Bridges to Excellence … Bridges to Success

On Monday, March 1, at the NTMA Annual Convention in St. Thomas, Russ Reschke was sworn in as 2010 Chairman of the Board. For those of you who could not be with us in St. Thomas, we would like to share his inaugural address with you.

Good afternoon, ladies and gentlemen. Let me introduce myself; I am Russ Reschke, and I am honored to be with you today.

I once heard the story of a tool & die man who made a journey to sunny California’s sandy beaches and stumbled upon a bottle immersed by the tides. He dug it up, and as you would expect, out popped a genie who said he would grant him the proverbial three wishes.

The tool & die guy said he’d like to see Hawaii since he’d developed a liking for the beach since driving out to California; but he was afraid of airplanes, and although he enjoyed seeing the surf, he admitted he was truly afraid of water. He asked the genie to build him a bridge from California to the islands.

The genie hemmed and hawed and said that would take a lot of concrete even for him. Was there another, easier wish he might grant?

“Well,” said the tool & die man, “I’ve always wanted to understand the female mind. Could you give me that power?”

The genie frowned and asked, “Would you like that bridge to be 4 or 6 lane?”

I’m glad that being your NTMA chairman in 2010 doesn’t involve anything as difficult as grasping the feminine psyche.

Maybe you would wish to know a little about my wife and me? If not, well … I’ll grant that wish anyway! Joy and I have been married for 43 terrific years and have three children. Most of the time, they’re terrific, too! Our eldest son is 41 and a gourmet chef. He and his wife live in our Southwest Michigan area and eat well. Our daughter is 39 and a cardiovascular surgical PA, who, along with her strong-hearted husband, lives near Denver. And our youngest son is a first officer and federal flight deck officer for jetBlue. He and his wife and our spectacular 2-year-old granddaughter live in the Austin, Texas, area.

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GOT E2?

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The Authority on Shop Floor Control.
My father, George Reschke, started Metal Processors Inc. (MPI) in 1956 when I was 10 years old. By the time I graduated from high school, I thought that I knew everything that there was to know about the tool & die trade. I told my Dad that it was time that I came into the family business. He said, “Now that I have to pay you, I think that you should go work for someone else.”

So much for the next generation jumping into the president’s chair!

To make a long story short, I went to work for a couple of shops and graduated 43 years ago as a mold maker. I told my employer that I would give him at least two years of service after I graduated — unless he fired me first. He and I came to an agreement; we gave each other three years.

I went to work for my dad in 1970, and Joy and I started to purchase the business 8 years later. Dad retired in the 1980s and sold the building and land to us in 1995. MPI builds secondary tooling for the casting industry.

I first heard about NTMA from a friend who was working as a bean counter for Merlin Hanson, a past chairman of NTMA. My friend told me that I should become a member of the NTMA. I asked “Why?” and he said, “Take a look at the insurance program!”

I looked and I joined, but I didn’t go to a national function until the late 1980s. At that Florida event, I met Roland Sutton, Rich Wills, Bill Hockenberger, Jerry Weaver, John Weyreter and a host of other fantastic people. They took this kid from Michigan under their wings and treated me and my family as if we were one of theirs. They were my genies in the bottle. Today, we don’t call that magic … we call that networking with our fellow members.

Since that time I have had the privilege to serve on the Networking, Budget and Finance teams. I can’t tell you how much I have learned from members of the NTMA. I can’t tell you, however, that sometimes I did not put the acquired knowledge into practice the way I should have, and I have, at times, suffered the consequences.

The friendships that I have made with almost everyone that attends the conferences, the work that I have gotten from various members, the experiences in participating in the Plant Managers’ Program, and the formation of the Owner Group — that emerged from the Plant Managers’ Group — gave me new insights into what it means to be an NTMA member.

Then came a day in 2008 when I received a call and was asked if I was interested in becoming an Executive Team Member. I said NO, NO, NO … and NO again. After getting advice and spending time on my knees praying, I told Joy that I didn’t think it was the right time to accept. I returned the call to give my answer … and I said YES. Go figure! And I’m very glad I did.

I had no idea how this experience would affect our lives and the close ties that would develop among the members of the past teams, this team and, I am sure, the future executive teams in years to come. So here I am … at the brink of my Chairman’s year.

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Across this chasm, Roebling believed a train could cross. No girders or bridge supports, provided they even could be built, would ever survive the raging current. The only possible solution was a suspension bridge. And that was what had people worried. Suspension bridges, at that time, were regarded as a disaster in the making. They shook in the wind, and after a few years, they twisted and crumbled into the waters they were designed to span.

In England, France and America, suspension bridges collapsed under just the weight of human and livestock traffic. It came as no surprise that the experts were putting their money on the gorge — not the bridge. The task was too great and the risk was too much.

But in March 1855, the bridge was complete. “Four plain towers 60’ high (on opposing banks), 4 cables 10’ in diameter, their suspenders and stays, and a straightforward timber truss joining the two levels to the one span” was how it was described. The first train went across, and just not any train … a train that had been built for just this purpose: to show everyone it could be done.

“No one is afraid to cross,” Roebling wrote to his family. Roebling believed in his industry and he believed in himself. He believed in building bridges, just as we should.

Where would any of us be if our companies’ founding fathers quit believing their dreams or lacked the drive to continue when times got tough? Today, we have a wealth of tools to help us through these uncertain times.

