



outlook

## Smart Talk with Machine Tool Partners Takes Flight



**Daniel Cleary**

President  
Mitsui Seiki USA

The Covid-19 pandemic brought to light gaps in U.S. manufacturing and unfroze rock-steady supply chains globally. The reliance on overseas supply of critical raw materials, engine components and some special processes were exposed immediately. Additionally, the geopolitical landscape has driven work back to the U.S., creating opportunities for aerospace and defense (A&D) suppliers to reorganize their strategies to accommodate newfound opportunities.

These opportunities have introduced a fresh competitive environment, necessitating that shops aspiring to secure lucrative A&D contracts invest heavily in their production operations. Automation becomes a must, and ROI success requires trusting machine tool and automation partners.

Although sourcing parts overseas may appear cost-effective initially, it exposes businesses to potential risks arising from geopolitical issues and other crises that can significantly disrupt operations, especially when nations heavily depend on the U.S. military's strength. Therefore, it is imperative to prioritize a U.S.-based supply strategy and diversify a company's portfolio to ensure success.

The pandemic highlighted this, particularly for A&D suppliers with unbalanced portfolios focused on commercial products. To ensure alternative revenue streams, suppliers had to swiftly secure high-demand, critical military components. But, in some cases, the U.S. lacked the capacity to meet these needs, revealing supplier gaps. This emphasized the importance of establishing a robust domestic supply chain.

Engine component manufacturers that support diverse areas such as non-ground defense aircraft and ground components, tanks and satellites, intelligence space and missiles demonstrate the necessary resilience. When one market wavers, diversified shops can adapt and pick up the slack. Establishing a supply base diversification strategy allows suppliers to manufacture commodities to exact specifications, making them stand out and command higher prices.

Embracing this trend fosters an environment where smaller shops can grow and strategic players can acquire facilities

with a backlog of critical content on long-term agreements with the OEM, offering a unique advantage over competitors.

Transitioning to high-performance machine tools might seem daunting due to cost concerns, but it's essential for shops aiming to compete with larger A&D players. Meeting stringent OEM quality and cost requirements requires a focus on the machine tool, and the efficient solutions it provides.

Cost remains a critical factor in sourcing complex components, and as suppliers identify new growth strategies, the ones that invest in the right machine tools and automation will come out on top. Investing in the right equipment ensures wider opportunities, allowing collaboration with multiple OEMs and maximizing equipment utilization.

I recently visited a small shop that specializes in low-volume, high-complexity development work. The conversation initially revolved around the shop's need for a machine, but as the dialogue progressed, the company delved into specific applications such as milling, turning and grinding. By focusing on product and timing, we were able to educate them about suitable offerings, our experience and how we could accommodate the shop's unique ideas. This illustrates that solving manufacturing issues and supporting growth channels often starts with fundamental conversations, and suppliers that invest in understanding the competitive landscape and having the right machine-tool solution will thrive.

Being competitive requires strong industry partnerships and unique value propositions that necessitate smart, long-term investments in high-precision machines. Such decisions enable shops to pivot and adapt to varying customer needs.

By engaging in open communication with experienced machine tool and automation suppliers, shops can explore new possibilities and see their success skyrocket. The ability to adapt and optimize solutions for evolving customer and industry demands, such as new cutting strategies and advances in automation and robotics, ensures a competitive future for the supplier. It all begins with a simple conversation, and the possibilities that unfold are truly inspiring. ➔