

Informers

Informing, planning and taking action



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LEADING THE FUTURE OF THE CUTTING TOOL INDUSTRY

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Welcome Steve Boyer, Johan Israelsson and Brent Williams to the USCTI Board of Directors.



JOIN US APRIL 9-12 FOR THE 2016 WORLD CUTTING TOOL CONFERENCE ON THE BIG ISLAND OF HAWAII.

REGISTER BY MARCH 10, 2016 TO BE A PART OF THIS ONCE-IN-A-LIFETIME PROGRAM!

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UNITED STATES CUTTING TOOL INSTITUTE
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USCTI President's Message



Steve Stokey

Dear Mullet and Non-Mullet Members,

I want to take a moment to thank Tom Haag for his service as our USCTI President. Tom's knowledge of the industry, engagement with members, and leadership of the Institute was a pleasure to witness and will be a hard act to follow. As he rides his Hoverboard into the sunset as your president, I know you will join me in thanking him for his service! Your next question may be, "What can we expect from the new leadership team?" My answer ... "The major changes will be visual." Out are the Dave Povich/Tom Haag "mullets" and in are a new group of "follicly-challenged" leaders. We will do our best to make you proud!

As we look forward to 2016, I have to quote our old friend Slim Pickens who asked, "What in the Wide, Wide World of Sports is going on here?" We were optimistic about a great 2015 that never seemed to materialize. Most of our economist friends openly admitted they did not see the drop in oil prices coming and thus "recalculated" their forecasts. This left most of our industry picking up the pieces of our shredded business plans. Such is the life of a cutting tool company! Hang in there and enjoy the ride!

To soothe your wounds or celebrate your successes, we are going to whisk you away to Hawaii in April for your World Cutting Tool Conference. Our Programs Committee has put together a tremendous group of speakers that will both inspire and educate you. You will have the opportunity to meet and network with your peers from around the globe in a beautiful setting. It is the Institute's plan for you to come out of this meeting tanned, rejuvenated and armed with the tools necessary for our members to have a very prosperous 2016.

We look forward to seeing you there!

Aloha,
Steve Stokey

Statistics Committee Update

Dear Statistics Junkies,

2015 was a transformational year for USCTI statistics. Our statistics committee did a complete review of the categories to make sure they were up to date for today's cutting tool market. We are one year into the launch and the committee is auditing how the changes are working. We are sure you have received the latest request from us to audit your own data to verify you are reporting in the correct categories. We ask that you meet with your team, review the updated categories and make the changes that guarantee we have the most accurate data possible for our industry.

Last year we also launched our collaborative statistics program with the Association of Manufacturing Technology (AMT) to gain a larger picture of the cutting tool market. The collaboration between USCTI and AMT has raised the profile of both organizations. The monthly press release is being referenced by national media.

What is new in 2016?

2016 has us working on several new reports. Our Hard Surface Coating members are developing a report to help us better understand the how coatings are being used in our industry. You will soon be receiving a request for your 2015 regrind information to help members understand the units and dollars of tools being regrind.

Time to hit the reset button

The Economic Census on Manufacturing's benchmarking data is updated every five years, so the Institute decided to move with the census reporting to update our information on a schedule one release behind the government's. This means you are receiving a request to update your data back to the 2012 reporting year.

Timeliness of reporting

I would be remiss if I didn't bring up how important it is that you provide the Institute with timely reporting. We need you to submit your data by the 15th of the month. The later you report, the bigger the delay in the Institute distributing the information. Again, please emphasize how important timely reporting is to your staff.

Changes on the committee

There are personnel changes happening within the committee. Johan Israelsson from Sandvik Hyperion is taking over as the Chairman. Johan brings a fresh set of leadership eyes to the team. We are also fortunate to have Steve Boyer of Alvord-Polk and Mike Billiel from Star Cutter joining the team. Please join me in welcoming these fine gentlemen to the committee!

We also formed a Joint Statistics Committee with AMT. The Joint Committee has Mathias Barlat from Kennametal, Mick Armstrong from Micro100 and me. The AMT members are Costikyan Jarvis from Jarvis Cutting Tools, Chris Kaiser from Big Kaiser and John Israelsson from Sandvik Hyperion.

As always, we welcome your input as to how we can make statistics more meaningful to your business. Contact us with any questions or suggestions.