My theme for 2010 is BRIDGES to Success, BRIDGES to Excellence. No bottles, no genies, no magic, just good old-fashioned American hard work. Let me spell BRIDGES for you, letter by letter:

B – Belief in yourself and your industry

This is a very difficult time in the ongoing history of our industry. We have customers failing and banks not willing to give credit to manufacturers, especially automotive-related manufacturers. But in visiting the Connecticut Chapter in December, I realized that the aerospace industry is feeling the pinch of the credit crisis also. We cannot and must not let this current economic downturn deter us from believing in ourselves or in our industry.

Let me tell you a story about a bridge builder that wouldn’t stop believing …

In 1851, James Roebling was thought to be out of his engineer’s mind. His dream was to build a bridge across the Niagara River Gorge. The gorge was 825’ across and 200’ straight down.

Across this chasm, Roebling believed a train could cross. No girders or bridge supports, provided they even could be built, would ever survive the raging current. The only possible solution was a suspension bridge. And that was what had people worried. Suspension bridges, at that time, were regarded as a disaster in the making. They shook in the wind, and after a few years, they twisted and crumbled into the waters they were designed to span.

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training dollars so that we can inspire the next generation of leaders in our companies.

We must look beyond the walls of our companies and embrace the ideas and counsel of the members of the NTMA. As I mentioned earlier, the friendships that I have developed through networking in this association have been paid back to me “70 times 7.” If only we could get every association member to reach out to another member … just think of the things that could be accomplished. We would share work, customers and successes … and of course problems too, but we wouldn’t be in it alone.

I – Innovation in your workplace and association

What is innovation? Wordsmithing Webster says it is “the introduction of something new — a new idea, method or device.”

In 1859, Joshua Norton became the first to advocate that a bridge was needed to cross the Golden Gate in San Francisco. Another bridge builder, James Eads, said, “Must we admit that because a thing has never been done, it can never be, when our knowledge and judgment assure us that it is entirely practical?”

Seventy years later, in 1932, construction was started on the Golden Gate.

Remember President Kennedy telling the nation, “We choose to go to the moon in this decade, not because it is easy, but because it is hard.” JFK captured our imagination and the spirit of good-old American innovation. Who will ever forget those famous words: “Houston, the Eagle has landed”?

Like the Golden Gate, the “bridge” to the moon came about because builders of the future believed in striving for innovation.

I visited the L. A. chapter a couple of weeks ago, toured various job shops and their training facility – talk about innovation! A WEDM shop cut a job 54” long by remanufacturing a standard WEDM machine, another company needed a 30’ VTL and didn’t spend $5 million to buy one; they made their own for one-tenth the going price. The training facility has reinvented the way we reach and teach young men and women.

Ladies and gentlemen, you and your employees are the people that create new heroes, new frontiers and feats of incredible innovation — not only in your industry but also in your association.

And speaking of your association, how are we being innovative?

We have launched the Ask a Member Campaign — a forum that allows you, as members, to ask other members for information about equipment, technologies and systems, along with questions about technical problems with tools or processes or where you can find the solution to your unique problem. Ron Overton used it a couple of weeks ago while we were testing it. His company was not used to cutting Inconel and needed help in machining parameters. He got two responses to his inquiry. One was the feeds and speeds that he needed to do the job, the other from a close friend stated, “Farm it out.” You may not like all the responses you get, but I am absolutely positive that you will get the correct answers from your peers if only you ask.

We also have the Members First program where you can look for work — or post work that you may not have the capacity or the expertise to do. I’ll bet that one of your fellow members has a ready solution.

We have the NTMA Value Statement that allows you, at a glance, to find out just how many of the affinity programs are being taken advantage of by your company.

The Purchasing Fair may not be the first thing that pops into your mind when you think of innovation, but what other organization brings all of your potential customers to one location so that you can speak with them in one day?

The list goes on and on. NTMA is providing innovative programs and tools for its members to make their companies more competitive and efficient. Take the time to discover that your membership doesn’t cost, it pays for itself many times over.

D – Determination to succeed

I don’t know your personal story, but this past year, for me, has been a challenge — a continual reaching for the determination to succeed. At this time in my life, I should be able to put the business on cruise control. But then, we got hit with 7 Chapter Elevens by our customers, and life as I knew it would never be the same.

I can only now imagine what it was like when my father came home one evening and told my mother that he had been fired … and that now was the time to

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start his own business. They had a determined faith, not only in each other and in their skills, but also in God.

I am sure that everyone present today can give testimony to a determination to succeed, despite all the road blocks put in the path. I applaud each one of you for your determination to succeed.

G – Generations … listening, learning and understanding the next generation

I believe that we need to bridge the gap between the owners and the managers of today and the next generation — whether it be the next generation of family or the next generation of the employees on the shop floor, in engineering, programming or any other positions inside your company’s 4 walls.

Just look around the room and see how the next generation is represented. Rick Ahaus, Bill Bachman, Malcolm Katt, John Belzer, Ron Overton, Bob Mosey … and many more.

We cannot allow the next generation to be the last generation.

E – Ethics in your business and your personal life

Ethics isn’t a word that many people think about on a day-to-day basis. Perhaps, thanks to our dog-eat-dog world and the media, we have been brainwashed into thinking that “we do what is best for us — and to heck with everyone else.”

In the most basic terms, ethics boils down to knowing the difference between right and wrong and choosing to do what is right — even in tough times.

And in good times or bad … today is always the BEST day that ethics in business and in your personal life should be at the top of your mind … at the forefront of every deal, every employee and vendor relationship and every personal relationship.

Most of us have committed the Golden Rule to memory; let’s now commit it to life in the workplace and beyond.

