

The Gage

American Measuring Tool Manufacturers Association

President's Message - George Schuetz, Mahr Federal, Inc.



Look at Some of the Ways AMTMA Can Help You on the Job:

- Network Among Your Peers & Keep Abreast of Industry Trends AMTMA Semiannual Meetings
- Technical Services, Including Round Robin Programs and Educational Workshops.
- Business Surveys
- Regulatory Support
- Human Resources Support

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I was proud to preside over a very successful and direction shifting meeting of the AMTMA in Las Vegas in November. The result of the vision of the Board of Directors will help to make the AMTMA a strong and participating organization serving the Metrology industry. It is also important for me to thank the membership for electing me for a second term. Your faith in the transformation of the association is demonstrated by your support.

You all know by now that major changes are being implemented in the organizations by- laws to accomplish growth and more participation.

The first change deals with the pool of potential members that we can call on to join the AMTMA. While the AMTMA was founded for the manufacturers of measuring tools it was apparent that we as manufacturers

have a vast pool of knowledge that can be shared with the users of our products. And the users of our product have needs and concerns about the measuring tools that we as manufacturers need to address. A perfect way of bringing these two partners together is to allow them to belong to an organization that can share the same experiences and knowledge in an effort to make metrology tools better. The Board has made the recommendation to allow for a new class of member - the user - to participate and share in our meeting. We will soon begin a program to attract new members and will be asking you to help in this campaign.

The second change has to do with the number of General meetings we will be having. In today's business climate time is at a premium while there is constant pressure to hold down costs. To help address both these needs the Board has recommended a single General meeting, to be held in the Spring of the year. This will help cut travel costs and provide a meeting where more members can attend at a single session and receive the benefits of the business discussions and education presentations. A separate Board of Directors

meeting will be held in the Fall for planning and operation discussion. The single General Meeting will be held in Orlando - March 8,9 & 10 of 2006. With a single meeting we are expecting a much larger turnout - and very productive meeting. Check out the tentative agenda in this newsletter.

Let us launch these changes within the AMTMA through day-to-day contact our customers. We will also inform our users with press releases and articles in various trade magazines. The membership will also be asked to contact users of Measuring Tools to become active members of our association. We will be passing on a New Member kit for you to use for membership solicitation.

By all the reports of our members during the recent meeting, 2005 was a year for continued growth for our industry. The outlook seems to be upbeat for the coming year. Buyer surveys continue to be strong and spending levels seems to be improving. As we start the New Year we have the opportunity to make the organization strong for our users, the members and ourselves. Let's make the most of the organizations changes.

NEW YEAR'S REVOLUTION - Hill Cox, Frank J. Cox Sales Ltd.

No it's not a typo. It's about the problem of gages of suspect quality touted as being the same as those made to comply with all aspects of a given standard. And since many users lack the capability to calibrate these gages and will not have them properly calibrated, they are accepted without question. You would think that prices well below the industry average would be a clue that some short-cuts are being made but low purchase prices are all that matters to many users.

Moaning about the situation will accomplish nothing. Crying in your beer or other poison of your choice might get you a free one from a sympathetic colleague but won't change much. Driving your operations to match lower quality levels might help for awhile, but ultimately quality wins out.

You could seek guidance from a psychic but in the end personal free will prevails which could render such insight useless.

When the citizens of a country are in despair with respect to their government they can leave the country - usually - to solve the problem or remain and start a revolution. The weapons of choice may include a pen we are all told is mightier than the sword. But it has been my observation that in a sword-fight the pen is a losing proposition.

The alternative is to use political action that employs words as weapons. They can be used in many ways the most effective of which is to use them to establish the rules of combat. In our case, we can use them to set standards that become the norm that everyone wants in the products and the organizations supplying them.

Our revolution begins with us ensuring that the products we supply are provably more accurate. This means our measuring capabilities have to be very good so that when we say it's right, we have the equipment and personnel to prove it is so. We have to know our metrological stuff in other words. And we have to know that measurement uncer-

tainty applies to our measurements like anyone else's.

Folks who make gages to meet a price rather than a standard will resist to the very end anything that might increase their costs. This is especially so when it comes to measuring equipment and practices. The only way to 'prove' yours meets a recognized standard is third party accreditation, a step that few of our members have taken. The accrediting agency should have international recognition so your worth is recognized in the global market. Without accreditation, it is your word against the competitor with nothing to show you are different or better.