Sincerely,
Steve Stokely
Statistics Committee Chair

New Member Companies:

We extend a warm welcome to our newest member companies:

[G.W. Schultz Tool Inc.](#)
[Mapal, Inc.](#)
[West Ohio Tool](#)

Technical Committee Update

Over the last six months, the Technical Committee completed a new Solid Carbide Drill Standard NAS988, which was published in August 2015. In addition to NAS937, Drills, Double Margin Stepped High Speed and Cobalt, 1/8" Thru 1/2", was published in December 2015.

The focus for 2016 is the scoping of a new Solid Carbide End Mill Standard (by end of January 2016) and revisions of NAS897 (Reamers, Chucking 0.0469 Inch Thru 1.5000 Inches), NAS898 (REAMERS, SOLID CARBIDE, RIGHT-HAND CUT, .1250 THROUGH .7500), and NAS965 (Drills, High Speed Steel, Threaded Shank 1/16 inch thru F), which are expected to be completed by Summer 2016. The development of Solid Carbide End Mill Standard should be published in 2017. The next face-to-face meeting of the working group will be in Washington D.C. from October 12-13.

Current Standards:

NAS907	Drills, High Speed Steel 1/16" Thru 1/2"	3/1/1955	2/27/2015
NAS937*	Drills, Double Margin Stepped High Speed and Cobalt, 1/8" Thru 1/2"	6/1/1959	12/18/2015
NAS965	Drills, High Speed Steel, Threaded Shank 1/16 inch thru F	11/1/1963	7/31/2014
NAS986	End Mills, Finishing, High Speed Steel .125" Thru 3.000" Diameter Rev. 3	2/1/1973	3/1/2001
NAS988	DRILLS, CARBIDE, DOUBLE-MARGIN, 1/8 INCH THRU 1 INCH	8/31/2015	8/31/2015
NAS897	Reamers, Chucking 0.0469 Inch Thru 1.5000 Inches	8/1/1985	6/29/2012
NAS898	REAMERS, SOLID CARBIDE, RIGHT-HAND CUT, .1250 THROUGH .7500	1/31/2014	1/31/2014

*New in December 2015.

The USCTI Technical Committee is made up of 26 member companies. Active USCTI members on the AIA Working Group consist of Phil Kurtz, Wetmore Tool & Engineering Co.; Steve Boyer, Alvord-Polk Inc.; Ray Moring, Greenfield Industries, Inc.; and the Committee's Chairman, Al Choiniere, Superior, Inc.

We Need Your Ideas

The USCTI Technical Resource Center has been updated on the new website, and 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 send your ideas and input to uscti@uscti.com. Additional white papers would be welcome and are much appreciated.



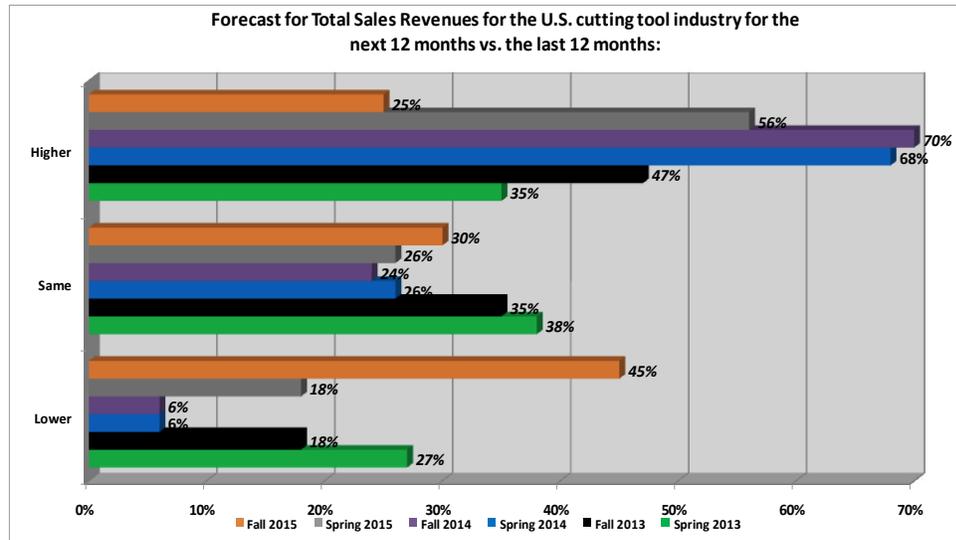
Fall 2015 Business Industry Outlook Survey Results

More than half of USCTI members participated in the Fall 2015 Business Industry Outlook Survey. Only 25% of respondents indicated that sales revenue forecast for the next 12 months vs. the last 12 months would be higher, compared to 70% in the fall of 2014. The member company sales revenue for the most recent quarter this year vs. last year was also down from fall 2014 and spring 2015.