I believe that Dan Yaharus’s theme for his chairman’s year was “Ethics in Business.” I can’t think of a better testimonial for the applied and vigorous application of ethics than Dan, his business and his family. I don’t want to get “preachy,” but if we, as individuals in this industry and collectively as the NTMA, don’t stand up for what is right and condemn that which is wrong …who will?

S – Synergy between like-minded associations

Finally, I would like to address this question: “Where are the tooling and machining associations that exist today going to be in 5, 10 or 15 years?” Likely follow-up questions are “Will the NTMA still exist? And what about the PMA, AMBA, PPMA, AMT, AMTDAs, NADCA, or any other alphabet soup organization?”

I believe that the only way we will survive is to form partnerships with these associations. We have been and will continue to be the bridge builders with other associations. Some see these partnerships as opportunities for new work from new customers, greater efficiency for our association, and a welcome end to the often-interminable waste of resources by all of our organizations. Others are fiercely angry with those they perceive as having sold out. I ask each one of you to look deep inside and ask, “Which one am I?”

We are having a Fall Conference in Amelia Island with the PMA and then next spring, Grady will be hosting the Annual Convention in Arizona along with the PMA, AMT and AMTDAs.

As we learned from Ron Overton’s theme from last year, we all must be “Leaders in Uncertain Times” — leaders that have the belief, resources, innovation, determination, generational insight and the ethics to bridge the gap between all the challenges that are just around the corner for our businesses and this industry in 2010.

In closing, I ask you to remember one thing: “Any bridge — real or imagined — is useless unless one person moves toward another person.”

Thank you for allowing me the honor to serve you and your fellow NTMA members as your Chairman in 2010, and may God richly bless each and every one.
Ask a Member

NTMA is pleased to announce a new service called “Ask a Member.” This service allows NTMA MEMBERS to post business or technical related questions out to the membership and encourages peer networking and support.

Members were automatically added to the Discussion List on February 25 and were e-mailed instructions for managing their subscription.

NTMA Business Conditions Report Now Available

Our thanks to the 306 NTMA members who responded to the Business Conditions Survey for the 6-month period that ended Dec. 31, 2009. This special report provides a geographical “snapshot” of business trends and conditions in the special tooling and machining industry.

Summary

Business conditions for NTMA member companies began to rebound toward the end of 2009 and were a welcome change over the dismal conditions experienced during the first 6 months.

Thirty-eight percent of member companies reported business conditions as good, very good or excellent for the second half of 2009 – up from 22 percent for the first half of 2009 and slightly down from the 42 percent that reported such optimism in December 2008.

Other business condition indicators were as follows:

- Future Work on Books (Average) – 15.1 weeks; up from 11.1 weeks in June 2009
- Average Workweek per Skilled Employee – 41.5 hours, up from 39.7 hours in June 2009.
- Number of Employees (% Change) – 3 percent decline from June 2009 levels.

For comparison purposes, the Institute for Supply management also reported improved business conditions in manufacturing during the second half of 2009, with August marking the first month since June 2008 that the Purchasing Managers Index registered more than 50; an indication the business is generally expanding.

The complete Business Conditions Report is available in the “members only” section of our Web site. Once you have logged in, from the homepage click on Resources>Reports>Business Conditions Reports.
A Special Thanks To All That Make It Possible!

This year marks the 38th Annual NTMA/NIMS National Apprentice Competition. Each year we receive the generous support and selfless, behind-the-scenes efforts from many NTMA Chapters and members, organizations, schools, individuals, vendors and local businesses from across the country to make this annual competition possible and a success as well. Their support has been demonstrated in various ways—some by volunteering their time and others by providing donations of cash or merchandise to a particular year. However, there are several that have supported this event consecutively for many years that we would like to recognize.

This year will be the 20th consecutive year that GF AgieCharmilles of Lincolnshire, Ill., will sponsor the national event’s Grand Prize, with a value totaling up to $100,000! GF AgieCharmilles is the North American leading supplier of wire EDM, CNC and manual diesinking systems and high speed/performance and 5-axis CNC milling machines. One winning company had this to say about the Grand Prize: “The Charmilles Robofil 510P Wire EDM allowed us to do different work than we were able to do prior, which in turn brought new customers to Mahuta Tool Corp. We liked the machine so much that a few years later we purchased another Charmilles machine—a Robofil 310 Wire EDM.”

For 25 consecutive years, H. Gerstner & Sons has sponsored the event by donating or significantly discounting various models of its high-quality, well-crafted hardwood tool chests to the national contestants. The tool chests are built to be extremely durable and many of them are passed down through family generations. H. Gerstner & Sons is a 104-year-old, family owned business, recognized for building the “finest tool chests in the world.”

Industrial Press, sponsoring the National competition for 17 consecutive years, has donated a copy of the Machinery’s Handbook and industry related books to each national contestant. Industrial Press is the publisher of “The Machinery’s Handbook” and other technical books for engineering technology, manufacturing and education since 1883.

For 10 consecutive years, the National Institute for Metalworking Skills Inc., or NIMS, has been a sponsor of this event. NIMS sets skills standards for the industry and certifies individual skills against the standards and accredited training programs that meet NIMS quality requirements. In the year 2000, NTMA integrated the NIMS standards into the competition, designing the projects and written test using the NIMS technical standards. In 2004, the competition guidelines were changed to allow NIMS credentials as a qualification option in lieu of graduation from a formal apprenticeship. Each year NIMS provides a scholarship certificate for the employer of each national contestant to cover the cost of registration and testing for industry credentials, as well as waive the fee each year for each contestant’s registration and testing on the NIMS Level I credential that is part of the eligibility requirements.