Our committee has been reviewing standardized calibration report content as a means of setting a standard for gage makers and independent calibration facilities. This should give our members an advantage over others who take a single reading and declare a gage meets a standard. It can also head off some standards writing folks who are trying to do the same thing but whose

standard - if adopted - would increase calibration costs by 200 - 600%.

The other way to use words as a weapon in our revolution is in the form of education for the users of our products and services. Searching for Zero helps to do this and should be widely circulated by every member. Not only will it ensure higher standards for calibration, your customers will thank you for your thoughtfulness in providing them with such a handy reference. You gain both ways.

Another approach can be taken with words to educate product users in gage and instrument selection as some members now do to their own and their customers' benefit.

So there it is. A revolution for change or you can keep going around in circles.

Hill Cox, Chairman

AMTMA Technical Committee

Frank J. Cox Sales, Ltd.

United States Cutting Tool Institute Billings Index

| <u>MONTH</u> | <u>TOTAL BILLINGS</u> | <u>INDEX RATIO (1992 = 100)</u> |
|----------------|-----------------------|---------------------------------|
| January 2005 | \$140,216,166 | 128.6% |
| February 2005 | \$140,534,359 | 127.1% |
| March 2005 | \$158,139,331 | 144.1% |
| April 2005 | \$146,180,337 | 133.3% |
| May 2005 | \$144,986,017 | 130.7% |
| June 2005 | \$155,767,363 | 140.6% |
| July 2005 | \$131,095,766 | 118.1% |
| August 2005 | \$156,862,147 | 141.3% |
| September 2005 | \$156,972,771 | 141.4% |
| October 2005 | \$156,370,996 | 142.7% |
| November 2005 | \$150,754,726 | 136.7% |



Join Us in the Magic Kingdom!



March 8 - 10, 2006

**The Wyndham PalaceSM Resort & Spa
in the WALT DISNEY WORLD[®] Resort
Lake Buena Vista, Florida**

Get ready for a magical meeting at the Wyndham Palace Resort & Spa in America's favorite kingdom. Make your AMTMA membership count as you strengthen ties with fellow members and welcome new ones. In this extraordinary environment, you'll enjoy fine dining, dazzling entertainment, and relaxation in a world-class resort. You'll take away technical ideas, business solutions, and mutual support. Your AMTMA—it's as good as you make it, so please save the dates!

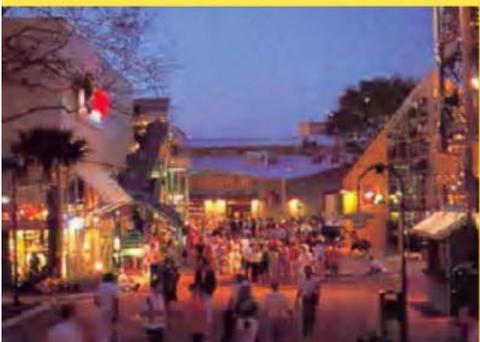
Preliminary Schedule of Events

| Wed 3/8 | Thurs 3/9 | Fri 3/10 |
|----------------------------|---|---|
| Golf Tournament | General Session and Speaker Program | "Behind the Scenes" Tour of Magic Kingdom |
| Board of Directors Meeting | Evening Event which includes Reception and Dinner | |
| Welcome Reception | | |

Save the dates! We need your participation to make the magic happen. Registration information for the AMTMA Spring Association Meeting will follow.



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Fine in the Past: Are You Hindered by Formerly Effective Sales & Marketing Policies?



Dave Kahle

I call it *FIP. Fine in the Past*. It refers to all the sales and marketing efforts, ideas, policies, principles, techniques, and strategies that worked well in the past, but are no longer effective. The past is everything that's pre-2005.

I still recall a poignant moment with an attendee at one of my seminars. During the break he came up to me and said this:

"I've been in business for seventeen years. And we've done well. But now, it seems like everything is changing, and I don't know what to do."

He went on to explain that he had built his formerly thriving tool and die business on certain core principles: Quality workmanship, competitive prices, and good service.

