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Welcome new Board Members:
Michael Grantham and
John Jacobsen



Spring Institute Meeting – May 2-4, 2015

USCTI would like to invite all members to join us as we meet in Austin, Texas, May 2-4, 2015 for the USCTI Spring Institute meeting. The USCTI Institute meetings are a great way to stay on top of current trends in the cutting tool industry and network with fellow colleagues. Join us as we delve into the meeting's theme, "Energy," with speakers including Tanya Bodell and John Schober. Ms. Bodell, Executive Director of Energyzt, will offer insight on economic policy and business dynamics impacting energy markets. Mr. Schober, Director of Innovation at MAGNET, focuses on developing and executing strategies for improving organizations' economic impact to the manufacturing sector via growth and innovation services.

Our keynote speaker, Jason Young, has been called a "rare breed" when it comes to developing leaders, teams and customer service initiatives. He will be presenting on his philosophy of creating the ultimate high performance workplace.

Of course we won't *just* be working... we have some great events planned in the town whose motto is "keep Austin weird," including some traditional Texas barbecue. And a trip to Austin wouldn't be complete without what Austin is best known for, the music! Our hotel is within walking distance to some of Austin's best jazz and blues clubs and we have some great music lined up as part of our activities. You'll also get to show off your detective skills and compete with other members during the first USCTI scavenger hunt.

Pack your cowboy boots and we'll see you in May! Visit the [USCTI Website](#) in March for registration information and additional details on the Spring Institute Meeting.

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USCTI President's Message



Thomas Haag

Fellow Metal Heads:

We jump into the new year with much optimism, as 2014 closed out with strong indicators that 2015 will bring us a continued robust economy. As we look back at the second half of 2014, it appears the IMTS in Chicago seemed to drive a change in activity for our industry. As an organization, USCTI started to report improved statistics on cutting tools sales, and the momentum continues.

In October, we participated in one of our best-attended Institute meetings at the Bacara Resort in Santa Barbara, California. We have not seen such a crowd (or such a fabulous place) in many years . . . and we still continue to add new members! As we all start planning 2015 for our business, don't forget your chance to meet again on May 2nd in Austin, Texas at the Driskill Hotel. We will be in the middle of oil country, and with the current volatility in oil prices and its global economic impact, the "Energy" meeting promises to deliver pertinent information that may affect our businesses.

And finally, do not forget to restructure your statistics reporting for 2015. Over the last year, many committee members have worked diligently to bring improved, meaningful statistics to our organization in cooperation with AMT. This will only come to fruition in 2015 with your help and timely participation. Please plan your reporting changes early!

"Everything's Bigger in Texas." Join us and see for yourself!

All the best,

Tom Haag

Fall 2014 Business Industry Outlook Survey Indicates Optimism

The results of the most recent USCTI Cutting Tool Business Outlook Survey presented during the fall 2014 Institute meeting indicated continued optimism for the cutting tool industry heading into 2015. In our survey, there was a 23 percent increase in members expecting industry cutting tool sales to be up this year, since this time last year. Company quarterly sales revenues were up 36 percent from the same quarter last year, and sales revenue forecasts for the next 12 months are up 14 percent. The PowerPoint presentation of the survey results is available to all members through the Presentation Archive within the "Members Only" section of the [USCTI website](#).

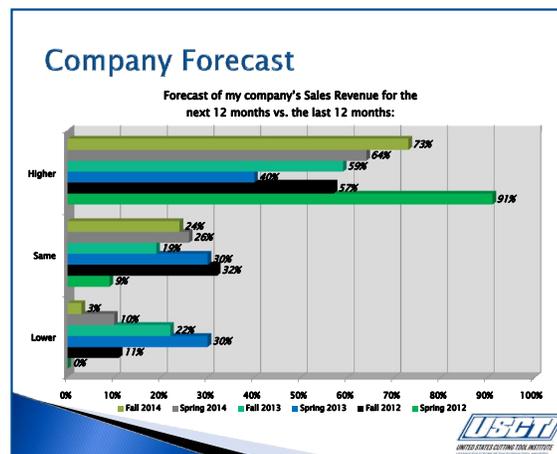
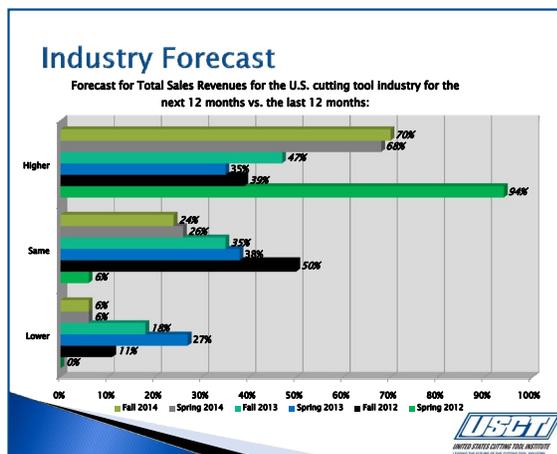
New Member Companies

