

Seeking and Capturing New Business Opportunities...

(Editor's Note: THE MOLDBAKER JOURNAL extends a warm welcome and sincere thanks to DME President Dave Lawrence who takes over our "International Marketing Forum," bringing to the column his own brand of experience, wisdom and foresight.)

[Editor's Note (2): The focus of our "International Marketing Forum" may not always be entirely international in scope. If you have ideas about subject matter, give us a call, anytime, at 414-332-8002 or 202-974-5280 or 202-974-5296.]

**By: Dave Lawrence,
President,
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In our continuing struggle to emerge from this recession, all manufacturers should be looking for new business opportunities — not just relying on old customers to come back.

The good news is that there are many possibilities for companies that are committed to doing what it takes to capture opportunity. Today I'd like to focus on two potential avenues of growth:



Dave Lawrence

1. Greater integration with customers' processes
2. Geographic expansion to stay close to customers' operations.

Designs on Success

Many companies are becoming more focused in their approach to business development, concentrating on specific

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vertical markets such as medical devices.

The companies most successful in this approach are winning by working more intimately with their customers beginning in the design phase. Such early involvement is essential to meeting increasingly difficult demands for more complex parts and greater precision in markets such as medical devices and electronics.

By helping to create more seamless integration between design and manufacturing, molders and moldmakers involved in the design process become a more valuable partner to customers and have a shot at winning business in more of the steps of the production process.

At DME, we've been seeing this trend more and more in areas such as household goods and personal care products. These OEMs are definitely looking for more direct and greater involvement from fewer suppliers. Their design teams are becoming more knowledgeable about the molding process—and therefore more interested in the technical solutions your team may be able to offer.

The Power of Proximity

After some very difficult days, the U.S. manufacturing sector is showing signs of health. Nevertheless, there's no question that our domestic manufacturing

base has shrunk significantly in recent years.

It's not just because of the dramatic drop in volume of work, but also because of the huge advances in technology and efficiencies we've achieved. Productivity continues to reach new highs. The result is that, even during the economic recovery, manufacturers won't be adding lots of jobs, as DME and others pointed out at a recent roundtable event.

What that means is that you should continue to look outside our borders for growth opportunities. After all, that's what your customers are doing. The maxim to "follow your customer" still holds true.

Among the many benefits to staying in close proximity to customers:

- Keeping fuel and transportation costs low
- Minimizing the impact of import/export regulations
- Supporting JIT
- Reducing risk of parts damage in shipping and handling

For a current example, consider the burgeoning Chinese auto industry. Automotive OEMs, including Chinese car-makers, typically want their suppliers close to their operations. So if there is an opportunity in the Chinese auto industry, it's going to be in China, not here.

Hope in High Tech

In addition to China, operations are picking up in countries such as Thailand and Vietnam, as well. Among all the up-and-coming markets, the common denominator is low-cost labor. Basically, wherever Nike is making shoes, you can bet there is low-cost labor.

"...keep fuel and transport costs low..."



The International Marketing Forum

Continued from page 6



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However, smart companies are always making these decisions on a cost-benefit basis. So while commodity parts are made in low-cost countries, those involving more advanced technology often are made in high-tech markets. The upshot is that there are good opportunities for U.S. moldmakers in higher-end applications. However, to be a more complete partner to

customers, and to get both types of work, you need to be in both places.

Carrying out the Commitment

So you're committed to overseas expansion. Maybe you're even in the process. That's good, but it still doesn't guarantee success. Whether you're working through strategic partners, joint ventures or direct expansion, foreign business markets can be very tricky to navigate. You can't expect to do it remotely. Talk about China and India all you want, but if you don't want to travel there and see how things work, you'll be at a serious disadvantage.



You have to be there, see it and feel it. Visit plants, go to trade shows, meet people, get to know the culture. Once you do that, your ventures will have much greater chances.

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GBC Mission Statement: ...to increase global awareness and competitiveness by providing resources to SPI members, while fostering growth of the plastics industry worldwide.

GBC Meetings: (Future meetings of the Global Business Council will be announced in this column as appropriate.)

References and International Events: GBC is comprised of more than 100 SPI members from all segments of the industry. **GBC Committee:** Dave Lawrence, D-M-E (Chair); Richard LeNoir, Basell USA Inc. (Vice-Chair); John Blundy, Incoe Corp; Al Cotton, NYPRO Inc.; Steve DeHoff, Stress Engineering Services; Larry Doyle, The Conair Group; Van Durham, Injection Technologies; Al Hodge, Standex Engraving Corporation; Rob Kittredge, Fabri-Kal Corp.; Peter Langerak, Dupont Polymers; Bruce Lecky, Drader Manufacturing Industries Ltd.; Michael Lynch, Illinois Tool Works, Inc.; Jess A. Mellenthin, Plastic Ingenuity Inc.; Wylie Royce, Royce Associates; Charles Sholtis, Plastic Molding Technology; Ursula Tober, Ticona.

International Events: K2010, October 27 - November 3, 2010, Sponsored by: Messe Dusseldorf, Located at Dusseldorf Fairgrounds / Dusseldorf, Germany; Contact: Messe Dusseldorf at 312-781-5180

(Editors Footnote: We invite YOU to become a resource for and contributor to THE MOLDBAKER JOURNAL. We freely invite readers to offer your own suggestions as to subject matter for the "International Marketing Forum," and to make recommendations as to other topics we might try to cover in these pages. Our focus in future may not be completely about global marketing, but we need your input to determine the best kind of news and information to bring to the Moldmaking Profession.)

THE MOLDBAKER JOURNAL invites
you to "Talk Back!"
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