Please consider demonstrating your support of this important event by providing a cash donation or suitable awards to contestants and winners. If you have any questions, please contact the Education Department at NTMA Headquarters at 800-248-6862 or vsatterfield@ntma.org.
GF AgieCharmilles’ range of advanced EDM and 3- and 5-axis high speed machining centers offers flexible automation solutions that are ideal for the medical manufacturing industry.
ISTMA World Congress 2010

By Harry Moser, AgieCharmilles

We are about 5 months away from the 2010 World Congress being held in Windsor, Canada, June 20–24. The Congress will attract delegates from the global tooling and machining community to share ideas about the challenges and best practices of the sector and to promote recognition of the industry. Business reasons NTMA members should attend include:

2. Networking with hundreds of shop owners and managers from around the world.
3. Better understanding of global competition. We have to compete with them, so it’s best to know them.
4. Tours of some of Canada’s best shops. Windsor has long been the center of Canadian parts and tooling production due to its proximity to key U.S. markets.
5. A day of technical sessions emphasizing best practices.
6. Opportunity to attend the ISTMA Americas and ISTMA World Annual Meetings.

Are You on the Right Path?
It Leads to Windsor, Ontario, Canada in June 2010!
World Tooling & Machining Conference 2010

The 13th International Special Tooling & Machining Association World Conference
The 11th International Pattern-Model Makers Congress

The Congress also will be fun. The event’s leader, Les Payne, is an effective organizer with a love for a great time. Activities include the Windsor-Detroit Annual Fireworks Display, North America’s 9th largest, which we can watch from the hotel, and the Farewell Dinner at the Henry Ford Museum. Optional post-Congress tours to Niagara Falls, Toronto, Kingston and Ottawa offer an opportunity to see some of the highlights of our neighboring country while extending your global networking experience. The Jaeggins, Sustars, Razanos, Stevenson and Mosers joined the last post-Congress trip and had a memorable time.

The Congress is organized for ISTMA by our neighbor ISTMA member CTMA (Canadian Tooling and Machining Association). You can register for the whole event or, for those too busy for 4 days, just for 1, 2 or 3 days. The Congress agenda and registration forms are now available at www.ctma.com. Additional information will be posted to the Web site as it becomes available, so be sure to check back often!
Partnership with H. Gerstner & Sons Announced

The National Tooling & Machining Association recently entered into an exciting new partnership with H. Gerstner & Sons, a 104-year-old, family owned business, recognized for building the “finest tool chests in the world.” This partnership will include a 25 percent discount buying program for NTMA members, as well as a new “NTMA Exclusive” Gerstner Tool Chest design.

In announcing the partnership, Rob Akers, NTMA Chief Operating Officer, said, “H. Gerstner & Sons is an organization that is synonymous with the quality and precision standards that are represented throughout our industry and by our membership. Over the years we have enjoyed working with Gerstner, who has sponsored and supported our National Apprentice Contest since 1985. We look forward to offering a program that delivers additional value to the membership.”

NTMA and Gerstner recently surveyed the NTMA membership asking their opinions on several aspects of the tool chest and what they would like to see in a new design for the perfect tool chest. Gerstner Tool Chests are well-crafted hardwood chests, made of the highest quality, and the new design will not falter from that tradition.

NTMA received excellent feedback from our members on the survey that confirms the benefit we believe this partnership will bring.

Following are some of the actual comments from members:

“I fell in love with the boxes when I was an apprentice 32 years ago. I have 4 in the shop that I have passed on to my son and my wife has one for a jewelry box at home. Please keep up the good work. I think they are a fine product.”

“My Dad bought his first box during WWII. He gave it to me in the early ’60s. My brother took it to Colorado in the ‘70s. Dad said “you weren’t a real toolmaker if you didn’t have a Gerstner.” Gerstner is a tradition. It’s part of our heritage. I’m still in the trade but I’ve been in the corner office for the last 30 years. I have a new Gerstner on my work bench at home. Gerstner is special. It’s a reminder of American skill, pride and honor.”

“My Grandfather gave me his Gerstner when he retired in ’85. I have had it ever since. It brings a lot of nostalgia and class to my shop. I hope they continue making these boxes. It would be nice to have a leather covered top like the old version.”

As has been the case for more than 100 years (and as expressed in the above comments), individuals who use Gerstner Chests on the job exhibit a strong sense of professionalism and pride in their jobs. When prospective customers visit, this professionalism also reflects on the quality level and work ethic of the entire company.

“I love my Gerstner tool chest. I have had it for 30 years and it is a very high quality. It’s very well made and very well priced.”

“Gerstner Tool Chests are very high quality. We have purchased 5 of them over the past 30 years. This year we will be purchasing two additional ones as service awards.”

“It is those of us that take extreme pride in our skills and workmanship to truly appreciate and enjoy a Gerstner chest. Please keep the beauty and the quality of what you build.”

Jack Campbell, president of H. Gerstner & Sons, is equally enthusiastic about the new partnership.

“We at Gerstner have always known that the companies who are members of the NTMA represent the industry's finest. This new partnership will offer NTMA members and their employees the opportunity to own Gerstner Tool Chests at special prices that are not available elsewhere. It is our hope that NTMA members will see this as an additional benefit to their membership and in turn, that their own employees will realize this action as a matter of extra appreciation in the company for which they work.”