Those principles, adhered to with discipline and conviction, had brought him word-of-mouth business consistently over the years. But they were no longer working, and his business was floundering. The pain and confusion were written all over his face as he contemplated the prospect of seeing his business wither away.

our marketplace and the competition is so fierce, the kinds of service and quality that were sufficient to distinguish yourself from your competition are no longer sufficient. Your customers expect previously outstanding levels of service and quality from every supplier. What was sufficient a few years ago is still necessary today, but no longer sufficient.

That reliance on quality service and word-of-mouth marketing is a FIP principle. When viewed from the perspective of effective sales and marketing approaches, these principles are passive. They rely on your customer's coming to you, recognizing the superiority of your product or service, and then talking about you to others. Your job is to create an attractive operation that will pull customers to you and then keep them coming back.

When everyone else operated in similar fashion, that was FIP. But when more and more competitors appear, and they make the same claims as you do, your reliance on passive marketing methods relegates you to second choice.

Probably one of the greatest marketing myths of all time is encapsulated in the expression, "Build a better mousetrap and the world will beat a path to your door."

Nothing could be further from the truth.

Once you build a better mousetrap, you then have to publicize it, price it correctly, and develop a sales system to take it to mar-

ket in an effective and efficient way. And if you don't do that, your mousetrap will linger in the limbo of obscurity.

I've seen literally hundreds of businesses of all sizes who never reached their potential because of an inability to do sales well. They were perfectly capable of rendering outstanding service at competitive prices but struggled to survive. These FIP principles were so deeply ingrained in their mindsets that they never learned to do sales as well as they could, and their businesses never reached the level of prosperity and success that they could. The economic landscape is littered with the remains of businesses who were excellent in providing their product or service, but mediocre in selling it.

Here are some other FIP principles, followed by the more effective modern approach.

FIP # 1: Creating sales by relying totally on outside salespeople.

It was OK to hire a number of salespeople, give them some basic training, and then charge them with "Go forth and sell a lot." Sales territories were geographically based and each salesperson was a clone of the other. Accountability was a nasty word that no one repeated.

MEMA: (More Effective Modern Approach)

Customers are first profiled to collect relevant marketing information. Then, they are ana-

lyzed and segmented, not only by their potential, but by the dynamics of the most effective sales approaches. The arsenal of sales methodologies now includes a variety of weapons: Web site marketing, e-commerce, trade show marketing, out-bound telemarketing, and data-base marketing to name a few. The appropriate sales methodology is selected based on the potential and dynamics of the customer. Customer contacts are tracked on a CRM system. The salesperson becomes one of many methods of acquiring and nurturing customers.

FIP # 2: Sales management by pay plan.

In other words, pay them straight commission and everything will take care of itself.

MEMA:

The sales commission plan, while incredibly important, is not the only, nor the primary method of sales management. Those who supervise salespeople, whether they be branch managers, principles or sales managers, understand that the processes and methods they use to focus, motivate and hold salespeople accountable are a necessary and strategically important part of how effectively sales is done. MEMA companies have a formal process of hiring a salesperson, training and developing that salesperson, helping that person focus his/her energies effectively, and holding them accountable for the wise investment of their selling time.

(cont. on page 5)

FIP # 3: Reliance on "on-the-job" training.

Everyone can learn how to be an effective salesperson. Just put them out there in a sales territory, and sooner or later they will figure out how to do the job well.

MEMA:

Sales is a profession and, like every profession, requires both a minimum standard of knowledge and behavior in order to be allowed to practice, as well as commitment to continuous improvement in order to prosper.

Would you send your children to a teacher who had never passed the minimum standards? Would you fly on an airplane with a pilot who had never been certified? Would you go to a counselor who had never been trained in the basics of the job? Would you use an accountant who had never studied accounting?

Sales is an equally demanding profession. MEMA companies understand this, and develop a curriculum and a set of minimum standards for every salesperson. Once the salesperson has met the minimum expectations for knowledge and behavior, he/she is expected to continually develop and improve for the rest of their career.

FIP # 4: Hiring by "feel."

When it comes time to hire a new salesperson, find someone who has some experience in the industry and about whom you "feel" good.

