

Promotion, but for Whom?

Will U.S. taxpayer monies be used to help U.S. firms – or their competitors?



DAN
BEAULIEU

THOSE WHO READ this space know that I am for globalization and against governmental protectionism. There are times, however, when events compel me to fine-tune my sentiments. This is one of those times.

In case you missed the announcement, let me clue you in. IPC was recently awarded a grant of \$400,000 by the U.S. Department of Commerce. In presenting the grant, representative Linda Conlin, assistant secretary of commerce for trade development, was quoted as saying, “President Bush believes one way to create jobs is to grow the economy by encouraging investments in local communities. The Cooperator program enables American industry to take the risks necessary to innovate business and to pursue profitable export markets.”

This sounded pretty good. And investing in your nation is hardly what I’d call protectionism. So I’m getting excited at the prospect that IPC will use this tidy windfall to help improve our image worldwide, or maybe to set up marketing programs for some of its fabricator members. After all, the award is on behalf of an industry that has been devastated in the past 24 months. While not a huge sum, it could help in a small way to encourage “investment in local communities” as assistant secretary Conlin says.

That thrill was quickly tempered, however, by an IPC statement on its plans for the funds. In the words of president Denny McGuirk, “IPC will continue to promote the adoption and use of industry standards in China by translating standards and programs to Mandarin, training China-based manufacturers, and promoting IPC standards. We are also committed to assisting the U.S. interconnect industry capitalize [sic] on our presence in China by leading trade missions and collecting market research data.” (IPC has opened an office in Shanghai.)

When I contacted McGuirk, he said that this would be an integral part of globalization. He mentioned that numerous fabricators have contacted IPC looking for the best way to partner with Asian board shops. Some of the grant will be used to provide information about Asian companies suitable as partners for U.S. manufacturers. IPC will also organize trade missions to the Far East and invite representatives from board houses.

Yet McGuirk also noted receiving a number of calls from owners less than thrilled over the prospect of making it easier to do business with the Chinese. So when I asked some board shops what they thought, I wasn’t surprised to find most were less than appreciative. Here are some of their comments:

Hey Denny, guess what? We don’t sell boards to China! We compete with China, and now you are about to make China easier to deal with, easier to buy boards from.

Who is going to be on these trade missions? Not board houses I’m sure. Most likely it will be CEMs and OEMs being shown how IPC is making it just so much easier to buy from China.

What happened to the “local communities” stuff? And by the way, what happens to our four hundred grand? That is American taxpayer money that you’re using to screw us with.

This isn’t about the companies IPC represents. This is about IPC. IPC will benefit from this. I’m sure you don’t give those industry standards away, do you? Isn’t it nice that the U.S. Government is subsidizing you to produce products that you can sell? Good deal.

Yikes! Major disconnect here. In terms of priorities, what the North American fabricators think IPC should be doing and what IPC thinks are two very different things. In speaking with both parties, it is crystal clear that there needs to be much more communication. IPC feels its mission is to represent the interests of the worldwide PCB industry, while the *vox populi* assert that IPC is a North American organization that should cater to the needs of the North American companies that founded the organization. Which is it? When I raised this question to McGuirk, he shook me off, quoting the association’s mission statement, which talks of the IPC’s international focus. The shop owners I spoke with dismissed this. The consensus: they started IPC, it is supposed to be their organization, and it should be looking out for their interests. The general attitude was one of great displeasure with IPC and its lack of focus on the North American market. They felt that IPC has let them down over the years and that maybe it’s time to start an organization strictly focused on their particular needs.

To McGuirk, IPC is an international organization serving an international industry and that just happens to be headquartered in the U.S. He pointed to its Shanghai office as a symbol of IPC’s global status. When I suggested he should take the time to explain this charter to his North American members, he was less than interested.

It all leaves me confused. I’m all for globalization: It is a powerful and unstoppable force. The successful companies are those that take advantage of it. On the other hand, I also see where the domestic shops are coming from. They have a point, and they (should) have a voice befitting the size of their membership faction. It seems obvious that IPC should concentrate on having a long talk about goals and expectations, because what the domestic shops think IPC should be doing for them, and what IPC feels obligated to do, are on divergent paths. It’s called customer service. ○

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