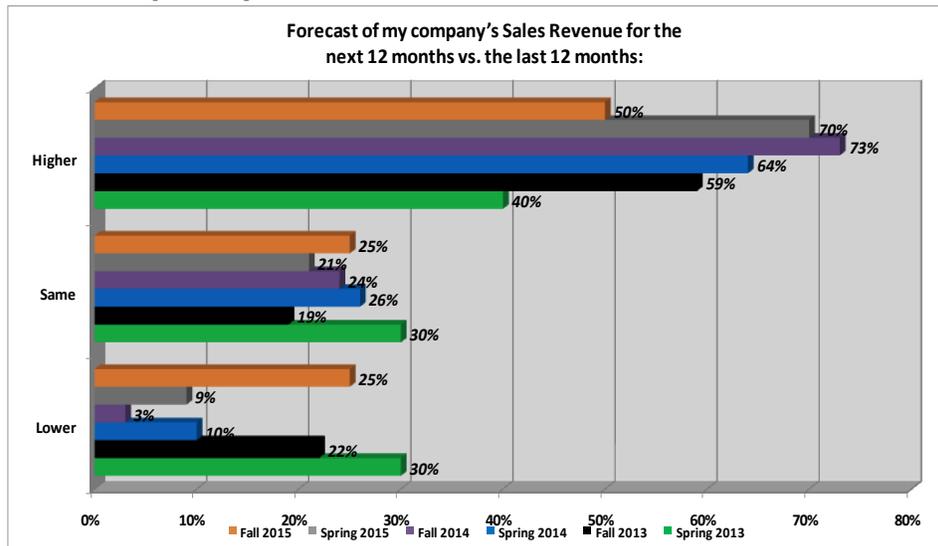
The PowerPoint presentation of the survey results is available to all members through the [USCTI Secure Virtual Office](#).

To access the documents referenced in the Cutting Tool Informer, log on to the [USCTI Secure Virtual Office](#) (SVO), using your unique username (email) and password. Passwords are case-sensitive. If you have forgotten your password, click on the "Forgotten Password?" link and you will receive an email with your login information. Or, contact the USCTI office for assistance.

Industry Forecast



Company Forecast



USCTI Contacts

Email: uscti@uscti.com
Phone: 216-241-7333
Fax: 216-241-0105

Susan Orenga
sorenga@thomasamc.com
Ext. 7745

John Addington
jaddington@thomasamc.com
Ext. 7732

Jenn Boyle
jboyle@thomasamc.com
Ext. 7742



Fall 2015 Institute Meeting

Over 100 people attended the Fall Institute Meeting at the Meritage Resort in Napa Valley, where members and spouses enjoyed a once-in-a-lifetime presentation from keynote speaker John O'Leary, who spoke of overcoming almost impossible obstacles.

Attendees enjoyed much of what Napa had to offer on a beautiful fall weekend, including visiting smaller boutique wineries on a relaxing tour of the region and an evening at Artesa winery, with sweeping views of the valley and tours of the winemaking facility.

Spouses attended a wine pairing class on the veranda and enjoyed samples of Trinitas wines, with appetizers to match. The weekend closed with a farewell reception in the resort's spectacular wine cave.

The meeting's program also included presentations from Bill Strauss, about the future of the manufacturing economy; Mary Owens, on the effect of the international oil market on the cutting tool industry; and Dave Burns, discussing the possibilities of 3D printing.

Fall of 2015 brought to a close Tom Haag's term as



USCTI President, and welcomed a new slate of officers: Steve Stokey, President; Phil Kurtz, Senior Vice President; and Bret Tayne, Vice President.

To view the Fall 2015 Meeting Program and photos, please visit the USCTI website or click [here](#). To view speaker presentations, please log into the [USCTI Secure Virtual Office](#).