We extend a warm welcome to our newest members:

[Royce AYR](#)

[ToolFab](#)

[Voisard](#)



Technical Committee: Update on NAS Standards

In the Summer 2014 Cutting Tool Informer, we reported on the status of several NAS standards in various stages of development, and we're happy to update you on the progress and approvals of the standards.

Background

Since January 2011, the USCTI Technical Committee has been working with the AIA/NAS Work Group (WG) to help update and develop AIA/NAS standards and assist in updating all NAS rotary cutting tool standards. A new standard for carbide drills is also under development.

Approvals and Updates

Two drill standards, NAS 937 and NAS 965, are complete. NAS 965 Drill Standard was approved and published in July 2014. NAS 937 Drill Standard was approved by the Engineering Management Committee (EMC) and published in October 2014. Both standards are available through IHS.

The WG plans to send Drill Standard NAS 907 to the EMC at the beginning of this year so it can be published by the end of February 2015.

The WG reports that work continues on the new standard for a High Performance Carbide Drill and anticipates its completion in 2015.

Revisions to the End Mill Standard NAS 986 and to Reamer

Standards NAS 897 and NAS 898 will commence after the drill standards are completed.

The AIA/NAS Work Group

The AIA/NAS Work Group consists of about 14 aerospace engineers representing nine aircraft manufacturing companies, the AIA representative, and five cutting tool manufacturer representatives (three USCTI members and two non-USCTI members).

The USCTI members are Phil Kurtz, Wetmore; Steve Boyer, Alvord-Polk; and Al Choiniere, Superior. The non-members are Mark Rubemeyer, Hannibal Carbide; and Dennis Noland, Niagara Cutter.

We Need Your Ideas

The [USCTI Technical Resource Center](#) on the website is an excellent source for a vast array of technical information on cutting tools, surface coatings, and materials. The Technical Committee utilizes the Resource Center to broadcast additional information and updates on a continuing basis; however, we would love to have further input and ideas from membership to help make the Resource Center a useful hands-on tool for new cutting tool engineers coming into our industry. Please feel free to offer your suggestions and input. Additional white papers would be welcome and much appreciated.

Al Choiniere

USCTI Technical Committee Chairman

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Future Meeting Dates

Be sure to mark your calendar for the 2015 & 2016 Institute meetings, which are scheduled as follows:

2015 Spring Meeting

May 2-5
The Driskill
Austin, Texas

2015 Fall Meeting

October 24-26
Meritage Resort
Napa Valley, California

SAVE THE DATE

2016 World Cutting
Tool Conference
April 9-12
Fairmont Orchid
Big Island, Hawaii

Fall 2014 Institute Meeting

USCTI's Fall Institute meeting was well received by all attendees, and was held at the Bacara Resort & Spa in beautiful Santa Barbara. With a very high attendance rate, at 110 members and spouses, attendees heard from guest speaker Ben Shapiro as he shared with the members stories about the economy. Roger Sustar spoke about his initiatives in Northeast Ohio, which have helped increase students' involvement in engineering and the sciences, in hopes of increasing manufacturing career interests. We also learned about MT Insight from speaker Ian Stringer from AMT, and received a report on the current U.S. economy from member favorite Bill Strauss. We had several sponsor presentations and all our 2014 sponsors had table displays providing information and networking opportunities to our members.

Members enjoyed golfing, resort amenities and tours of Santa Barbara, while spouses enjoyed a painting class and poolside wine at the resort. The meeting concluded with a beachfront barbecue featuring a golf simulator and other outdoor games.

Visit the Presentation Archive within the "Members Only" section of the [USCTI website](#) to access the fall meeting presentations.

Fall Institute Meeting Satisfies Attendees

The 2014 Fall Institute Meeting survey results show that 80 percent of attendees were "satisfied" or "very satisfied" with the meeting. Survey responders also thought the meeting was well organized, and more than 50 percent of attendees were "very satisfied" with the Bacara Resort & Spa meeting location.

The speakers were also well received, especially Ben Shapiro, who was rated as one of the best speakers we have had in a while.

