

## Synergy Now, Protectionism Never!

Tariffs against offshore companies limit domestic ones, too. The best solution: Better products, shipped on time.



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**I WAS TALKING** to a friend when he started ranting about synergy. “Synergy is what we need,” he said, “not partnerships, but synergy.” What’s the difference, I asked? His response: “The key factor of the synergistic relationship is to find the right pieces to make a valuable whole. In other words, through the right synergy, two parties can together meet a goal, fill a need, or service a customer in a way that neither could alone. It’s like ‘one plus one equals three.’ Partnerships are good, but synergistic partnerships are better.”

In my book, any time people work together is great. As an industry, the more we do together, the stronger we’ll be. As most industry veterans know, perhaps our greatest weakness has been lack of cooperation. For the most part, it’s every man for himself (and I do mean “man,” because most owners I know who are women are great networkers). Ironically, U.S. board shop owners are finally starting to come together. But their motivation is all wrong. The reason behind these partnerships: to see what can be done to convince government to implement protectionists laws limiting the ability of offshore companies to sell into the U.S. market. So while it’s good that owners want to band to support a common cause, it just so happens that the cause is stupid and narrow-minded.

The only way to compete is ... to compete. Trying to bar competition is at best a very short-term solution. Asking government to protect a market is akin to conceding that all other solutions have failed. It leaves an industry’s health in the hands of government. It says that one’s products or models don’t cut it on the open market. It says: This is the best we can do; we can’t try any harder to improve.

I disagree completely. The North American PCB industry has vast room for improvement. Yet companies would rather kill each other off than work together. The industry image is much too low relative to the technology it develops. To wit, the world thinks PCB firms build neat little “cards,” while “high tech” is the domain of assemblers. We blame the IPC for abandoning us in favor of CEMs, and we blame government for inadequate protection. But, I ask you, Mr. PCB Shop Owner, are you doing everything you can to market your boards? Are you aggressively selling your products? Are you as competitive as you can be?

Are you as creative as you can be in finding solutions for customers’ needs? Are you partnering with a design house, to give customers the design services they need? Do you have a quickturn or production partner? Are you partnering with board houses that offer other technologies, to extend your product line? Is on-time delivery over 97%? Is yield 98% or higher? Do you have a good personal and professional relationship with all your customers, especially key ones? Do you understand your customers’ future needs and are you preparing to meet them? If you are doing all of these things, and you still can’t make it, then maybe you do need government protection. But I doubt it. It’s a tough message to hear, but companies just aren’t doing all these things.

Protected or closed markets do not work. Tariffs against offshore companies limit domestic ones, too. Offshore alliances go kaput because of the tariffs, and companies lose the opportunity to fully service their customers. Moreover, customers are undeterred by tariffs; they find ways to work around them. Protectionism is a path for mediocre companies to do what they have always done, and that, as G.B. Shaw once wrote, is a recipe for getting what they have always gotten.

**Barring competition is at best a **SHORT-TERM SOLUTION.****

**‘Anyone can sell good product on time at a good price.’**

Keep in mind the shop owner who told his sales manager that, instead of relaying customer requests for all this “stuff,” he should sell what the shop made. “Low quality boards delivered late 70% of the time and at noncompetitive prices?” the sales manager replied. “Right,” the angry owner retorted. “If you were any kind of salesman, you could sell that. Anyone can sell good product on time at a good price!”

Until next month, give your sales team great products to sell. And, let the U.S. government do what it does best: run the Post Office. ○

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