The complete line of Gerstner Chests and other fine wood products can be viewed at the company’s Web site – www.GerstnerUSA.com. For more information on the NTMA-Gerstner discount program or the new NTMA Exclusive Gerstner Tool Chest design, contact NTMA Customer Service at 800-248-6862 at info@ntma.org or H. Gerstner & Sons at ntma-info@gerstnerusa.com.

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Dr. Lisa: Each employee has a life outside his or her job in a business. They have family, financial and other pressures. Time off is sometimes needed.

Brad: Of course, but business owners have to run the business to satisfy their customers, as well as make enough profit to stay in business. Time off can be a real issue. In some businesses, it is the main issue.

Dr. Lisa: In many businesses, employees have holidays and earned vacation. Normally there are paid breaks for non-exempt employees. In addition, depending on the company, they might also have paid sick leave and/or unpaid time off.

Brad: Oftentimes, the more senior the employee, the more earned vacation they have. And senior employees are frequently the most skilled. When they are off, it’s tough to maintain productivity. Early in my career, I supervised a small department of highly skilled employees. We were responsible for the production of a large group of paper mills. It didn't take me long to realize that on average, one person would be off on vacation every day. And of course, it didn’t work out that way. Half the department would be gone the whole month of December. Most small businesses have this problem, although they cope with it in different ways.

Dr. Lisa: Yes, I’ve seen all kinds of different ways business owners cope with this, including not dealing with it at all. But, to maintain due date performance, there needs to be some predictability and consistency of resource availability. In the Velocity Scheduling System, machine shops are comparing load to capacity for several weeks into the future. Often the company policy requires less notice for vacation than the scheduling horizon, meaning that significant variability is added from even planned time off, not to speak of unplanned time off that happens with no notice. Due date performance is jeopardized.

Dr. Lisa: Then there is the impact on profitability. Paid time off is an operating expense. Throughput (Throughput equals Sales dollars minus Truly Variable Costs) dollars must exceed Operating Expense to make a Profit. During some weeks and months of the year, there isn't enough productive time available to produce enough Throughput to make money. This puts the business owner in the position of having to make enough money in the more productive months to make up for the loss months.

Brad: And, customers don’t care about the people scheduling issues the supplier has. They expect what they want when they want it (or at least when it was promised). For sure, the demands placed on a supplier by a customer do not neatly fit into the preferences of when employees would like to work.

Dr. Lisa: So business owners cope with the issue in several ways. Many let the problem happen to them. They have long-standing vacation policies that dictate how much time off people get, most often dictated by length of service. Many times, the employees get to choose when they would like off, with no limit as to how many people can be off at a time. But some business owners do manage this, placing a limit on how many people can be off at the same time, and from the same department.

Brad: In my experience, once employees make enough money, time off becomes a high priority. And that is in conflict with the needs of the business and business owner. I want a secure, satisfied workforce to keep turnover down, but the more secure and satisfied they are, the more time off they desire.

Dr. Lisa: Interesting dilemma to have with your best and longest term employees. And, I would guess that you also have employees who constantly need last minute time off to deal with the crisis of the moment.
Brad: Yes, of course.

Dr. Lisa: Unplanned time off can be very disruptive. Sometimes, it is the same people who need or take unplanned time off over and over again. That requires enough people in total to cover for the lost productivity. It may be additional “protective capacity” in the department, or in other departments that pitch in to help. Sometimes, the work just sits and waits for the employee to return, especially when no one else has that skill set. That interrupts flow, and flow is the most important thing a business needs to maintain.

Brad: Again, these problems hit small businesses especially hard. There is no one else with the needed skill set and/or there aren’t enough people to get the job done in the first place.

Dr. Lisa: How did you handle it as an owner of a label printing business?

Brad: By installing a system that wasn’t popular, but was very effective. For all non-exempt employees, I raised pay rates and the vacation that was possible to earn. That was the good news, and provided me the opportunity to put in a system that had some teeth to it. Everyone earned vacation by working a full work week. Any unplanned absences during regular hours (being late, sick, etc.) resulted in earning less vacation, and required using existing vacation time for the time off. No longer was vacation an entitlement that was just given, and we actually had a system for “earning” it. We coordinated employees’ vacations such that two weeks of vacation were taken by employees in blocks, one week in December and another in July. Otherwise, two weeks notice was required, and we quoted two weeks lead-time, so we could predict available resources accurately.

Dr. Lisa: Would you recommend something like that for other business owners?

Brad: Only if they have a problem with availability of people.

Dr. Lisa: Nice answer and as you know, I agree. We should only do those things that are necessary and sufficient to achieve the results we’re after. So my recommendation is to do the Velocity Scheduling System Coaching Program first. Then, if you have this issue, it will show up in the red zone of the buffer and you now know what to do about it.

Want to know where you should focus your improvement efforts? Your biggest disruption to flow and your biggest reason for going into the red zone? Go to www.VelocitySchedulingSystem.com to learn more and sign-up for the next available program. Want to talk about it? Just give us a call or send an e-mail.

The Science of Business (www.ScienceofBusiness.com) helps companies rapidly increase sales and profitability by implementing the Theory of Constraints (TOC), Lean and Six Sigma. Ask about our Mafia Offer!

“Dr. Lisa” Lang is President of the Science of Business. She recently served as Dr. Goldratt’s Global Marketing Director, and is a member of the Board of TOCICO. She can be reached at DrLisa@ScienceofBusiness.com and 303-909-3343.

