



Globalization And How It Affects Manufacturers

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Like many of you manufacturers, I have been following the transformation of manufacturing and the world economy for the past

several years. We all recognize that globalization has radically impacted the competitive balance of our businesses. And, most acknowledge that this issue is the single greatest challenge we must confront to ensure continued prosperity for our industry.



Change has been a fact of life in our industry. Our 130-year history is one of constant adaptation to new technologies, new customer demands and new opportunities. However, the skills that carried us through previous challenges are not necessarily the skills required to move forward under the new business reality that now confronts us. -

The segment of our business most at risk from globalization is high-volume, commodity-type parts that involve cost as the dominant issue. To manage that risk, we must continually re-evaluate our competitive position across the full range of the parts we supply.

Some manufacturers have successfully made the transition from being solely manufacturers to being total solution providers. They have done this by supplementing their manufacturing expertise with an outsourcing competence and presenting themselves to their customer base as an entirely new value proposition. -

The goal is not to abandon our proud heritage as manufacturers; we will always be, first and foremost, engineers. We are not replacing our core competence as manufacturers, but,

by complementing it with an essential set of new skills, we are preserving and protecting it.

The PMPA is working aggressively to develop and transfer to you the competencies necessary to confront and embrace the challenges of global competition, and capitalize on the opportunities it offers our industry for a much-needed, new engine of growth.

There are options in the way we manage our evolution to being adaptive and responsive to external pressures. The one option we have is do nothing at all. Our first step is to offer you the opportunity to visit China and begin developing a competence in outsourcing.

Information regarding the China Trade Mission can be found at www.pmpa.org/resource/sales_marketing/. A brochure with complete details is also available from the PMPA. -

I welcome your support and participation in what I see as a positive, enthusiastic and ultimately successful industry response to the challenge of global competition.

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