

# IMPO

## Gearing Up For Success

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by Anna Wells, Editor, IMPO

Roscoe, IL might be considered the gear capital of the world. This small city serves as stomping ground to three gear manufacturers, and is part of an enclave of manufacturing towns in Northern Illinois, including Rockford—a once industrial giant which now suffers the highest unemployment rate of any city in the state.



Forest City Gear's place in the manufacturing grid, however, is sturdy. In fact, this family-owned and operated gear manufacturer has retained the strategy it kicked off in the late '70s—even through today's current economic turmoil—of massive year-over-year investment in new equipment technologies. Company CEO Fred Young will tell you there's no magic secret: "It's just having the nerve to invest."

## Money Where Your Mouth Is

"For over 30 years, we've been re-investing 25 to 40 percent of our gross sales each year in new equipment. Newer equipment is more productive, and certainly is more quality capable. It has technology that allows us to do things that we could not do before," says Young.

"Beyond that, it is certainly more efficient. It demands less energy and in some cases, we've been able to make some significant reductions in floor space—either through the equipment or consolidating cooling for instance, on multiple machines in one unit instead of each machine having a separate cooling unit."

From a contract manufacturer's standpoint, it also goes beyond sheer efficiency gains. According to Young, it's about showing your customers your capabilities and aggressive training and expertise, before they need it.

"If you bring customers into your plant and you've got all new toys, they have a higher degree of confidence in your capabilities. Most people will say 'I'll buy the machine if you give me the order.' The customer doesn't want to hear that. They want to know that you've got it in place on

the floor, you know how to use it, and have multiple people trained in its usage, and that you can demonstrate a high confidence level that you'll be able to produce—or more likely exceed—their requirements. And it's worked really well for us over the years."



### **Managing Results**

One of the focal points of new equipment, says Young, is how it helps improve the company's prospects on a global stage. Despite the fact that it's fairly unusual for a job shop to have much foreign business, Forest City ships eight percent of its total volume to Chinese customers each year. "You're not going to do that with 25 to 40 year-old equipment, because you have to be efficient and productive and able to guarantee and deliver super high quality continually," says Young.

"You have to decide if you're in this for the long run," he adds. "How will you be successful? How will you compete on a global stage when the world is becoming so small and people from Europe and all over the world are trying to sell into the United States?"

### **The Learning Curve**

The results of this focus on equipment have been consistent, especially from a training perspective. "We have space limitations, so we have to sell some of the old equipment. That forces our people to adapt to the newer technology, and gain the benefits of it," explains Young. "If you keep the older stuff around, they're tempted to keep using something with which they're familiar, and you don't gain the benefits of the new equipment as quickly."

One unique element of the training process that the Young family has explored has been in sending some Forest City Gear folks over to Europe where the machines they're purchasing are being built. According to Young, this type of education has several long-term effects on efficiency: "One, we want them to see how the machines are built so they understand the guts of the machine, and also to receive training from people at the factory, but also to see other places where they use this equipment on their own floors in productive situations. I can tell you that generally speaking, they tend to be very aggressive in the use of their machines, because they know what they're capable of doing and so they exploit them to the maximum. I think that's really a very educational thing for our workers to be exposed to—to see that you don't have to baby it," he explains.

“I have kind of a conservative crew here, because we’re always concerned about quality. It’s of paramount importance... but when we educate them correctly, they understand that they can still maintain very high quality levels, but go faster than they might think that they could.”



In addition, the Forest City employees benefit from what Young calls training “cross pollination.” Each time a new piece of equipment is purchased, the manufacturer's trainers come in and assist in setting up the equipment. “Those trainers have been at the benchmark factories throughout the world,” explains Young. “That all gets passed along to our people, and that knowledge is invaluable.”

### **Family Active**

Despite the company's aggressive approach to grabbing a piece of the global marketplace, Forest City's roots are in family and its employees. “We’re not just a family-owned business, but a family-active business,” says Forest City president Wendy Young. “It’s important to us to maintain a family atmosphere, but at a professional level. The smaller the world gets, and you’re competing with so many different people and corporations... we don’t want to get lost in that, and we don’t want our employees to get lost in that. So we strive really hard to maintain those relationships and recognize employees.”

In addition to the recognition of employee successes, Forest City takes an active interest in their health with coronary health programs and in-house safety trainers. The company can boast several years without a lost time accident— an especially impressive feat in the potentially dangerous gear-cutting industry.

### **Sharing The Wealth**

The leadership at Forest City Gear has another major passion outside of specific company successes: the plight of American manufacturing, even if it means sharing some of their methods with their peers.

“Sometimes I almost beg them to come over and see what we do,” says Fred Young. “I’d like to see manufacturing remain strong in this country, because manufacturing jobs create real money. Being able to make something that other people in the world want to buy from you is the lifeblood of this country, and I’d hate to see that we might be sacrificing some of that ingenuity and world leadership that we’ve had for so many years.”

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