



Challenges and Opportunities in the Gear Industry

One of the regular features of the **Voices** department will be our Q & A column. Here, we'll ask smart questions and get the opinions of smart people in the gear industry. In the future, we'd like to feature the opinions of as many people as possible in this space. But since this is the first issue for this feature, we asked **Fred Young**, president of **Forest City Gear Co.**, to help us by answering some of the gear industry's burning questions.

Q: What should gear manufacturers do about the skilled labor shortage?

A: Finding really talented help continues to be a problem. We (Forest City Gear Co.) have teamed with a local junior college, Rock Valley College, to work with some of their programs and students. We still find that training and mentoring our own is the best method. Sending our trainees to every gear school we can has helped with the fundamentals, plus we have been using the AGMA Certification training as much as possible. The employees appreciate the certificate they receive upon completion of the course work and test. FCG has been using more aptitude screening and psychological profiling and has utilized local temporary agencies to test drive our worker candidates. FCG continues to send promising setup folks to Europe, where our gear equipment is birthed, to gain expertise from the manufacturers with good success.

Q: Is OEM outsourcing good or bad for the gear industry?

A: Outsourcing by OEMs who are currently manufacturing their gears in-house will probably continue to expand, since many people are unwilling to expend funds to update often woefully outdated equipment. Plus, as their seasoned veterans retire, it is harder to find and train new talent. We have heard from a number of people who tried to go to China or other spots that they've not always met with success, receiving inferior quality gears and late deliveries. We feel this will continue to

provide opportunities for those willing to buy newer, more productive gear equipment.

As an aside, I recently toured Gear Motions and was delighted to view the super-productive gear cell for grinding, using robotics for moderately high-production jobs. More of that sort of acquisition could go a long way toward retaining business in the U.S.

FCG seems to be picking up lots of new customers who are coming out of the woodwork. Apparently, we get a lot of favorable recommendations from our peers and customers. It seems good service and attention to quality, as always, continues to work. We feel our membership in the AGMA has been a tremendous benefit by keeping us abreast of the most current standards, in tune with the latest developments of our competitors, up to date on training and sharp on internal business practices. Being one of three companies featured in the 2006 IMTS advertising campaign probably did not hurt either.

Q: Business is booming. Why should we worry about a changing gear industry?

A: Those who do not keep a watchful eye on potential future developments awaken one day to find they are sitting on a hollow shell that has not been modernized, and is no longer competitive in what is becoming an increasingly more global market. Rest assured there are lots of companies out there who are fighting to be top dogs. At the same time we must encourage our legislators

to help keep favorable tax climates, access to training for our aspiring engineers, and investment tax credit for replacement of older equipment. We can help ourselves by participating with organizations like AGMA to keep updating standards which are familiar to us and not skewed to foreign interests. Many of us pay lip service to these things which are not directly affecting the bottom line, but cumulative neglect catches up with everyone in the end. Inspired management with a long-term outlook on the order of ten years will pay continuing dividends for those who lay out a strategy to be competitive well into the future.

I am optimistic that this generation has the guts and tools to succeed, and am unwilling to relinquish the hope we can continue to be a manufacturing power well into the future.

—Fred Young, President,
Forest City Gear Co.

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