

**McCORMICK PLACE, CHICAGO.** A manufacturer's dream. Acres and acres of machine tools up and running—cutting chips, filling molds, moving material, bending, shaping, smoothing, measuring. Computers, robots and lasers everywhere—George Lucas goes to engineering school. Sounds, lights and, most important, over 100,000 people, moving around, taking notes, asking questions and, above all, **buying**. This was IMTS '94. A heady, if tiring, experience.

Was it worth it all? What was to be learned from this manufacturing show-and-tell extravaganza?

Most noteworthy was the sense of optimism that pervaded the show. It's been a tough ten to fifteen years for both buyers and sellers in the machine tool business. Businesses closed or consolidated in record numbers. But we finally seem to have turned some kind of corner. Salespeople reported record numbers of machines sold off the floor, and one purchase order was written on the back of a business card because the buyer didn't want to wait to get back to the office to complete the paperwork. The slow but steady recovery seems to be the real thing this time.

An important subtext of this message is that overseas activity is picking up as well. Europe and Japan both seem to be recovering from their recent economic stumbles, and Australia, New Zealand, South America and South Africa are all showing signs of optimism and renewed economic strength. The rest of the globe is moving to upgrade its industrial base as well.

IMTS provided confirmation, as if it were needed, of what the pundits have been telling us for years—manufacturing has gone global, and it is the wise manufacturer who looks outward when making business plans. The Germans and Japanese were expected at the show, but also notable were booths and entire mini-pavilions from everywhere from Spain to the People's Republic of China. The visitors were from everywhere as well. The International Business Center was always crowded. Everybody from Argentina to Taiwan sent trade association representatives. Economic and political differences that in the past kept people on the home side of their country borders have faded in the drive for technological upgrading and a piece of the profit pie. The place to look in the next ten years for both business opportunity and competition is outward, especially east, toward mainland China.

Also confirmed was the bit of popular wisdom that says, computerize to compete or be left behind. A lot of visitors to *Gear Technology*'s booth, especially those from small gear cutting shops, told us of the need to upgrade their older, manual machines to newer CNC equipment to meet customer demands. Everybody wants higher quality gears at lower cost, in less time and in smaller lots. The booths of the major manufacturers of gear machine tools reflected this trend. Key innovations all tended toward increasing output speed, raising quality, lowering per-piece cost and addressing environmental concerns. (See our IMTS Roundup on page 10 for more information.)

One of the major drivers of this trend is the computer chip, which supports both the most sophisticated CNC machines and the new manufacturing-oriented software for PCs. In both these arenas, upgrading is becoming easier than ever, as chip prices fall and software becomes more and more user-friendly. A growing number of packages for design and manufacturing are available in Windows®, DOS or Macintosh® formats, as are packages to assist factory management tasks from keeping tool inventories to tracking jobs to organizing the front office.

Another trend we spotted is the number of small job shops doing the research necessary to begin cutting gears. The logic seems to be that they have been preparing the blanks for years and sending them off someplace else to be cut. Now



## PUBLISHER'S PAGE

# MARKETPLACE

*by the lake*

they're interested (drawn, perhaps, by the growing availability of affordable, user-friendly hardware and software) in adding gear cutting as a profit center to their other operations.

And this means what? More competition in an already small market. This is no time to sit back and rest on your laurels. The litany is familiar, but bears repeating: upgrade your equipment and your people, aim for higher quality and lower per-piece cost, be nimble, be aware, be sensitive to competition, not

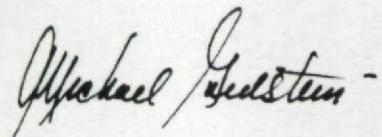
## PUBLISHER'S PAGE

just from down the block but from across the oceans.

And speaking of upgrading your people, another trend we were pleased to see was the number of student groups trolling the aisles. Competition is not going to get any easier, and the key asset of the next decades will be trained and knowledgeable people. We need to be about the business of preparing the next generation of skilled engineers and operators. There is no better way to encourage the brightest and the best of our future manufacturers than to show them just what's out there for them to work on in the future.

The optimism at IMTS was unmistakable. There's money to be made out there. But, as always, it's not going to be made by the fainthearted or those unwilling to ride the rising tide of change crashing in on manufacturing.

The key lesson that came from nine days on our feet talking to gear manufacturers, buyers and sellers is this: Now is no time to sit down and rest. Keep moving or get left behind.



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Publisher/Editor-in-Chief



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