

A time of unmatched opportunity

I am the General Manager of Castool Tooling Systems, a manufacturer located on the outskirts of Uxbridge that services the global aluminum extrusion and die cast industries. About 50% of these sales are to the automotive industry.

Castool moved to Uxbridge from Scarborough in November 2006. We employ 86 skilled people. The move has been very good for the company, our employees and Uxbridge.

It's about time an article was published about the present economy that is somewhat positive. So I'm writing it.

It is not that I have my head in the sand. Being in manufacturing, I know how challenging the business environment is. We are paying the price for an era when financial engineering counted more than breakthrough products and services. We were deluded by unsustainable growth figures, and lost track of our long-term priorities.

Just now, following the recent economic meltdown, our economy, our productivity and our lifestyle, are all in the process of being reset. Industry cannot ignore this fact. We must accept it, and adjust to a new and much more challenging business environment for the foreseeable future.

I believe that we are entering a period of unprecedented and virtually unlimited opportunity for our industry, as well as others. Automakers throughout the world are urgently redesigning and retooling to produce smaller, lighter vehicles that will cost less, and use less fuel. The fact that if the weight of a vehicle is reduced by 10%, the fuel consumption is reduced by 6-8%

means that the strength to weight ratio of steel, plastic and aluminum for every component of these new models is now being carefully compared. This will inevitably result in a much increased demand for aluminum product. There is also an additional factor involved in this equation.

A critical but as yet seldom articulated factor in the future use of aluminum products is the influence of 'Generation Jones'. This is a term used to describe the generation of people born between 1954 and 1965, right after the well-known post-war 'Baby Boomers' who dominated our culture for so long. Just now, Generation Jones, aged 45 - 55 has a commanding presence in both industry and politics.

More than a quarter of all adults in North America and Western Europe are Jonesers. To date they have been a largely anonymous generation, but with some consistent and clearly defined characteristics. For our industry, the most important of these is a strong sense of responsibility for the protection of our global environment. With regard to the use of aluminum in the automotive sector, for example, to a Joneser the fact that a lighter car using less fuel produces less greenhouse gas emissions, is almost as important as its reduced cost of operation. He will also be attracted by the recyclable potential of aluminum product. All of this influences the Joneser's support of anything that will increase the profitable use of aluminum.

The best time ever for industry to improve their productivity and profit is now. The opportunity is immediate.

The one undisputable truth is that only creativity and aggressive innovation will fuel a turnaround. The Chinese symbol for change is in fact

two symbols, risk and opportunity. Change does not arrive via miracle. It requires a kick-start.

Adversity taps our strength. Too often, we retrench or maintain, when what we actually need to do is stretch.

There are only two ways to grow. Take inventory of what you're good at and extend out from your skills OR determine what your customer needs and work backwards, even if it requires learning new skills. It is probably prudent to do both.

Change can start with small measures, and it can be rewarded with small prizes. I read this example the other day. Toyota receives 1.5 million employee suggestions every year. The employee with the single best idea gets a fountain pen! Lehman Brothers (who just went bankrupt), on the other hand, gave out million dollar bonuses.

The future does not play favourites. It has no winners or losers. It has no trends, business channels, or emerging markets. Because the future has not happened yet, it is a blank sheet, a clean slate, and uncharted. How will we shape it? Together, we can create the future.

There are opportunities around us. Very few are taking them. Let's get creative and aggressive, and build Uxbridge's future.

The market has been reset. Yesterday the choice was cheaper or better. There is no longer a choice. Today the product must be cheaper and better. It will never return to the standards of quality, service and price that were acceptable in the past, but the technology is rapidly improving to meet this challenge.

The market is there. The improved technology is available. The time is now.