



The Difference Between Busy and Profitable

Over the past several months, many gear manufacturers and industry suppliers have been telling me how busy they are. Their backlogs are the largest in history, their sales the highest they've been in many years. They've invested in new capabilities, new machinery and people.

I continually see reports about improvements in the manufacturing economy is going. The Federal Reserve says manufacturing increased 0.9 percent in December, the biggest gain in a year. The Institute for Supply Management says factory job growth increased by 23,000 workers in December. Even the auto manufacturers seem to be back on track, with the Big Three all posting sales increases in November and December.

So why are many gear manufacturers still struggling to make a profit? In one breath they tell me how busy they are, and in the next how difficult this business has become, with suppliers and customers squeezing them for every penny, fluctuations in the prices of energy and the availability of some raw materials, the difficulty of finding qualified skilled labor, the long delivery times for machinery, cutting tools and supplies. The list goes on. But there may be a solution to at least part of the problem.

I spoke recently with an advertiser in Michigan who complained about the lack of machining capacity in the Detroit metro area. The company wants to subcontract out some work, but can't find anyone who is able and willing to take it on. They need a way to identify shops with available capacity who also have trained, experienced people to do the job.

Shortly after that conversation, I had the opportunity to visit a couple of gear manufacturing job shops—both of which count themselves among the extremely busy, with big backlogs and improving sales. But when I walked the shop floor at these companies, I saw plenty of idle machines—not just workhorse-type machines that are built for cranking out parts, but also specialized machines—the kind with unusual size, type or quality capabilities. Even these extremely busy shops could use more work.

So on one hand, I've got an advertiser who can't find subcontractors; on the other, I've got gear manufacturers—readers—who, even though they're busy, could use a little

more work, especially on particular machines or in particular types and ranges. So I got myself to thinking. Shouldn't I be able to help these people? After all, I do publish "The Gear Industry's Information Source," don't I?

Of course, I would be remiss in my duties as publisher if I didn't point out that advertising would be a great way to let your potential customers know about your extremely large-diameter grinding capacity or your expanded range in bevel gears. It's important that you tell the marketplace about your unique capabilities. While most of you are in the gear business, each of you has a unique combination of expertise, machinery and experience.

Being good at something and not telling customers is like winking in the dark. You know what you're doing, but nobody else does. Advertising in *Gear Technology* or *Power Transmission Engineering* is a great way to get the word out.

But my role as publisher has never been solely about selling advertising. From its inception, this magazine was designed to serve the industry. Supporting the gear industry through education and communication is what we're about. So in addition to encouraging you to advertise, I'm also willing to put my money where my mouth is.

So, effective immediately, if you have excess manufacturing capacity that you'd like filled, tell me (publisher@geartechnology.com). Please be as specific as possible. I'll post a notice in our e-mail newsletter and advertise that capacity for free. I'll also post a notice if you want to farm out work but don't know where to turn. The newsletter goes out once a month and reaches 10,000 gear industry professionals, worldwide. These are e-mail addresses that have all been verified within the last month. Goldstein's *Gear Technology* matchmaking service is open for business.

If you get some work or find a new supplier, maybe you'll see that winking is best done in the light, not in the dark. With any luck, you won't just be busier. You'll also be more profitable.

A handwritten signature in black ink that reads "Michael Goldstein". The signature is fluid and cursive.

Michael Goldstein,
Publisher & Editor-in-Chief