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CIBRE creates an open forum for die makers, customers and key stakeholders

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By: Joe Brown, who oversees the website and blog, Will the Tool & Die Industry Ever Recover?At toolanddieing.com

U.S. and Canadian tooling companies have long been operating in an economic environment rife with disappearing credit lines, protectionist foreign competitors, aloof lawmakers and abundant regulations. We're a nation obsessed with shortcuts and sensationalism—often our own worst enemy. Because of high taxes and rising energy and regulatory costs, U.S. manufacturers face a 17.6-percent structural cost disadvantage when competing against nine other leading industrial nations, including China, Germany, Japan and Mexico (according to a 2008 report by The Manufacturing Institute and the Manufacturer's Alliance/MAPI).

While many North American tool and die shops have scrambled to set up shop in China, South Korea and other low-cost countries, others ... have buckled down and readied themselves for a battle. Many believe that the only way to regain their mojo is through legislative actions.

Additional help also is on the way from the business school at Oakland University (OU), in Rochester, MI.

Stepping up to the Plate

Just a stone's throw away from Chrysler's Auburn Hills World Headquarters, Oakland University houses the Center for Integrative Business Research and Education (CIBRE). CIBRE kicked off its 2009 program with a forum on May 14, 2009, titled "Preservation and Prosperity of the U.S. Tool & Die Industry."

Led by Dr. Mohan Tanniru, Dean of OU's School of Business Administration, the forum attracted a mixture of tooling-related company owners, presidents, consultants, writers and specialists who discussed the factors prohibiting growth and job creation in the tool, die, mold, metal-stamping and precision-machining industries.

Said one forum attendee, the owner of a Southeast Michigan machine shop: "Through the help of Dr. Tanniru and Oakland University, we hope to prove to the community, the tool-and-die industry and our government that we not only can compete, but can start winning back jobs from the lowcost countries."

Despite popular belief, the North American tool-die industry can be a growth industry, with a little integration of technology and some innovative thinking. The success of Dr. Tanniru's program at OU should help shape a model of "how to do it" that other organizations around the country can mimic, to help transform the industry back to prosperous, job-creating times. The symposium provided a vehicle of dialogue, problem-solving, opportunity and innovation between the OEMs and the tooling suppliers.

At the forum, representatives from at least a dozen lower-Tier tooling companies told me that despite their cost-cutting measures, innovations, new ideas and products, it remains difficult to reach the OEMs to communicate, share ideas and bridge gaps.

On the other hand, CIBRE, utilizing its vast resources and connections as a public university, successfully provided a platform for discussion between the OEMs and their Tier 2 and Tier 3 suppliers. The forum created optimum networking opportunities for likeminded individuals. As expected, each attendee knew at least one other person in the room, but nobody knew everybody. The discussions provided solid footing for what will be new business relationships for most.

I witnessed renewed optimism and a structured approach utilizing university-level resources. There's no doubt that this was not the first group to ever meet with the greater good of the tooling industry on the agenda—nor will it be the last. However, it's rare that a business school as renowned as that at Oakland University would make certain resources, relationships and assets available.

Forum attendees divided up into smaller groups, to undertake some of the initiatives discussed.

Overwhelmingly, the need to educate the general public and educate the educators was listed as job number one. Other initiatives:

- Create dialogue between tool, die and mold suppliers, Tier 1 companies and OEMs.
- Help Oakland University educate and contribute business resources to a craft-oriented industry. For example, it could ask graduate or undergraduate business students to work on finding efficiencies in cost structure and study work-flow processes.
- Formulate a strategy to overcome the negative image and misperceptions of manufacturing.
- Seek ways to bring white-collar and blue-collar workers together to collaborate through a non-tiered format for automotive and nonautomotive tooling opportunities.
- Find ways for Oakland University to help small manufacturers obtain funding to retool for new industries. For example, through CIBRE, two Metro Detroit machine shops were able to apply for a Department of Energy grant.

Says Dr. Tanniru: "How can a business school be an economic partner in a struggling region, and across industries such as tool and die shops and mold builders? Businesses should not feel like they do not have access to the resources universities provide. We have a pool of talent for whom we're eager to provide opportunities, internships and experiential learning. The more we as a university use students to consult and build theories, the more we engage them and students become the vehicle that bridges the gap."

Joe Brown has been working in the sales, marketing and public relations side of the tool, die and stamping industry since 2002.

SUMMARY

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