Arva Industries

Located in St. Thomas, Ontario, Arva Industries manufactures high-quality, durable equipment and vehicles that combined with its collaborative and team-oriented approach to customer relationships give the company a positive reputation across many industries.

Headquarters	43 Gaylord Rd., St. Thomas, Ontario
Year Established	1979
NAICS	336510 - Railroad rolling stock manufacturing
Employees	47
Major Expansions	N/A
Exports	U.S., Mexico, Latin America
Parent Company	N/A
Other Locations	N/A

During the wee hours of the morning, when the Toronto subway is shut down, bright yellow maintenance cars trundle along the tracks—cleaning up garbage thrown on the tracks the previous day, or lending a hand to track maintenance with a crane. The cars are custom designed and manufactured for the Toronto Transit Commission by Arva Industries. Located in St. Thomas, Ontario, Arva manufactures high-quality, durable equipment and vehicles that combined with its collaborative and team-oriented approach to customer relationships give the company a positive reputation across many industries.

Arva was founded in 1979 by businessman Fred Smith and engineer Vern Eck. Together they created the company's first product: a tower lifter designed to raise hydro towers supporting lines that had started to sag under the burden of increased electrical current flowing through them. Originally designed exclusively for use in Ontario, Arva modified the design for a customer in California who was looking for equipment for a similar application in a vineyard. Eventually, Arva's expertise in crane manufacturing led to contracts for producing cranes for the US Air Force and Coast Guard. In the early 1990s, Arva expanded into the rail and mining industries.

> The company's strength in many markets is its ability to custom engineer its products.

Larger competitors in each market typically have a significant competitive advantage in the production of

standard, “off-the-shelf” machines at a relatively affordable price; Arva targets customers who require custom-engineered products. Typically, Arva spends as much time on engineering as manufacturing vehicles. Focusing on its strength in product customization has led to global expansion as the company currently exports approximately 50 percent of its sales and plans to increase this percentage by focusing on foreign markets—particularly Latin America.

To help ensure the quality of its products, Arva sources most of its materials from Canadian suppliers. The company has developed strong relationships within its Canadian supply chain; for example, it purchases almost all the hydraulic cylinders used in vehicles and cranes from a company in Stoney Creek, ON; and the majority of its steel from Ontario-based companies. Arva does source a significant portion of its materials from outside of Canada when it is required to comply with policies such as the “Buy America” program.

An example of Arva’s work—in addition to rail maintenance cars—is the company’s range of mining scalers. A mining scaler is a piece of equipment used in the mining industry to knock loose rocks off the walls of mine tunnels after a blast. The company dedicates similar design and development time to mining vehicles as to rail vehicles.

Arva currently employs 47 people—16 engineers, 20 manufacturing workers, with the remainder in the office. Hiring new workers is a challenge; although Arva has developed positive relationships with multiple universities and colleges to address its recruiting challenge. Arva participates in co-op programs with the University of Guelph, the University of Windsor, and Fanshawe College (London, ON), as well as a program designated to increase the skills of women students at Fanshawe. The employee turnover rate within the company is low because the nature of custom work offers an engaging variety of projects and tasks to work on. In addition, the St. Thomas area is an affordable and appealing location to live and raise a family, which also contributes to lengthy tenures of Arva employees.

> When competing for global customers, Arva recognizes the value and assistance provided by Canadian government programs.

Arva uses several federal government programs to help make its products more enticing to offshore buyers, as compared to those of the global competition. For example, Arva has benefitted from the export funding and insurance provided by Export Development Canada. These initiatives give Arva a competitive advantage that helps offer its customers better financing terms. Arva also takes advantage of the Industrial Research Assistance Program and the Scientific Research and Educational Development Tax Incentive for various research and development projects. Currently, Arva is researching the best method of using tape instead of welding to keep wall panels together; the tape reduces vibration, is stronger than welds, and makes the finished product more aesthetically pleasing.

Arva has also participated in the Trade Accelerator Program (TAP), designed to assist Canadian exporters who are expanding abroad. The company recently developed a relationship with Epiroc, also a mining vehicle manufacturer, in Latin America; Epiroc has a gap in its product line that Arva was able to fill. This partnership was developed to help Arva expand its presence in the mining industry—already established in North America—into the Latin American market. Successful expansion into Latin America is Arva’s primary goal in the coming years; company management recognizes the benefits brought to this goal by TAP. Given

Arva's dedication to its customers and high-quality products, the firm is well positioned to continue acquiring new customers from around the world.