Brad Stillahn is a business owner who successfully implemented TOC in his own business, exited his business on his terms and is now helping other business owners do the same. Set up a TOC Advisory Board for your company! Brad can be reached at Brad@ScienceofBusiness.com and 303-886-9939.
Bremen Castings Finalist in 2009 Small Business of the Year

The Indiana Chamber of Commerce recognized Bremen Castings Inc. as one of 6 finalists for the 2009 Small Business of the Year during a luncheon held at the Indiana Convention Center in Indianapolis, on Nov. 10, 2009. Accepting the award on behalf of BCI was its President, JB Brown. JB congratulates everyone on the BCI team for making this happen. BCI has been an outstanding company since 1939, representing itself and the community throughout the world. A leader in the foundry industry, BCI is a manufacturer of machined complete components ready for assembly lines. Those representing BCI at the luncheon were Denise Wilkie, JB Brown, Carol Senour, Stan Hueni, Ray Reynoso, Dan Hirsch, Fred Bachman, Brad Harris, Cory Smith and Darin Spearman.

The applications included essay questions about how BCI is committed to improving its business, community and working with its employees, company and/or employee-related published articles, community service projects within the company and employees, and letters written by employees about why their company should be considered for this award.

Partners in THINC Welcomes Mayfran International as a New Partner

Okuma America Corporation is pleased to announce that Mayfran International, a global leader in providing chip and coolant management solutions, joined Partners in THINC.

Mayfran provides solutions for chip and coolant management in metalcutting applications to help improve machine tool uptime, improve product quality through coolant filtration and reduce overall operating costs. Their products convey, filter, separate, shred, briquette and process materials and fluids for the automotive, aerospace, consumer products, oil and gas, steel processing, medical products, heavy equipment and related industries.

“Mayfran is excited to be a part of the Partners in THINC program” said Bob Kimber, Okuma National Account Manager for Mayfran. “We welcome the opportunity to work with Okuma and their customers in serving applications with challenging chip and coolant handling needs.”

Mayfran products can be seen and demonstrated at the Partners in THINC facility in Charlotte, N.C.

CGTech Announces 24 North American VERICUT Users’ Exchange Events

At the request of customers, CGTech has added additional VERICUT User’s Exchange (VUE) locations in 2010, bringing the total number of North America events to 24. Attendees will learn about new software features, tips and tricks for improving manufacturing efficiency, and will have the opportunity to express ideas about the future direction of the software. There is no charge to attend.

All of the tips and tricks on the agenda were customer-driven following a survey of VERICUT users. In addition to tips and tricks, the agenda will include a review of enhancements added in VERICUT 7. This release features significant performance-improving enhancements that reduce the time required for manufacturing engineers to develop, analyze, inspect and document the CNC programming and machining process. Instead of focusing on new features or add-on modules, CGTech developer resources have prioritized on diligent code optimization and customer-driven enhancements.

At VUE, CGTech also will be briefly demonstrating recent advancements in VERICUT Composite Applications. VERICUT Composite Applications are machine-independent off-line programming and simulation software solutions for automated composite tape and fiber-
placement CNC machines. There are two separate applications: VERICUT Composite Programming (VCP) & VERICUT Composite Simulation (VCS).

North American VERICUT Users’ Exchange schedule:
Monday, March 8 – Irvine, Calif.
Monday, April 12 – St. Louis, Mo.
Tuesday, April 13 – Phoenix, Ariz.
Tuesday, April 13 – Cambridge, Ontario
Tuesday, April 13 – Orland, Fla.
Tuesday, April 13 – Dayton, Ohio
Wednesday, April 14 – Santa Clara, Calif.
Thursday, April 15 – Charlotte, N.C.
Thursday, April 15 – Cleveland, Ohio
Thursday, April 15 – Livonia, Mich.
Thursday, April 15 – Salt Lake City, Utah
Monday, April 19 – Indianapolis, Ind.
Tuesday, April 20 – Windsor Locks, Conn.
Wednesday, April 21 – Milwaukee, Wis.
Wednesday, April 21 – Atlanta, Ga.
Thursday, April 22 – Montreal, Q.C.
Thursday, April 22 – York, Pa.
Friday, April 23 – Schaumburg, Ill.
Tuesday, April 27 – Wichita, Kan.
Thursday, April 29 – Minneapolis, Minn.
Tuesday, May 4 – Dallas, Texas
Thursday, May 6 – Houston, Texas
Tuesday, May 11 – Seattle, Wash.
Wednesday, May 12 – Tulsa, Okla.

To register for an event, call 949-753-1050 or visit www.cgtech.com.

About CGTech
Headquartered in Irvine, Calif., CGTech specializes in numerical control (NC/CNC) simulation, verification, optimization and analysis software technology for manufacturing. Since 1988 CGTech’s product, VERICUT software, has become the industry standard for simulating CNC machining in order to detect errors, potential collisions or areas of inefficiency. With offices worldwide, VERICUT software is used by companies of all sizes, universities/trade schools and government agencies. For more information, visit the CGTech Web site at www.cgtech.com, call 949-753-1050, or e-mail info@cgtech.com.

**Misconception #3**

ALL DUAL-CONTACT CAT/BT HOLDERS PROVIDE HIGHER PERFORMANCE ON MACHINES WITH BIG-PLUS® SPINDLES

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**NTMA Customer Value Proposition**

“Your membership in the National Tooling & Machining Association will position your company amongst the best in the industry by providing the resources and tools necessary for world class performance.”

“Your return on investment is immediate as you leverage the vast knowledge that resides within the Association and apply it to your business.”

