

BUSINESS

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Generac ramps up manufacturing in Beaver Dam with high-tech factory

BEAVER DAM -- On U.S. Highway 151, not far from a planned data center and a Walmart distribution center, Generac Power Systems has opened a factory which could employ 320 people by year's end.

The Waukesha-based company chose Beaver Dam for the location of its 350,000 square-foot plant and offices partly because of the blue-collar community culture.

"We have a workforce here that understands manufacturing," Generac President and CEO Aaron Jagdfeld said in a Journal Sentinel interview.



The company has manufacturing on four continents and sales in more than 150 countries but maintains a strong presence in Wisconsin where it has plants in Oshkosh, Berlin, Jefferson, Eagle, Whitewater and Beaver Dam.

A "Now Hiring" banner hangs from the \$35 million Beaver Dam plant, clearly visible from the highway and not far from other area manufacturers such as Metalcraft of Mayville and John Deere Horicon Works.

Generac has transferred work from Hidalgo, Mexico to the Beaver Dam plant that builds medium-size commercial generators. Tariff discussions sped up that process, according to the company.



Generac has also transferred work to Beaver Dam from Oshkosh and Eagle. The Oshkosh plant will now focus on building larger generators for places like hospitals and data centers.

"Beaver Dam felt like a good spot for us as a good-sized manufacturer...to be a bigger fish in a smaller pond," Jagdfeld said about this city of 16,000 people, an hour northeast of Madison.

"It took us into a different labor market where we weren't present but was close enough to our headquarters so that we could have the collaboration between our engineering and manufacturing teams," Jagdfeld said.

A new kind of U.S. manufacturing

Generac says the Beaver Dam plant represents a radical reshaping of what American manufacturing can achieve when it's focused on building smarter, faster, and closer to the end customer.

With four main assembly lines and space for a fifth, the plant can accommodate up to 250 people per shift. Every part of the operation has been optimized for efficiency. Automation, modular design, and conveyor integration streamline the process of building generators from subassembly to painting and boxing.

"It's going to feel quite advanced because we've taken the opportunity with a clean-sheet approach to lay the factory out with an eye towards efficient output and the ability to scale," Jagdfeld said.

"I think it would be very difficult for somebody to compete against," he added.

The company has increased and refined its AI efforts in manufacturing.

"I think one of the things that we've learned over the years is that just buying robots for the sake of trying to automate is not enough. You can end up with a situation where the robot is not really improving efficiency, safety or quality. You've added an automated step in the process, but unless that step is thoughtfully integrated into the rest of the sequences, it doesn't really help," Jagdfeld said.

Classes for high school students

The Beaver Dam plant was built with expansion in mind and the hope it will attract other manufacturers, according to city officials.

"A company like Generac is certainly a magnet in general for business activity," said Trent Campbell, executive vice president of the Beaver Dam Area Economic Development Corp.

Under an agreement with the city, Generac built its plant with a minimum taxable value of \$35 million on a 65-acre parcel in the city's Highway 151 business park. The agreement called for the city to sell the land to the company for \$1 and provide a \$4.5 million tax incremental financing grant upon completion of the building. At \$30,000 an acre, the land was valued at just shy of \$2 million.

Generac is working with GPS Education Partners, a work-based learning program for high school students.

The program aims to provide real-life work experience and show students the appeal of manufacturing jobs.

It's almost like a charter school, said Beaver Dam Mayor Bobbi Marck.

"They've actually built a classroom there, have staff to work with these kids, and have an apprenticeship program where they work in the plant. Our high school has always had a strong technical education program, and this just enhances it," Marck said.