

Highlights from The MFG Meeting

(as reported by the Media Relations staff of AMT—The Association for Manufacturing Technology)

100 Years of Innovation and Success

Roland Martel - ITW Executive Vice President, Automotive, Appliance and Industrial

The more than 600 manufacturing leaders attending The MFG Meeting learned valuable lessons from ITW, which has celebrated over 100 years of success by continually changing to keep up with its markets. The entrepreneurial-spirited company fosters an atmosphere in which innovation in how a product is made is just as important as the product itself.

Under Martel's leadership, the division has used the 80/20 rule as a business redesign tool to simplify the business structure. In 2008/2009 he and his team actually decided where not to focus. They devoted all of their resources to the automobile manufacturers where the greatest opportunity existed. He explained that this took tremendous discipline, but has resulted in the company gaining a position as a global supplier to the industry.

Key strategies include developing patentable products that solve a customer problem and will be used in volume, designing and producing locally wherever automobiles are assembled, and investing in manufacturing technology to be able to deliver at a cost that is not prohibitive to the customer.

Map Your Market for 2013

John Walker, Chairman, Oxford Economics

Ken Mayland, President, Clearview Economics

The MFG Meeting participants heard from both Walker and Mayland that they do not expect the U.S. economy to sink into recession, and that manufacturing is positioned to remain strong. They also both believe North America will become energy self-sufficient in coming years.

Walker said that in 2013 the world economy looks better than it did in 2012 with Japan recovering from recession, the Eurozone looking more secure and China's economy stabilizing. The middle class is growing in other countries so those that were once only producers are now poised to consume.

He expressed optimism for the U.S. economy and manufacturing pointing out that housing has turned the corner and can now grow, indebtedness has gone down in the consumer and financial sectors, and manufacturing is very competitive.

Walker told the group that the uncertainty lies in sequestration. He does not believe that a full sequester would derail the economy, but would certainly slow it.

Uncertainty was a theme to which Mayland also turned. He attributed the slow finish for the general economy and manufacturing in 2012 and the slow start to 2013 in large part to fiscal uncertainty and concerns over the Eurozone.

He noted that the reality of higher personal taxes and the certainty of reduced federal spending growth will both be drags on the U.S. economy, but expects that conditions will improve in the second half of 2013 as these blows are absorbed.

Trends, Technology and Taking the Lead Scott Klososky, Principle at Future Point of View

Klososky told The MFG Meeting participants that technology is a tool that can make companies win, and if technology is only viewed as an operational asset instead of a strategic weapon, it's a losing proposition. He's not suggesting that every business owner or leader be a tactical expert, but rather be committed to learning and a certain level of risk taking. As for risk-taking, Klososky believes in leading edge versus bleeding edge – stay ahead with some risk, but don't get behind the pack!

As a key take-away he told participants that mobile does not mean just a phone today, but that it is an outboard brain. The lesson: Get on the mobile bandwagon.

He suggests building an adaptive culture where technology flourishes to achieve the key “two year lead,” become more profitable, have a happier team and achieve long-term sustainability. So, in the next five years, Klososky says tap the mind hive (crowd sourcing for accelerated innovation), use data and be ready to go from mobile to wearables and, YES, implantables. In short, accept technology or starve.

Precision Machining Breakout Session Highlights

What topics are on the minds of job shop owners and managers of metalworking companies?

Attendees of this breakout session discussed seven concerns, which were all related to either maintaining profit margins in the face of rising costs or acting on opportunities.

How to handle persistent mandates from aerospace contractors for price reductions is an example of one of the urgent profitability issues. Effective strategies shared at the session included some options such as firm, disciplined resistance (just say NO) and negotiated give-backs such as commitments to contract extensions or prepayment of material costs.

Additive manufacturing is an example of an emerging opportunity that attendees raised for discussion. The general advice was to take this technology seriously, but recognize that it is still in its infancy. Overall, the strong consensus arising from this session is that this is a good time to invest boldly in new manufacturing technology.

International Business Strategies

Lou Longo, Plante & Moran Global Services Partners

In this highly engaging session focusing on helping AMT, PMA and NTMA members develop international business strategies, Longo shared insights gained over many years of consulting in manufacturing technology. He told session participants that they must be internationally aware and suggested that they think on a regional scale, not country by country. By resisting the urge to enter a market simply because a company is asked to do so, a systematic regional approach will lead to international success.

Never Fly Solo! The Power of Partnership to Reach New Heights in Business

Lt. Col. Rob “Waldo” Waldman

Lt. Col. Rob “Waldo” Waldman, also author of the book *Never Fly Solo*, shared his belief that the key to building a culture of trust lies with wingmen – the men and women in one’s life who help overcome obstacles, adapt to change and achieve success. Waldman told how he overcame massive claustrophobia and a fear of heights to become a decorated combat fighter pilot with over 65 missions in Iraq and Serbia and that he never flies solo. He relies on his wingmen, and he is a wingman for them.

The group learned about four tenets of success in battle: commitment to excellence, being mission-ready and trained, the need to trust, and how to be a wingman.

He shared his experiences of not playing it safe and encouraged the manufacturing leaders in attendance to do the same. Using the example of stepping out of his comfort zone to fly an F-16 Fighting Falcon rather than playing it safe in a C-45 Expeditor on non-combat missions, Waldman illustrated the point: fly, fight, win – don't just survive. He said go full throttle and push it up when times are tough because pulling back the throttle, or complacency means death.

He also reminded the group that even when they are having a bad day their wingmen are watching and relying on their leadership.