

BY THE NUMBERS

1980: AMG, Inc. was founded • **\$10.5 million:** revenue from engineering fees for the fiscal year ending Sept. 30, 2009
83: employees • **3:** new employees added in 2009



MASTER PLANNER: President of AMG, Inc., Alberto Mendez, grew his business to become one of the largest engineering companies in Ohio.

Entrepreneurship in Practice

ALBERTO MENDEZ'S JOURNEY TO THE TOP OF HIS FIELD

by Brigitte Yuille

Alberto G. Mendez has always been driven. He came to the United States, at the age of 23, as a young engineer with barely any knowledge of English. Yet, within six months, he learned the language well enough to assist Cargill, Inc. in the installation of a starch-flash dryer in Cedar Rapids, Iowa, and became part of a design team in a grassroots corn plant. He then joined Modern Process Design, Inc. (MPD), a full-service engineering company in Dayton, Ohio, as VP of engineering and continued building corn-processing plants. When he left in December of 1979, after nearly seven years with the company, he was encouraged by his wife, Maria, to start AMG, Inc.—an engineering, project-management, and consulting business. The company serviced only the corn-wet-milling industry the first decade and had very impressive growth. In the 1990s, it began to design and build corn-processing plants. The plants produce starch, glucose, fructose, and fuel ethanol, as well as its co-products: carbon dioxide and dry distiller grain. Mendez spoke with *Profile* to discuss how he led AMG to be among the largest engineering companies based in Ohio.

“When I started AMG, I was an adventurer that did not have any fear, or a business plan.”

Alberto G. Mendez, President

Profile: How does AMG differ from others firms?

Alberto Mendez: AMG, Inc. is one of the few engineering companies in the USA that could work with clients from the conceptual stage of a project, and take it all the way to commissioning and start up with the client acting as the general contractor. We team up with the client to design/build the projects.

P: What has been the company's most recent strategy?

AM: AMG has mastered a system to create computerized 3-D models that include all of the engineering disciplines, improving product quality and consistency as a result of our team efforts. The strategy is to create a design environment where all engineering disciplines are involved and contribute simultaneously to deliver a great project at a reasonable price.

P: What have been the company's challenges?

AM: AMG's most recent challenge was helping the client hold the project together during the replacement of the general contractor, after construction had been started. Our experience in project management, procurement, and construction was a tremendous asset on advising the client during the transition.

P: Describe a recent success project.

AM: In early November 2009, AMG completed an Enzyme Distribution Terminal for Novozymes in Blair, Nebraska, on time and under budget. In 2005, AMG teamed with Quality Technology International, Inc. and Centrisys Corp. to create Corn Value Products LLC. This entity owns the HydroMilling technology to allow corn ethanol plants to produce food first and fuel second, and to allow the clients to benefit from enhanced revenues and profits.

P: What are some of the company's best practices?

AM: Some of our best practices are to promote good communications between people and departments,

and to manage and protect our company's information and the client's information to create trust.

P: Describe AMG's culture and values.

AM: As a family-owned company, we treat all of our employees as family members, and during tough times, the employees are a higher priority than profits. AMG, Inc. has a very low hiring and firing rate, which is unusual in the engineering and consulting business.

P: What goals do you have for the company's future?

AM: Improve our quality, improve our managers and managements skills, continue to develop new clients in other industries, and continue our research and development in new food products.

P: What advice do you have for small businesses starting to build their companies?

AM: When I started AMG, I was an adventurer that did not have any fear, or a business plan. However, over the years I had many opportunities to learn and understand the technical part and the financial part of the business, so it will be important for someone contemplating a new business to make sure he or she has a good product or skill to sell, and second, to learn to manage the liabilities, as sometimes we tend to grab the opportunities without analyzing the risk. [P]

A message from Fluid Quip, Inc.

Congratulations to AMG, Inc. from Fluid Quip, Inc. upon completion of 30 years in the engineering-consultation business. Fluid Quip was started in 1987, so we have enjoyed watching AMG grow in size and expertise. AMG has been our partner on a number of projects at various locations throughout the world. AMG's dedication to customer support and professional engineering skills has made our cooperation rewarding and profitable. We look forward to many more joint projects.

COMPANY TIMELINE

1966–1969: Alberto G. Mendez graduates from the Instituto Politecnico Nacional in Mexico City, with a BS in mechanical engineering

1979: Mendez leaves his position of vice president of engineering and minority shareholder at MPD, Inc. to pursue personal ambitions

1980: AMG, Inc. is founded on February 29th in Mendez's garage in Dayton, Ohio. He hires two employees.

1992: Mendez purchases E&I Controls, to expand business in electrical and control design

2005: Mendez reaches goal of becoming the leading engineering company in the industry and begins creating the AMG, Inc. brand

2009: AMG's focus turns to performance and less on growth opportunities

STRATEGY TO SHARE

INFORMATION MANAGEMENT

“Some of our best practices are to promote good communication between people and departments, and to manage and protect our company's information and the client's information in a very professional way to create trust.”