

Real People

Stop sucking up to the sellouts and get serious about helping small shops.



**DAN
BEAULIEU**

IT'S HAPPENING AGAIN. This time it's Honeywell (Advanced Circuits Inc.) in Minnesota and Tyco (Advanced Quick Circuits) in Melbourne. These companies are the latest to fall prey to the growing list of shops closed after being bought by large, Wall Street-controlled corporations. I hope that this will finally prove to all those organizations and associations who have sucked up to these big guys for years that the strength of our

industry in this country is not the publicly owned companies. Do you want to tell me about how companies like Sanmina, Viasystems, or even DDi are doing? A handful of people got rich and the real workers – the people who really built these companies – got squat. And what have we done about it? Do we call these well-off owners onto the proverbial carpet? Of course not. They deserve Hall of Shame awards – for selling out the industry.

In the past year or so 120 facilities were closed in the U.S. Many of them were small, undercapitalized, or poorly run. But of the \$500 million of the estimated \$2 billion in production capacity that evaporated, over 80% was the result of shuttered large ones. So while the former owners are sitting on yachts somewhere, here is what the real workers are thinking about, as reported in the Minneapolis Star Tribune. “Honeywell had some 8,000 workers in Minnesota before its 1999 buyout by Allied Signal. ... If the latest round of layoffs is carried out as planned, the now New Jersey-based Honeywell will be left with about 5,400 workers in Minnesota.” That's 2,400 out of work! And the Star Tribune relates some of their reactions:

Outside the Roseville plant, Scott Elledge said frustration didn't come close to describing his reaction to the layoff news. “Betrayed sounds more like it,” said Elledge. “How can they do this to us?” Elledge has been with Honeywell for nearly 13 years and went through a four month layoff last year.

Sherry Schmitt, an inspection worker, said employees were either “crying, hugging each other, or walking around like zombies.” The St. Paul Park woman said there had been rumblings of layoffs lasting two weeks to 30 days. She was called back to work in December following a seven month layoff and didn't think she would face another. “A lot of us came from the other plants in Hopkins and Minnetonka thinking that this was finally going to work out,” Schmitt said. “Now what are we going to do?”

I know the economy is bad. I know these companies have been hit hard, but if they had board people running them, someone with their heart in the game, something could have been done. Sure, layoffs would have occurred, but to close up shop is unconscionable mismanagement and failure, pure and simple.

What the hell were you thinking, Honeywell, when you bought this company? What the hell were you thinking, Allied Signal? I fail to understand the strategic justification for putting these together, when neither corporation had any business being in the board business. Still, I know these companies are gone and there is nothing to be done about it. And I know also that a number of other companies will meet with similar fates in the very near future. So what's my point? Let me be blunt. We have to help the small- and mid-volume shops, we have to make sure that organizations such as IPC, and publications such as this and the other one, concentrate on trying to make board shops better. We are in the board business, not the financial business, and every time we forget that we lose ground.

I counted 15 board shops at the last TMRC meeting in Chicago. That's an area that has at least 100 shops within driving distance. What does that tell you? My friends at IPC say they have tried; the small shops are just not interested. Maybe IPC isn't trying hard enough. After all, we were treated to two days of programs on how to legally counteract “dumping” (like we're going to do that) and the growth in the U.S. market for security systems post-9/11. (Surprise!)

A better suite of programs would include:

- Selling printed circuits globally.
- How to partner with an offshore shop.
- Finding, signing, and managing sales reps.
- Getting more out of your sales force.
- How to market on the Web.
- How to stay in business during tough times.
- Value selling: ensuring price isn't really everything.
- Value engineering: how to build boards at the price you had to quote to win the business.

Quite frankly, at the rate the large shops are going out of business – or I should say, taking themselves out of the game – the lack of attention to the small-to-medium-sized shops' immediate needs will make us all irrelevant. Think about it, and send me your opinions, especially if you don't agree. ○

DAN BEAULIEU is a founding partner in D.B. Management Group (Waterville, ME). He can be reached at 207-873-0793; danbeaulieu@aol.com.