

DON'T PANIC!

I'm a big believer in the value of IMTS as a marketplace where gear manufacturers can go and look at the latest machine tools and processes; compare hobbing machines, gear grinders and inspection equipment; see turning, milling or grinding machines in action; and ask questions of the various vendors all in one place. This year's IMTS promises to be the biggest ever, and I have no doubt that it will be a valuable experience to those who go there looking for ways to improve the way they manufacture products.

But there will be a new breed of exhibitor at this year's IMTS. They'll try to lure you to their booths with the candy of e-commerce and all it entails. They'll try to convince you that you need them and that you can't survive without them. These "dot-com" companies are ready to show you the wonders of the new economy, and they're waiting for you.

I'm sure you've run across them already. These guys are everywhere. Their promotions have infested my mailbox, my magazines, my computer—even the billboards I see on my way to work. Over the past couple of years, the dot-coms—along with their supporting cast of venture capitalists, programmers and ad agencies—have discovered the industrial marketplace. Lately, they've made so much noise that they've managed to create, in some areas, a sense of panic.

These companies say they can revolutionize the way you do business and that E-commerce is the future. They say their newest systems for online auctions, requests for quote, negotiating platforms, supply chain integration, or any of a thousand other buzzwords will put you ahead of your competition. The implicit threat, of course, is that if you don't take advantage of this new technology, you'll be left out of business and wondering what happened. My advice to you is: Ignore the hype and look at what is really going on.

Many of the dot-coms make it sound as though they've invented new marketplaces, when, in reality, they're just tapping into markets that already exist. But they're not creating markets; they're feeding off of them. My gut tells me that after the frenzy dies down, most of these companies won't be around. There simply isn't enough business to spread among them. Even more important, many of these companies don't understand or address the normal rhythms and subtle nuances of doing business in the niches they're targeting.

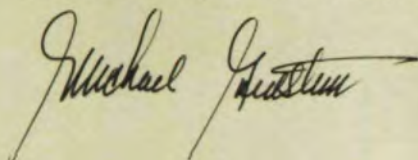
Some of these dot-coms will not survive, but some of them will. While they may not understand everything about the way our businesses are conducted, and while they're still experimenting to find the model that will work best for themselves and their customers, these companies do have the potential of offering some value.

Whether you are looking to buy industrial goods or sell them, the Internet offers efficiencies and reach that you can't possibly get by phone, fax or travel. Most of the dot-coms will only slice off a small percentage of each sale for themselves. The value of finding new suppliers or customers, or the value of finding them faster, may be worth the price, and you'd be well advised to keep yourself informed about these companies and the possibilities they offer.

But it may be too easy to forget that there's more to see at IMTS than the dot-coms. Most of you are in the business of creating value for your customers. Even in the Internet Age, the things that will bring you success in the marketplace—digital or otherwise—are the same things that have always brought you success, such as serving your customers, producing a better product, and offering a fair price.

The advantages of the Internet boil down to faster and better communication, ways of reaching customers and ways for them to reach you and find you that didn't exist ten years ago. But the Internet is still only a small part of the picture. The bigger part of the picture is what you'll find at the rest of IMTS—you know, the part with the chips flying, the smell of lubricant and the thrum of the machine tools.

We can't forget that IMTS is the International *Manufacturing* Technology Show, and manufacturing is what it's all about. When you go to the show, you might be lured into the booths of the dot-coms, and I encourage you to learn all you can while you're there. But don't let it take time away from the rest of the show. The focus should still be on the iron. Cutting chips (along with any number of other gear manufacturing operations) is where *you* create value for your customers.



Michael Goldstein, Publisher and Editor-in-Chief

