

The End of the World as We Know It

But hey, it's not *our* fault, right?



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MANY THINGS BOTHER me these days, and most have to do with our industry. Business lags; more and more is going offshore. Customers lack loyalty; they don't know the meaning of "partnership," and always buy from the lowest-priced shop. Environmental laws are tough. Industry trade groups could do more to help. All those things are bothersome; they always are. But the other day, as I was commiserating with friends

over how tough the conditions are, it hit me: No matter how badly we are doing, no matter how many board shops are failing, no matter what curve life throws us ... it is never our fault. Like the U.S. basketball team, which ended a 10-year winning streak with three losses at the recent World Championships, we excel at inventing excuses and throwing blame. But we never admit that maybe, just maybe, we are not doing everything we can to make improve our lot. We are always the victims.

Once this thought permeated, I could not let go. I started analyzing the performance of U.S. board shops – quality levels, technology levels, delivery performance – and came to the realization that, for the most part, we have failed to improve. According to the Kirk-Miller *FabFile* database, just 41 U.S. board shops increased sales last year. Forty-one shops – out of 594! That's a frightening fact. I know the ugly numbers – about how the industry fell to \$6.5 billion from \$10 billion – but still, given an attrition rate in the range of 10%, how could only 7% of us be sufficiently innovative to find a way to grow? What's wrong?

It's high time we jump the hell out of that box! Someone once defined insanity as doing the same thing over and over and expecting different results. Board-shop owners, ask yourselves: Does this apply to you? What have you done to improve customer services? Have your yields risen? Has your delivery performance improved? How have you made your company more valuable to customers? Are you indispensable to your customers? Have you found new and innovative ways to service your customers? What are you doing to attract new ones? Over 55 shops have gone out of business in the past 18 months; even if shipments were well below historical levels, that's business to be had. Have you investigated military certification? Flex or rigid-flex? Partnering with other shops to offer complete PCB solutions? Money-back guarantees? Stocking?

You get the picture. If you want to run a successful busi-

ness, you have to jump out of that box and start operating very differently.

But U.S. shops are not doing this. We are doing the same things we have always done, complaining about the same exterior forces of old, and it's limiting our perspective. Some people I speak with are actually waiting for the downturn to blow over, so they can return to the "good old days." Good luck with that! Some are turning down jobs because they "don't want to buy the business." If you don't know your true costs, how can this be an issue? Waiting it out is a euphemism for doing nothing. Detroit automakers know this, having spent decades thumbing their collective nose at Japanese imports, only later to endure excruciating pain to improve quality and drive out costs. I know of maybe a dozen PCB shops that have realized this.

If Sam Kinison were alive, he'd be the perfect speaker for the next industry meeting. I could see him, pacing the

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Who's to blame? We are!
Figure out HOW TO BE INDISPENSIBLE, or perish.**

stage in his trademark long overcoat and beret, shouting at the audience: "Listen you morons, the world is not changing back! It's over; the world as you knew it is over! And you better get used to it. You'd better find global partners, you better figure out how to be indispensable to your customers, you better always be on time! You better never, ever have quality issues! The world has gone global: it is much smaller that you ever imagined it would be and you'd better figure out how to deal with that! You better figure out how to be the very best in your market, and you better figure out how to fully service your customers. Because if you don't ... you're going to die!" ○

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