Future Meeting Dates

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

2016 World Cutting Tool Conference

April 9-12
Fairmont Orchid
Big Island, Hawaii
www.wctc2016.com

2016 Fall Meeting

October 15-17
Omni Royal Orleans Hotel
New Orleans, Louisiana



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Cutting Tool Informer

1300 Sumner Ave.
Cleveland, Ohio 44115
phone: 216.241.7333
fax: 216.241.0105
email: uscti@uscti.com
www.uscti.com

Fall Meeting Survey Provides Recommendations for Future Meetings

In the recent post-event survey, USCTI members were asked to identify presentation topics for future meetings. Recommendations included trends in the industry, changes in technology, automotive and aerospace industry updates, among many others. The Programs Committee will continue to source speakers based on your feedback.

Thank you again for your responses. We look forward to learning more about your needs in the next survey!

Protect the Knowledge and Relationships that Make Your Business Valuable

By *Matthew Roberts, Partner*
BakerHostetler

A key employee leaves. She takes a job with your top competitor. With what she knows — and who she knows — she could undercut your pitches and take some of your biggest clients. If she's not stopped, it could put your entire business at risk. Are you sure your company is fully protected?

All businesses invest time and resources to keep their property safe. It comes naturally. You lock the doors. You install a security system. You track your inventory. You might even hire security guards to monitor who comes and goes.

But many companies don't do enough to safeguard the information and relationships that really make them successful. It's not always easy to know what to protect. And it's not always clear how to protect it. The right nondisclosure, non-solicitation, and non-competition agreements can be critical to the success — or even the survival — of your business.

Are your confidentiality policies and agreements up to date and tailored to the specific needs of your business?

One of the most common HR mistakes is relying on boilerplate or “cookie cutter” confidentiality policies. To be effective and meet your goals, confidentiality policies and agreements have to be tailored to the specific needs of your business. That means carefully working through what information and relationships you need to protect, what types of competition you need to prevent, and how your employees will react. It also means staying diligent and revisiting your policies and agreements on a regular basis to make sure your business is safe.

Are you protecting the knowledge and information valuable to your company?

It's a common myth that only highly sensitive trade secrets like chemical formulas or top-secret customer lists can be protected. That's usually not the case. Your company has the right to protect any information that's helpful to your business and not generally known to the public. That could include business plans. It could include any sales methods or techniques your company developed over the years. It could include marketing strategies, spreadsheets, or internal presentations. Anything valuable to your business and not in the public domain should be protected.

Is your information protected by nondisclosure agreements?

After deciding what information your company needs to protect, the next step is developing or reworking nondisclosure agreements. Nondisclosure agreements stop employees from using or disclosing confidential information outside the company. These agreements should describe any specific information your company considers confidential, while remaining broad enough to include information you might not anticipate. They should also require employees to return any confidential information when they leave.

To keep nondisclosure agreements enforceable, your company should implement procedural safeguards to make sure confidential information isn't accidentally made public. For example, whenever possible, confidential information should be marked. Rather than storing information on general servers open to all employees, access should be limited to those who need it to perform their duties. And any electronic information should be stored on a network with password protection.

Are relationships important to the success of your business?

Most companies spend a lot of time and energy building relationships. Your company probably has important relationships with customers, prospects, vendors, employees, and other key business partners in the industry. If so, consider protecting those relationships with non-solicitation agreements.

The right nondisclosure, non-solicitation, and non-competition agreements can be critical to the success — or even the survival — of your business.

Non-solicitation agreements typically restrict former employees from continuing to do business with customers for a reasonable time after their employment ends. They can also restrict continued solicitation of prospects, vendors, employees, referral sources, or other key contacts. To make sure your company is fully protected, non-solicitation agreements should be tailored to protect the contacts and relationships most important to your business.

Do employees know too much to compete against your business on a level playing field?

Sometimes nondisclosure and non-solicitation agreements aren't enough. When employees know too much, they can give your competitors an unfair advantage even without disclosing confidential information or soliciting customers. Non-competition agreements are often the only reliable way to level the playing field.

Non-competition agreements restrict employees from competing against the company for a reasonable time after they leave, normally within a particular geographical area. The scope of the restrictions should be tailored to the employee's role and responsibilities, and it's important to explain what types of businesses you consider competitive. While a boilerplate agreement could get struck down as unreasonable or vague, a judge is more likely to enforce a non-competition agreement tailored to the specific needs of your business.