“An advocate for our industry, NTMA leads the charge for precision manufacturing through networking, lobbying, education, procurement, advice and assistance, and focused cost savings programs.”
Meet Your Team Leaders!
Precision Jobs for American Manufacturing (PJAM)

Ted Toth

In 2007, the NTMA Board of Trustees created a national project to develop best practices for training programs. The Precision Jobs for American Manufacturing, or PJAM, team was formed. At the head of this team is Ted Toth from Toth Technologies out of the Philadelphia Delaware Valley Chapter that also covers parts of New Jersey.

Toth Technologies is a 62-year-old company in Pennsauken, N.J. Ted is the third generation to run the company. According to Ted, he went to the “University of DAD!” He worked co-op in his last year of high school and was making more than most of his teachers. He revealed he got a D in metal shop and was bored. His passion at the time was programming computers with key cards and drafting. It wasn’t until 1974 that he started programming CNC machines and he felt his machining passion began to grow.

The company has been fine-tuned during the past 10 years to serve the communications and RF microwave industries. Most of the parts they now make go on radar systems and satellites. They currently manufacture 5 different antenna element systems that are used on the next generation of GPS satellites, along with parts for the “MUOS” and “GOES” satellite programs. They recently signed a license agreement to take over the design, manufacture and marketing of custom microwave coaxial push-on connectors used in advanced radar systems from their customer.

Ted believes that one goal of every job shop is to develop and market their own product where there are higher profit margins as a manufacturer compared to being a job shop. He convinced his customer to license them a product line that they were phasing out so they could concentrate on their core values. Toth Technologies has manufactured more than 75 percent of that product for more than 9 years. Now Toth Technologies has its own product line that it can support with new designs by keeping on top of new customers’ needs. This will give the company better focus and direction.

“Giving our customers value-added services and listening to their needs keeps them coming back,” Ted said. “Define your business as a niche business and the customer will come. Become an expert in that niche and they will keep coming back.”

Toth Technologies became an NTMA member in 1998 as a 12-employee company in a 5,000 sq. ft. garage. “We were machinists, and not business people. By attending the local meetings and national conferences, I received the business skills I needed to grow the business. We’re now in a 30,000 sq. ft., 7S Manufacturing Technology Center with 50 employees and estimated growth of 15-25 percent per year over the next 5 years,” Ted said. “We hope to split the business into separate parts in the next few years to allow each group to concentrate on what they do best.”

The PJAM Team

The PJAM Team serves the precision machining industry by providing a holistic system to develop its current and future workforce through best practices in recruitment, training, placement, retention and funding in order to support America’s present and future manufacturing needs. Team goals include:

- Promoting and assisting in the adoption of industry-led, competency-based standards for training and education of the manufacturing workforce at all levels.
- Providing systems and support that promote and improve the image of the precision machining industry.

Other members of the PJAM Team include:

- Pam Rubenstein, Allied Specialty Precision, Mishawaka, Ind.
- Joseph Tenebria, Myers Precision Grinding Co., Warrensville Heights, Ohio
- Barry Maciak, World-Class Industrial Network, Pittsburgh, Pa.
- Mark Romanchuk, PR Machine Works, Mansfield, Ohio

Visit NTMA website at www.ntma.org

NTMA helps members of the U.S. precision custom manufacturing industry achieve business success in a global economy through advocacy, advice, networking, information, programs, and services.
Makino Engineering Services has an unmatched history of creating robust production-ready processes—including machinery, fixtures, tools, programs and documentation—for parts with complex geometries, demanding deadlines, challenging budget constraints and Six Sigma standards. We’ve solved production challenges and engineered tightly integrated manufacturing systems for hundreds of manufacturers. All with a guaranteed cycle time, lower cost per part and improved quality. Don’t be afraid of the part. Visit us at www.makino.com/engineering or call 1-800-552-3288.

OUR APPLICATION ENGINEERS LOVE THE SCARY PARTS.
At the beginning of January at New Century Careers Training Innovation Center, 3rd- and 4th-year apprentices competed in the 2010 Regional Apprentice Competition. Apprentices were judged on a written exam, as well as machined parts. Work was judged and scored, and the Pittsburgh Chapter is proud to announce that their 2010 regional winner is Walt Gasper of Hamill Manufacturing.

Walt was hired as a co-op student at Hamill at the age of 17 in 2007. That autumn, he entered the NTMA’s Apprentice Program. He attended Central Westmoreland CTC for half of the day and worked at Hamill for the other half. One night a week he attended the NTMA program. Upon graduation from high school, Walt received a scholarship to Westmoreland Community College. He is currently a full-time engineering student there, a 4th-year apprentice in the NTMA program and works 30 hours per week at Hamill. He currently holds 10 NIMS credentials.

Jeff Kelly of Hamill said, “From the first day at Hamill, everyone has been impressed with Walt’s intelligence, machining skills and work ethic. He’s a model employee and we’re very proud of him!”

Walt will now go on to represent the Pittsburgh Chapter NTMA at the 38th Annual NTMA/NIMS National Apprentice Competition in Indianapolis, Ind., June 9-12, 2010.

A special thank you to Clinton Aluminum for donating the materials and to volunteers from Dura-Metal Products, Hamill Manufacturing, Jennison Manufacturing, Kurt J. Lesker Company and New Century Careers for proctoring the contest, inspecting the parts and auditing the results of our regional contest.