Congratulate New Board Members Michael Grantham and John Jacobsen

Michael Grantham has been an active member of USCTI since 2001. He currently is the President of OSG Tool & Die, Inc. He began his industrial career at OSG in 1992, serving in such roles as VP-Administration & Corporate Counsel, Executive Vice President of Sales and Operations and, in 2013, assumed the position of President.

We welcome John Jacobsen back to the Board in his new role in business development for Greenlee Diamond Tool Company. John's previous involvement with the Board included work on the Alliance for Manufacturing careers program.



Grantham



Jacobsen



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Management Succession Planning and Talent Development — Keys to Future Success

By Joseph P. Boeckman

The future success of your company will depend upon many factors. Some of these factors are within the company's control while others are not. But one crucial factor that is within your company's control is the process for identifying and developing leaders with the skill set and capabilities to lead employees who are working in concert to achieve success. While talent development has become a high priority for many companies, especially those under pressure to cut costs while increasing productivity, few have in place an integrated process for management succession planning and talent development.

To most people, succession planning is limited to the process of identifying and developing internal employees with the potential for filling key positions in the future. This type of process is designed to increase the availability of internal employees who will be prepared to assume key roles, projects, and organizational needs in the future. However, effective management succession planning involves a systematic approach to building a leadership pipeline and talent pool to ensure leadership continuity, developing potential successors in ways that best fit their strengths, identifying the best candidates for categories of positions, and concentrating resources on the talent development process, yielding a greater return on investment.

Companies should take a broader view of the management succession planning that includes the following areas:

- 1. Replacement Planning** — Replacement planning is the traditional focus of succession efforts and typically originates at the top of the organization. Replacement planning is the process for identifying backups for targeted, key positions such as the CEO. Replacement planning generally assumes that the organizational chart will remain constant over time.
- 2. Crisis Management** — This type of succession effort often proves its worth in real life. An event occurs that removes a key employee from a key position, and the organization begins immediate efforts to replace that knowledge, experience, and expertise. I speak from experience, having worked with a client, a family business, whose controlling shareholder and CEO was killed in an automobile accident. While this client had some basic succession planning in place, they were not prepared for the crisis that ensued after the unexpected death of its leader.
- 3. Talent Pool Identification and Development** — This area focuses on building a pool of employees for identified key roles in the organization. The goal of this approach is to build a deep bench of employees within the organization as a source of talent to access when the need arises. This approach is becoming the more common and is a preferred approach to meet organizational needs.

Successful management succession planning and talent development initiatives have several factors in common. First, senior leaders must be personally involved in the process and must hold themselves accountable for developing the company's next generation of leaders. Second, the company must develop a culture where employees are committed to their own self-development. Third, success must be

based on a business case for long-term needs. The succession plan must be linked to strategic planning and investment in the future. As to talent pool identification and development, leadership competencies must be identified and used for selection and development of employees, and a pool of talent must be identified and developed early for long-term needs.

So what are some best practices for a successful management succession plan? Below are a few key suggestions:

- 1. Develop a long-range management succession plan that connects needed competencies to identified business strategies.** While most companies have developed a business plan that describes the company's long-term business strategies and goals, that company should also have a long-range management succession plan that works in concert with the business plan. The long-range management succession plan should describe the skill sets and competencies needed by the company's future leaders in order to implement the company's long-term business strategies and goals.
- 2. Develop a talent mindset.** Senior leaders must develop a mindset that drives them to actively participate in the acquisition and development of talent for the organization. This involves creating a culture that engages and rewards high-performing employees. Developing a talent mindset requires constant attention and should be part of the annual talent planning process, described below.
- 3. Integrate all talent initiatives.** All of the initiatives undertaken to attract, recruit, on-board, engage, direct, develop, reward and retain talent have to work in concert. People who perform these functions should participate in the annual talent management planning process, as should the business leaders they support.
- 4. Conduct annual progress reviews.** Once your company has developed a long-range management succession and talent development plan, just don't put the plan in a three-ring binder that collects dust on the bookshelf. Senior management must conduct annual progress reviews to ensure that the plan remains viable and current. Annual reviews should assess changes to business strategies and goals, changes in senior management and additions and subtractions to the talent pool, any of which could necessitate adjustments to the management succession plan.

Management succession planning recognizes that some jobs are too critical to be left vacant or filled by anyone but the best-qualified person. And talent development recognizes that it is no longer about hiring the best-qualified person for the position today, but about hiring people who may qualify for key positions in the future. Effectively done, management succession planning and talent development creates a culture focused on future success and an effective process for recognizing, developing, and retaining top leadership talent.

This article was written by Joseph P. Boeckman, a partner in the Business Group of BakerHostetler. Mr. Boeckman serves as outside counsel to the United States Cutting Tool Institute.

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