Are you prepared to enforce the nondisclosure, non-solicitation, and non-competition agreements that protect your business?

When a key employee leaves without honoring contractual commitments, employers can face difficult decisions. Enforcing a nondisclosure, non-solicitation, or non-competition agreement can be disruptive and expensive. But not enforcing these agreements can have unintended consequences down the road. For example, a company may decide not to enforce a non-competition agreement against a sales executive who isn't perceived as much of a threat. What happens when another sales executive leaves for the same competitor and takes the company's biggest client? Some judges don't allow employers to selectively enforce non-competition agreements against some employees, but not others in the same role. Before deciding whether or not to pursue a potential violation, consider the big picture implications.

Is your business fully protected?

Preventing unfair competition and protecting confidential information isn't easy. It takes time, focus, and careful planning. Even sophisticated companies often fall short of ensuring their information and relationships are fully protected. Roles and responsibilities change, and the knowledge and contacts that are important to the success of the business evolve over time. It's challenging to stay ahead.

But when a key employee jumps to a competitor, it's often too late. Boilerplate agreements that haven't been updated or reworked can put your business at risk and jeopardize knowledge and relationships that took years to develop. On the other hand, up to date agreements tailored to your specific needs can stop unfair competition and protect your business.

If your business relies on knowledge and relationships to succeed, make sure your interests are protected before things go wrong. In this area, an ounce of prevention really is worth a pound of cure.

Special Thanks to Our 2016 USCTI Meeting Sponsors



3M Abrasive Systems

Troy Heuermann
Business Manager - Superabrasives
Phone: 651-736-5459
twheuermann1@mmm.com
<http://www.3m.com>



Beamer Laser Marking Systems

Brian Bittner
Sales Manager
Phone: 810-471-3044
info@beamerlaser.com
<http://www.beamerlasermarking.com>



Blaser Swisslube

Uli Kuster
Applications Manager - Grinding
Phone: 845-294-3200; Ext. 214
u.kuster@blaser.com
<http://www.blaser.com>



Bohler Uddeholm

Art Smoljan
Vice President - Specialties Sales
Phone: 630-754-4114
art.smoljan@bucorp.com
<http://www.bucorp.com>



Ceratizit USA

Tim Tisler
President
Phone: 586-759-2280
tim.tisler@ceratizit.com
<http://www.ceratizit.com>



Cutting Tool Engineering Magazine

Don Nelson
Publisher
Phone: 847-714-0173
dnelson@jwr.com
<http://www.cuttingtoolengineering.com>



Griggs Steel Company

Mark Mullen
President
Phone: 800-521-1410
griggssteel@griggssteel.com
<http://www.highspeedsteel.com>



Haimer

Drew Strauchen
Vice President of Marketing and Business Development
Phone: 630-833-1500
drew.strauchen@haimer-usa.com
<http://www.haimer-usa.com>



HB Carbide

Mark Parillo
Director of Marketing
Star SU LLC
Phone: 248-442-3137
mparillo@star-su.com
<http://www.star-su.com>



MachiningCloud

Anita Shum
Senior Marketing Manager
Phone: 805-437-4171, Ext. 149
anita.shum@machiningcloud.com
<http://www.machiningcloud.com>



Mitsubishi Materials USA Corp.

Travis Timian
Senior Account Representative – Engineered Carbide Products
Phone: 714-352-6153
ttimian@mmus.com
<http://blank.mitsubishicarbide.com>



Plasel Plastic Ltd.

Ilan Hacothen
USA Sales Manager
Phone: +9 50 5446182
ilan@plasel.com
<http://www.plasel.com>



Platit Inc.

Bo Torp
President
Phone: 847-680-5270
b.torp@platit.dk
<http://www.platit.com>



Rollomatic Inc.

Eric Schwarzenbach
President
Phone: 847-281-8550; Ext. 275
eschwarzenbach@rollomaticusa.com
<http://www.rollomatic.ch>



Transor Filter USA

Irvin L. Kaage, III
President
Phone: 847-640-0273
ikaage@transorfilter.com
<http://www.transorfilter.com>



Vollmer of America Corp.

Peter Allen
President
Phone: 412-278-0655 Ext. 222
p.allen@vollmer-group.com
<http://www.vollmer-us.com>