

Movers & Shakers



In 1985 Harry started as President of Charmilles Technologies. He is now Chairman Emeritus of GF AgieCharmilles, the leading producer of EDM and HSM (High Speed Milling) machines. Harry is a national leader in attracting more of America's youth into manufacturing, in providing strategies for competing with low wage countries and in the

campaign for government policies that support manufacturing.

Harry is on the boards of NIMS and ISTMA and is President of ISTMA Americas Region. He received a BS in ME and an MS in Engineering at MIT in 1967 and an MBA from U. of Chicago in 1981.

Help your company and U.S. manufacturing!

By: **Harry Moser, Chairman Emeritus, AgieCharmilles**

How many of you are dismayed by the decades' long decline in U.S. manufacturing and the loss of jobs, especially toolmaking and other uses of EDM, to offshore competitors? *I am and I'm not going to take it anymore!* Unlike the government, three U.S. trade associations and I are taking direct action to reverse the decline, and you can help by supporting the May 12, 2010 NTMA/PMA Contract Manufacturing Purchasing Fair: *Re-shoring to Bring U.S. Manufacturing Jobs Home.*

The NTMA (National Tooling and Machining Association) and PMA (Precision Metalforming Association), in collaboration with the AMT (Association for Manufacturing Technology) have created this first Re-Shoring Fair 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, or considering sourcing, offshore. The May 12 Fair in Irvine, CA will focus especially on re-shoring: bringing work back to the U.S.; benefiting OEM's, shops and the U.S. economy. Following a first success, the Fair will be repeated around the country.

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 protect intellectual property. 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 intellectual property 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, DC's calls to companies to bring manufacturing jobs back to the U.S. The Fair seeks to harvest the lowest hanging fruit of international trade by giving shops the home-

field advantage. U.S. shops can be much more competitive in the U.S. vs. imports than trying to export to other countries. (Imagine the success the average U.S. 4 employee EDM shop or 25 employee moldmaker would have offering its services in China!) 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 roughly 20% to 25% of total product cost, approaching the FOB cost advantage % of low wage countries.

The Purchasing Fair will be held from 9:00 a.m. to 4:00 p.m. on Wednesday, May 12 at the Hyatt Regency Irvine Hotel in Irvine, CA close to the John Wayne/Orange County Airport. Approximately 200 of the top U.S. custom manufacturers 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, specialtooling 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 and the country with this effort in several ways:

- Help promote the Fair to the OEMs.
 - Make a list of OEM prospects (realistically, not your best current customers) that you would like to attend the Fair. Select those that you can not get through to but that offshore the kinds of parts or tooling you can produce most competitively: high accuracy, low to medium volume, complex, low labor content, subject to regulatory compliance, etc.
 - Invite the prospects by submitting the prospects' contact info to Rob Akers (rakers@ntma.org) and we will email the prospect. An NTMA/PMA representative will also personally contact the prospect to encourage them to attend.
 - Register and attend the Fair.
 - When competing with offshore 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

For more on re-shoring, contact me at harry.moser@us.gfac.com

ROGER'S *Rant!*

Harry Moser's column about helping U.S. manufacturing certainly struck a chord with me. However, I'm more than dismayed. *I'm damned P.O. 'd about it!* From the time I entered the trade in 1966, when the USA was still *the* supplier of manufactured goods to the world, I have sadly watched the decline in U.S. manufacturing.

There are three main culprits in this problem:

- Greedy or ignorant large U.S. manufacturers
- Idiotic U.S. government policies
- Selfish or shortsighted consumer behavior

Harry is taking on the OEM challenge. God bless him and those who support his efforts.

We (that's right: you and me) need to tackle the other two:

U.S. government policies

- Did you know that EPA regulations encouraged Ford to build the Crown Victoria and Grand Marquis full size sedans in Mexico by exempting them from Ford's fleet average mpg?
- Did you know that as much as 80% of the Federal Stimulus dollars for green energy are going to foreign manufacturers?
- Should the President of the U.S. be riding in a foreign built helicopter?
- Should our next aerial refueling tanker be primarily built by a foreign company (assembled but not manufactured here) at a cost of as many as 50,000 U.S. jobs?
- Should we exclusively source critical nuclear reactor pressure vessels overseas?

We citizens should relentlessly and vociferously inform our elected representatives that such policies are inexcusable. We citizens should inform our friends and neighbors of the disastrous effects of such policies on the U.S. manufacturing base. We need to relentlessly trumpet the fact the making things creates national wealth-not shuffling paper. We citizens should invite politicians to our shops and show them our

contributions to the economy and national defense. We citizens should support candidates who support domestic manufacturing and vote out those office holders who ignorantly destroy our livelihoods.

Consumer behavior (*That's you and me!*)

It's so easy, when we walk down the aisles of the typical discount store, to select the cheapest items regardless of where they're made. Many of us throw up our hands because it seems almost everything is now made overseas. But if we do these things and don't make a conscious effort to look for well-made American goods, aren't we doing the same things that we blame the big companies and government for?

Sure, some things just aren't made in the USA anymore, but in many cases we still have choices if we search them out:

- Buy a Bic lighter made in Milford, CT instead of the 3 for a dollar Chinese ones that may catch fire in your pants
- Buy real Channellock pliers made in Erie, PA (I've had mine for over 40 years!)
- Buy cars *made* in America regardless of brand (I have three)
- Buy tires that are made in USA. Do you really want to trust your family to Hankooks?
- Buy a Gerstner USA built tool box vs the Gerstner International version (I couldn't possibly imagine keeping my tools in a box made in the third world!)
- Buy a tool steel Schmidt vise made in Windsor, CT instead of a soft cast iron one from the likes of Harbor Freight
- When perusing the MSC catalog, choose items from the USA column if you have choice

Unfortunately, U.S. brand names have been prostituted to promote goods made overseas. Chicago Electric power tools are not made in Chicago. Federal law requires that all imported items be labeled as such. Take the time to check.

I would certainly never advocate buying U.S. products that are inferior quality (unfortunately Made in USA does not guarantee quality) or criticize anyone who buys foreign to obtain quality, performance, or comparable value not available here. However, the next time you buy foreign *just* to save a dollar or two please remember this:

The job you save may be your own!