and business systems before pursuing the Baldrige award, the Rhodes brothers in 2016 turned to a familiar partner: New Mexico Manufacturing Extension Partnership (NM MEP).

Since 2001, the nonprofit organization has partnered with PESCO to set and maintain performance excellence goals. It helped PESCO implement lean-manufacturing methods such as 5S workplace organization and value stream mapping, the latter of which diagrams how value is created at all stages of a company's operation. MEP has also coached the PESCO team to articulate a clear value-based strategy so all employees could align with the company's values and objectives, and it helped the company streamline product design and introduce visual inventory management.

With this latest initiative, MEP helped the brothers realize that their desired improvements were the kind that could help PESCO achieve ISO 9001:2015 registration, which would certify it adheres to quality standards developed by the International Organization for Standardization. Though many of PESCO's larger customers possess this distinction, no oil and gas process equipment manufacturers are ISO 9001:2015 registered.

A year ago, PESCO sent two team members to an ISO 9001:2015 training offered by MEP, where they identified that PESCO needed to perform internal audits and track its corrective actions. PESCO is working with MEP to overcome these shortcomings so it can obtain ISO 9001:2015 registration by the end of 2018—a milestone the company anticipates would boost business by 10 to 20 percent.

“Without New Mexico MEP, PESCO wouldn't be where it is today,” said Kyle Rhodes, company president. “New Mexico MEP has helped us reduce costs and grow business over the years. We know we have a long way to go and this journey never really ends. We are thankful that New Mexico MEP has been there with us along the way.”

NM MEP is a nonprofit organization that helps businesses throughout the state increase profitability and competitiveness. To reach an NM MEP consultant, visit [newmexicomep.org](http://newmexicomep.org). Visit PESCO at <http://www.pescoinc.biz/>.

*Finance New Mexico connects individuals and businesses with skills and funding resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org). Sponsored by:*