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Calendar of Events

NTMA/PMA Legislative Conference
Westin Washington, D.C., City Center Hotel
Washington, D.C.
April 20-21, 2010

American Machinist
Machine Shop Workshop
Cleveland, Ohio
April 21-22, 2010

NTMA/PMA Contract Manufacturing Purchasing Fair: Bringing Work Back to the U.S.A.
Hyatt Regency Irvine
Irvine, Calif.
May 12, 2010

38th Annual NTMA/NIMS National Apprentice Competition
Hosted by Indiana Chapter, NTMA
Indianapolis, Ind.
June 9-12, 2010

13th ISTMA World Conference
Caesar’s Windsor
Windsor, Ontario, Canada
June 20-24, 2010

Joint NTMA Fall Conference & PMA Annual Meeting
Amelia Island Plantation
Amelia Island, Fla.
October 6-10, 2010

NTMA/PMA Contract Manufacturing Purchasing Fair: Bringing Work Back to the U.S.A.
MGM Grand at Foxwoods
Mashantucket, Conn.
October 29, 2010
Members that need more sales can help themselves, the NTMA and the country by supporting the May 12, 2010, NTMA/PMA Contract Manufacturing Purchasing Fair.

The NTMA and PMA, in collaboration with the Association for Manufacturing Technology (AMT), created a venue for larger U.S. manufacturers (OEMs) to conveniently find competitive domestic job shops for the custom manufactured parts and tooling that the OEMs are currently sourcing offshore (or onshore). NTMA has held more than 50 successful Contract Manufacturing Purchasing Fairs during the past 25 years. The May 12 Fair in Irvine, Calif., will, for the first time, focus on re-shoring: bringing work back to the U.S., benefiting customer companies, members and the U.S. economy. Work now being produced domestically is warmly welcome, as always!

Re-shoring, also called “back-shoring” or “on-shoring,” has become increasingly popular the last few years for OEMs seeking a better trade-off of FOB cost vs. the logistic and competitive disadvantages of a long pipeline, especially from countries that do not offer intellectual property (IP) protection. The Fair is intended to change the sourcing paradigm from “Off-shored is cheaper” to “Local reduces Total Cost of Ownership.” Today, large manufacturers re-shore to …

- Avoid rising wage rates, currencies and reject rates in developing countries
- Reduce pipeline and surge inventory impacts on balance sheets and JIT operations
- Minimize IP and regulatory compliance risk
- Avoid higher transportation and fuel costs
- Localize manufacturing operations near R&D facilities, strengthening innovation
- Minimize carbon footprint

All while staying cost competitive!

The Fair is the most direct and comprehensive national response to Main Street’s and Washington, D.C.’s calls for companies to bring manufacturing jobs back to the U.S. The Fair seeks to harvest the lowest hanging fruit of international trade by giving NTMA members the home-field advantage. NTMA members can be much more competitive in the U.S. vs. imports than trying to export to other countries. All of the incremental costs of duty, freight, travel, offshore sales forces, carbon footprint, language, etc., favor the U.S. job shop competing here and work against it competing offshore. The total difference is 20-25 percent of total product cost – roughly the percentage total cost advantage of low wage countries.

The Purchasing Fair will be held from 9:00 a.m.-4:00 p.m. on Wednesday, May 12, at the Hyatt Regency Irvine Hotel in Irvine, Calif., close to the John Wayne/Orange County Airport. I just bought a $299 ticket to L.A. from O’Hare round trip to promote the Fair at WESTEC, so cost should not be a major factor. Approximately 200 of the top U.S. custom manufacturers, almost all NTMA and PMA members, will be in attendance to apply technology, automation and ingenuity to making U.S. manufacturing competitive on the OEMs’ jobs. As always, the Fair will focus on machined, stamped and fabricated parts, special tooling and special machines. For details and to register, go to www.NTMA.org and click on “Learn More” in the notice starting “Re-Shore …”

You can help your company, NTMA and the country with this effort in several ways:

- Promote the Fair to the OEMs. We always need more OEMs to make the fair a success for the members. Here’s how:

1. Make a list of OEM prospects (realistically, not your best current customers) that you would like to attend the fair. Select those that you cannot get through to, but do

(Continued on page 20)
outsource, perhaps offshore, the kinds of parts or tooling you or fellow NTMA members can produce most competitively: high accuracy, low to medium volume, complex, low labor content, etc.

2. Invite the prospects using the customer brochure that NTMA will shortly e-mail to all of you and submit the prospects’ contact info by e-mail to Rob Akers, or just submit the prospects’ contact info to Rob Akers and we will invite the prospect. In either case, an NTMA/PMA representative will contact the prospect to encourage them to attend.

3. When competing with off-shore sources, encourage the customer to analyze Total Cost of Ownership, not just the FOB price. You will lose on price. You have a chance with Total Cost.

4. Use the Library of 30 re-shoring articles on the Purchasing Fair Web site as sales tools. We will be adding articles with Total Cost of Ownership examples or analyses that you can use in selling.

• If you have been involved with a successful re-shoring, e-mail relevant data to me. The best cases will be the subjects of magazine articles to document the advantages of re-shoring our kinds of work and to give you publicity. The Wall Street Journal even asked for a successful case for an article!

• Register and attend the fair.

The time is right for this effort to succeed! The dollar is down vs. many currencies. JIT and R&D are best supported by local sourcing. We are distributing the customer brochure to about 1,000 past customer participants and the press release to about 1,000 trade magazines and dozens of general public newspapers and magazines. We already have placed at least 20 media articles and comments. Now we need you!

For more information on the fair, contact NTMA. For more on re-shoring, contact Harry Moser, Chairman Emeritus, AgieCharmilles LLC, by e-mailing harry.moser@us.gfac.com.