MEMA:

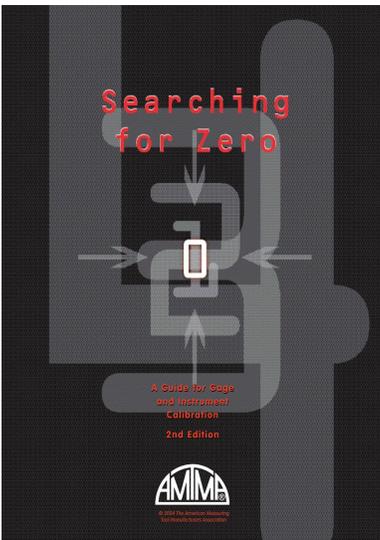
Create a specific hiring process with a profile of the most effective salesperson as a model to which to compare all sales candidates. Use several interviews, formal assessment documents, reference checks and a well-designed pre-hire aptitude assessment to come to a well-informed decision about who to hire. MEMA companies understand that hiring by "feel" is often a rationalization for a

lack of effort, and that the decision about who to hire can be the single most important decision most sales managers will make.

The list of FIP positions can go on for quite a while. These are the most common. If they apply to you, it is time to rethink your position and move your sales and marketing efforts into the 21st Century.

About Dave Kahle, The Growth Coach:

Dave Kahle is a consultant and trainer who helps his clients increase their sales and improve their sales productivity. Dave has trained thousands of salespeople to be more successful in the Information Age economy. He is the author of over 500 articles, a monthly e-zine, and six books. Ten Secrets of Time Management for Salespeople was recently released by Career Pass. His Kahle Way Sales Management System empowers sales managers to instill accountability and communication in the sales force. You can join Dave's "Thinking About Sales Electronic Newsletter" on-line at www.davekahle.com/maillinglist.htm.



Searching for Zero
A Guide for Stage and Instrument Calibration
2nd Edition

“This document reflects the ‘real world’ of dimensional metrology in which we all work.”

“Searching for Zero—Second Edition”

“*Searching for Zero—Second Edition*” is still available. The member companies of the American Measuring Tool Manufacturers Association have produced this publication as a guide for customers who, like us, are searching for certainty in a very uncertain world.

There is an element of uncertainty attached to every dimensional measurement made and we hope this guide to the most common sources that contribute to that uncertainty will help everyone improve their capability.

The experience of our members is also offered with hints that are noted for each type of calibration outlined. We are limited in

that this publication is a guide to help you and can only deal with the more popular procedures employed at the commercial level as compared to those used in research laboratories in this field and national standards laboratories.

‘Searching For Zero’ is not intended to be a training program, but we hope it will become a helpful reference on the realities of dimensional metrology whether you are calibrating products or measuring your own.

To date we have received orders from over 30 companies totaling over 2,500 copies.

Quantities are still available. Please don't hesitate to order this valuable publication!

You may order by visiting www.amtma.com



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*The measuring tool & gage
industry is only as strong as
its weakest link!*

As the precision measuring tool industry continues to mature, it faces challenges from many sources. As each and every measuring toolmaker improves, so does the strength and vitality of the industry.

The American Measuring Tool Manufacturers Association (AMTMA) stands for serving, supporting, and educating American precision tool manufacturers and their pursuit of competitiveness in world markets.

Join your peers and you'll save time when you take advantage of benefits and services designed for the busy measuring tool executive and manager. No matter what information you need, AMTMA is just a phone call or e-mail away.

AMTMA Statistics Update—Ken Swanson, Jr., AMTMA Statistics Committee Chair

**Don't miss your
opportunity to
participate in valuable
AMTMA statistics
reports.**

Business Conditions Report

(Quarterly)

Member participation in this report averages about 30 companies every quarter. This is an excellent way to keep abreast of the industry business conditions as your peers see it. However, you have to participate to get the information.

Wage & Fringe Benefit Survey

(Annual)

Member participation in this report averages about 25 companies every year. This is an excellent way to keep abreast of the industry wage & Benefit trends from year to year. However, you also have to participate to get the information.

AMTMA Membership Update— John Mead, AMTMA Membership Committee Chair

As we all know, the last five years have been very hard on trade association memberships. For this reason, now that business conditions continue to improve, your Membership Committee has been very active in trying to expand AMTMA membership. A recent membership drive was launched and over 150 prospects were sent a membership packet outlining the benefits of belonging to this great trade association.

However, references from current members are the best method of gaining new members. Contact Mark Stockinger and myself with any prospects.

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